



СТРАТЕГИИ НАЦИОНАЛЬНОЙ БЕЗОПАСНОСТИ США

СТРАТЕГИИ НАЦИОНАЛЬНОЙ БЕЗОПАСНОСТИ США

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В Электронном издании «Стратегии национальной безопасности США» представлены тексты Стратегий национальной безопасности США.

Документы размещены в хронологической последовательности.

*Сборник
«Стратегии национальной безопасности США»
опубликован в форме электронного издания
с целью ознакомления с важнейшими историческими документами,
отражающими деятельность руководства США
в сфере политики национальной безопасности.*

ПРЕДИСЛОВИЕ

Стратегия национальной безопасности США – это один из важнейших документов в сфере внешней и оборонной политики США, в части касающейся национальной безопасности. Стратегия национальной безопасности США представляет собой документ, в котором обозначаются приоритетные направления внутренней и внешней политики США, а также указываются основные угрозы безопасности страны и ее национальным интересам за рубежом. Стратегия национальной безопасности США имеет общий директивный характер, поэтому впоследствии ее конкретизируют другие документы – в первую очередь Национальные оборонные стратегии и Национальные военные стратегии.

В 1947 г., в условиях начавшейся «холодной войны», Конгресс США принял Закон о национальной безопасности (*National Security Act of 1947*). Подписанный 26 июля 1947 г. тогдашним Президентом США Г. Трумэн, этот закон привел к перестройке вооруженных сил США, внес существенные коррективы во внешнюю и оборонную политику США, а также привел к возникновению новых государственных органов – Министерства обороны, ЦРУ (Центральное разведывательное управление) и СНБ (Совет национальной безопасности). Последний представляет собой консультативный орган при Президенте США по вопросам внутренней, внешней и оборонной политики, касающимся сферы национальной безопасности, для решения проблем и координации действий всех основных ведомств, связанных с указанными вопросами¹. В соответствии с одним из положений Закона о национальной безопасности (1947 г.), содержащемся в статье 108, Президент США должен был представлять Конгрессу США ежегодный доклад, в котором в общих чертах обрисовывались цели, задачи политики США в области национальной безопасности, обозначались ключевые проблемы, требующие решения, а также методы и средства, с помощью которых предполагалось их решить, причем, вновь избранный глава государства должен был это делать в течение 150 дней после вступления в должность. Доклад должен был представляться в двух версиях: секретной – для чиновников и несекретной – для общественности².

Положения Закона о национальной безопасности (1947 г.) были подтверждены в 1986 г. в еще одном законодательном акте, принятом Конгрессом США – Законе о реорганизации Министерства обороны США (Закон Голдуотера – Николса)³, который стал основанием для регулярной публикации Стратегий национальной безопасности (Раздел 603)⁴.

Предусматривалось, что документ будет обновляться ежегодно. Однако на практике его пересматривали гораздо реже, как правило, раз в три-пять лет. В течение 1987-2017 гг. было разработано 17 Стратегий национальной безопасности США: в период президентства Р. Рейгана («Стратегия Национальной Безопасности Соединённых Штатов» (1987 г.),

¹ См.: National Security Act of 1947 // Public Law, 80-253. URL: <http://legisworks.org/congress/80/publaw-253.pdf>.

² Начало традиции их представления Конгрессу США положил доклад, подготовленный Президентом США Г. Трумэн в 1950 г., в котором, по вполне понятным причинам, в условиях все более раскручивающейся спирали «холодной войны», основное внимание уделялось отношениям США с СССР.

³ Закон Голдуотера – Николса получил название в честь члена Сената Б. Голдуотера (Аризона) и члена Палаты представителей У.Ф. Николса (Алабама). Был принят 20 ноября 1985 г. Палатой представителей (383 голоса за, 27 голосов против) и 5 мая 1986 г. Сенатом (95 голосов за, 0 голосов против). Подписан Президентом США Р. Рейганом 1 октября 1986 г.

⁴ См.: Goldwater–Nichols Department of Defense Reorganization Act of 1986 // Public Law, 99-433. URL: <https://www.gpo.gov/fdsys/pkg/STATUTE-100/pdf/STATUTE-100-Pg992.pdf>.

«Стратегия Национальной Безопасности Соединённых Штатов» (1988 г.), Дж. Буша («Стратегия Национальной Безопасности Соединённых Штатов» (1990 г.), «Стратегия Национальной Безопасности Соединённых Штатов» (1991 г.), «Стратегия Национальной Безопасности Соединённых Штатов» (1993 г.), Уильяма Дж. Клинтона («Стратегия Национальной Безопасности: вовлечённость и расширение» (1994 г.), «Стратегия Национальной Безопасности: вовлечённость и расширение» (1995 г.), «Стратегия Национальной Безопасности: вовлечённость и расширение» (1996 г.), «Стратегия Национальной Безопасности для нового века» (1997 г.), «Стратегия Национальной Безопасности для нового века» (1998 г.), «Стратегия Национальной Безопасности для нового века» (1999 г.), «Стратегия Национальной Безопасности для глобальной эпохи» (2000 г.), Дж. Буша-младшего («Стратегия Национальной Безопасности Соединённых Штатов Америки» (2002 г.), «Стратегия Национальной Безопасности Соединённых Штатов Америки» (2006 г.)), Б. Обамы («Стратегия Национальной Безопасности» (2010 г.), «Стратегия Национальной Безопасности» (2015 г.)) и Д. Трампа («Стратегия Национальной Безопасности Соединённых Штатов Америки» (2017 г.)).

При этом, важно подчеркнуть, что до 1987 г. в системе Совета национальной безопасности США было подготовлено более 250 секретных директив (*National Security Decision Directive*), в рамках которых разрабатывались своего рода субстратегии, предусматривающие использование широкого набора инструментов в целях укрепления национальной безопасности США.

Термин «национальная безопасность» широко используется в политическом лексиконе США¹. К примеру, в Словаре военных и специальных терминов Министерства обороны США» (2016 г.) под «национальной безопасностью» понимается совокупность оборонных (защитных) и внешнеполитических мероприятий, укрепляющих неуязвимость государства от враждебных актов или других видов внешнего вмешательства, что достигается: военным или оборонным преимуществом над любым иностранным государством или группой государств; благоприятными позициями на международной арене; военным потенциалом, способным успешно противостоять враждебным или разрушительным действиям открыто или тайно, извне или изнутри².

В свою очередь, официальная трактовка интересов США с изложением текущего состояния национальной безопасности, целей и задач в этой области, а также путей их решения находит отражение в Стратегиях национальной безопасности США, которые формируются при прямом участии высшего руководства страны, включая Президента США, однако основную роль играют советник Президента США по вопросам национальной безопасности и сотрудники Совета национальной безопасности.

Спецификой США также является и то, что связанную с национальной безопасностью проблематику активно изучают в многочисленных так называемых «мозговых трестах» (*Think tank*), представляющих собой аналитические центры, изучающие различные проблемы, относящиеся к сфере современных международных отношений: Совет по международным отношениям (*Council on Foreign Relations, CFR*), Институт Брукингса (*Brookings Institution*), Институт Катона (*Cato Institute*), RAND (корпорация), (*Research and Development*), Фонд Карнеги за международный мир (*Carnegie Endowment for International Peace*), Фонд «Наследие» (*Heritage Foundation*) и др. Эти структуры сохраняют тесную связь с федеральным правительством не только в рамках получения различных грантов и заказов (в том числе, по вопросам национальной безопасности), но и потому, что, как правило, после своей отставки туда уходят работать высокопоставленные американские политики, которые

¹ Считается, что термин «национальная безопасность» впервые употребил Президент США Т. Рузвельт в 1904 г. в послании к Конгрессу США. Тогда интересами национальной безопасности глава государства обосновал необходимость установления контроля над зоной Панамского канала.

² National Security // Department of Defense. Dictionary of Military and Associated Terms. JCS, 2016. P. 162.

благодаря своим связям в определенной степени могут влиять на принятие военно-политических решений¹.

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Документы размещены в хронологической последовательности.

В настоящей версии Электронного издания «Стратегии национальной безопасности США» представлена подборка наиболее важных документов на английском языке.

Представленные документы представлены в полном объеме.

Сборник «Стратегии национальной безопасности США» опубликован в форме электронного издания с целью ознакомления с важнейшими историческими документами, отражающими деятельность руководства США в сфере политики национальной безопасности.

¹ Савченко Е.О. Стратегия национальной безопасности США и проблемы ее реализации в современных условиях // Военная мысль. 2016. №12. С. 12-16.

1987

**Стратегия национальной безопасности
Соединённых Штатов
(Вашингтон, январь 1987 г.)**

NATIONAL SECURITY STRATEGY OF THE UNITED STATES
THE WHITE HOUSE
JANUARY 1987

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I. An American Perspective

In the early days of this Administration we laid the foundation for a more constructive and positive American role in world affairs by clarifying the essential elements of U .S . foreign and defense policy.

Over the intervening years, we have looked objectively at our policies and performance on the world scene to ensure they reflect the dynamics of a complex and ever-changing world . Where course adjustments have been required, I have directed changes . But we have not veered and will not veer from the broad aims that guide America's leadership role in today's world:

- Commitment to the goals of world freedom, peace and prosperity;
- Strong and close relationships with our Alliance partners around the world;
- Active assistance to those who are struggling for their own self-determination, freedom, and a reasonable standard of living and development;
- Willingness to be realistic about the Soviet Union, to define publicly the crucial moral distinctions between totalitarianism and democracy; and
- Seeking meaningful ways of working with the Soviet leaders to prevent war and make the world a more peaceful place.

The foundation of a sound National Security Strategy, laid in the early days of this Administration, has held firm and served us well . Our economic, political and military power is resurgent. The Western democracies are revitalized, and across the world nations are turning to democratic ideas and the principles of the free market. In all of this, the United States continues to encourage those who seek the benefits of our democratic way of life .

While the United States has been the leader of the free world since the end of the Second World War, we have not acted alone. During that war and in the succeeding four decades, our strategy has been based on partnership with those nations that share our common goals.

As the world has changed over the years, the differences between nations striving to develop democratic institutions and those following the totalitarian banner have come into sharp focus. As future changes take place in human rights, advanced technology, quality of life, and the global economy, our example will continue to exert tremendous influence on mankind . The United States is on the right side of this historic struggle and we have tried to build a lasting framework for promoting this positive change.

This National Security Strategy Report builds on the efforts of the Administration, Congress, and the American people over the past six years . But any strategy document is only a guide. To be effective, it must be firmly rooted in broad national interests and objectives, supported by an adequate commitment of resources, and integrate all relevant facets of national power to achieve our national objectives . It must provide a framework within which more specific and detailed objectives can be identified by those executive branch agencies charged with stewardship over various elements of the nation's power. And it must guide the creation of specific plans for attainment of those more detailed objectives .

For this reason, the annual presentations to the Congress by the Secretary of State and Secretary of Defense play a key role in supporting the objectives outlined in this report . In their

respective areas of Foreign and Defense Policy, they develop detailed plans of action to sustain our National Strategy, advance U.S. interests and most importantly, reduce the risk to our nation and our allies.

What follows is this Administration's effort to articulate the National Security Strategy of the United States—a blueprint for future freedom, peace, and prosperity.

II. Fundamentals of U.S. National Security Strategy

U.S. SECURITY IN A COMPLEX AND CHANGING WORLD

In the years following World War II, the United States faced, for the first time, an inescapable responsibility for world affairs. No longer protected by nearly perfect fortresses of oceans, allied with countries devastated by war, and presented with irrefutable evidence of Soviet expansionist aspirations, the United States shouldered the dual burden of facilitating the restoration of a world economic order and arresting the spread of the Soviet Union's peculiar brand of totalitarianism and communism.

The United States responded to the threats posed by Moscow with a policy of containment. Containment, as a strategy for world peace, entailed three distinct elements.

The first element, U.S. defense policy, involved forward deployment of military forces as necessary to deter and contain Soviet military expansion. In practice, this meant keeping, for the first time in our history, large military formations on the soil of allies in Western Europe and East Asia. As Soviet nuclear weapons delivery systems grew, it also required a large strategic force, to augment the deterrence provided by the conventional forces of the United States and its allies. Thus our military security system rested primarily on two strategic zones, Europe and East Asia, backed by our nuclear deterrent forces.

The second element, U.S., international economic policy, involved economic recovery programs for Western Europe and Japan. It also required U.S. leadership in establishing and managing the international monetary system, and encouraging regional and global free-trade agreements.

The third element, U.S. policy toward the Third World, included both economic and security assistance. It also had a profound political component: decolonization, self-determination, and support for the evolution toward democracy. The Soviet Union opposed us in the Third World with a policy of "wars of national liberation" through which they sought to exploit the instability of emerging nations to establish Marxist-Leninist regimes based on the Soviet model.

The three postwar decades witnessed important successes for our National Strategy. World war was avoided. Europe and Japan regained their prosperity, with the help of massive U.S. assistance, and most of the Third World was decolonized. Containment, however, was an expensive policy. But because the United States had the lion's share of the developed world's economic power, we could carry the burden.

The postwar era came to an end during the 1970s. The causes of its demise were threefold. First, the success of U.S. economic policies in Europe and East Asia dramatically changed the distribution of wealth and power within our alliance systems. The United States no longer had an overwhelming economic position vis-à-vis Western Europe and the East Asia rimland. And our success in deterring Soviet military aggression in these two strategic zones created growing public belief that direct Soviet aggression in these two regions had become less likely.

Second, the Soviet military buildup and the projection of Soviet power into Cuba, Nicaragua, the Middle East, Southeast and Southwest Asia, and Africa required changes in strategy for implementing our containment policy. Particularly significant was the Soviet Union's attainment of strategic nuclear parity with the United States.

Third, the political awakening in the Third World created civil wars and regional conflicts that threatened to draw the United States and the Soviet Union into direct military confrontations. And economic developments, particularly in the energy area, contributed to political instability and caused destabilizing effects in the international monetary system.

In such a significantly different world, the foundations of strategic planning had to be reconsidered. U.S. military superiority in strategic forces no longer exists and the continued growth of Soviet military capabilities applicable to Europe, the Persian Gulf, and other important areas, pose a continuing threat to regional security.

Today it is more important than ever before that our National Security Strategy be based on a solid understanding of U.S. interests and objectives and a realistic approach to dealing with the Soviet Union and other threats to U.S. security.

U.S. INTERESTS

U.S. National Security Strategy reflects our national interests and presents a broad plan for achieving the national objectives that support those interests. The key national interests which our strategy seeks to assure and protect include :

- 1 . The survival of the United States as a free and independent nation, with its fundamental values and institutions intact .
2. A healthy and growing U.S. economy.
3. The growth of freedom, democratic institutions, and free market economies throughout the world, linked by a fair and open international trading system.
4. A stable and secure world, free of major threats to U.S. interests.
5. The health and vigor of U.S. alliance relationships .

MAJOR OBJECTIVES IN SUPPORT OF U.S. INTERESTS

U.S. national security objectives are statements of broad goals which support and advance national interests . As such, they are not intended to be applied mechanically or automatically, but constitute a general guide for policy development in specific situations which call for the coordinated use of national power. The principal objectives which support our national interests are:

- 1 . To maintain the security of our nation and our allies. The United States, in cooperation with its allies, must seek to deter any aggression that could threaten that security, and, should deterrence fail, must be prepared to repel or defeat any military attack and end the conflict on terms favorable to the United States, its interests, and its allies .

Specifically :

- To deter hostile attack of the United States, its citizens, military forces, or allies and to defeat attack if deterrence fails.
- To maintain the strength and vitality of U.S. alliance relationships.
- To deal effectively with threats to the security of the United States and its citizens short of armed conflict including the threat of international terrorism .
- To prevent the spread of nuclear weapons .
- To reduce over the long term our reliance on nuclear weapons by strengthening our conventional forces, pursuing equitable and verifiable arms control agreements, and developing technologies for strategic defense.
- To assure unimpeded U.S. access to the oceans and space.
- To prevent the domination of the Eurasian landmass by the USSR (or any other hostile power, or coalition of powers) .
- To force the Soviet Union to bear the brunt of its domestic economic shortcomings in order to discourage excessive Soviet military expenditures and global adventurism .
- To foster closer relations with the People's Republic of China .

- 2 . To respond to the challenges of the global economy. Economic interdependence has brought tremendous benefits to the United States, but also presents new policy problems which must be resolved . Since our resource dependence has grown, the potential vulnerability of our supply lines is an issue of concern . Although continuing U.S. economic growth is helping lift the world out of recession, economic slowdown continues in many countries . We must devote attention to critical global problems, which if unresolved or unattended, may affect U.S. interests in the

future . Many of these problems such as Third World debt, the international narcotics trade, and growing protectionism are currently having an impact on U.S. interests.

Specifically :

- To promote a strong, prosperous and competitive U.S. economy, in the context of a stable and growing world economy.

- To ensure U .S. access to foreign markets, and to ensure the United States and its allies and friends access to foreign energy and mineral resources .

- To promote a well-functioning international economic system with minimal distortions to trade and investment, stable currencies, and broadly agreed and respected rules for managing and resolving differences .

3. To defend and advance the cause of democracy, freedom, and human rights throughout the world . A foreign policy that ignored the fate of millions around the world who seek freedom would be a betrayal of our national heritage . Our own freedom, and that of our allies, could never be secure in a world where freedom was threatened everywhere else .

Specifically :

- To promote the growth of national independence and free institutions throughout the world .

- To encourage and support aid, trade, and investment programs that promote economic development and the growth of free and humane social and political orders in the Third World .

- To encourage liberalizing tendencies within the Soviet Union and its client states .

4. To resolve peacefully disputes which affect U .S. interests in troubled regions of the world . Regional conflicts which involve allies or friends of the United States may threaten U .S . interests, and frequently carry the risk of escalation to a wider conflict . Conflicts, or attempts to subvert friendly governments, which are instigated or supported by the Soviets and their client states, represent a particularly serious threat to U .S. interests.

Specifically:

- To maintain stable global and regional military balances vis-avis the USSR and states aligned with it .

- To aid threatened states in resisting Soviet or Sovietsponsored subversion or aggression .

- To eliminate, where possible, the root causes of regional instabilities which create the or risk of major war.

- To neutralize the efforts of the Soviet Union to increase its influence in the world and weaken the links between the USSR and its client states in the Third World .

- To aid in combatting threats to the stability of friendly governments and institutions from insurgencies, state-sponsored terrorism and the international trafficking of illicit drugs .

5. To build effective and favorable relationship`s with all nations with whom there is a basis of shared concern . In the world today, there are over 150 nations . Not one of them is the equal of the United States in total power or wealth, but each is sovereign, and most, if not all, touch U.S. interests directly or indirectly .

Specifically:

- To support the formation of associations of states friendly to U .S. interests using the full range of diplomatic, political, economic, and informational efforts.

- To make major international institutions more effective in promoting peace, world order and political, economic and social progress .

- To explore the possibility of improved relations with those nations hostile to us in order to reduce the chance of future conflict .

- To strengthen U.S. influence throughout the world .

Our National Security Strategy must be resolute in supporting U .S. interests and objectives . It must also take into account the many threats and instabilities of today's complex and changing world .

PRINCIPAL THREATS TO U.S. INTERESTS

The most significant threat to U.S. security and national interests is the global challenge posed by the Soviet Union. While only a handful of people in the Politburo can claim with any confidence to know the Kremlin's precise near-term, tactical plans, the long-term strategic direction of Soviet foreign policy is clearer. Motivated by the demands of a political system held together and dominated by Marxist-Leninist ideology and the political party which represents it, Moscow seeks to alter the existing international system and establish Soviet global hegemony. These long-range Soviet objectives constitute the overall conceptual framework of Soviet foreign and defense policy.

Fundamental differences in economic, social, and political beliefs and objectives lead to an essentially adversarial relationship between the United States and the Soviet Union. The two sides nevertheless share the common goal of avoiding direct confrontation and reducing the threat of nuclear war. The real challenge for American statecraft is how best to realize this commonality of interests, so as to preserve peace, without jeopardizing our national security or abandoning our commitment to the cause of freedom and justice.

To execute its expansionist policies, the USSR has perpetuated a domestic political system of centralized totalitarian control and mobilized and organized this system to support its international objectives. Internationally, the Soviets have continued to assist groups waging so-called wars of "national liberation" sponsor with arms and military training international terrorist groups, promote and exploit regional instabilities and conduct an aggressive and illegal war in Afghanistan. In numerous other places around the globe, Soviet advisors and combat troops have also engaged in conduct in violation of international agreements.

The Soviets have undertaken an unprecedented military buildup that poses a continuing threat to the United States and our allies. The Soviet leadership clearly attaches the greatest importance to its military strength which has been the most significant source of the USSR's influence on the international scene. For decades the Soviet Union has allocated a disproportionate percentage of national income to the buildup of its military forces. It now has a uniformed military of more than five million (excluding more than one million border guards and other security forces). It is estimated that military expenditures currently absorb 15-17 percent of the total Soviet GNP.

Soviet military power permits Moscow to provide a strong defense of the homeland while facilitating direct and indirect participation in regional conflicts beyond Soviet borders. Furthermore, Soviet military resources increasingly are used to influence and broker the policies of other countries and to promote instability.

The evidence of the relationship between the Soviet Union and the growth of worldwide terrorism is now conclusive. Even though the Soviet Union does not have direct control over most of the terrorist groups, it supplies massive amounts of arms, money, and advisory assistance to revolutionary forces engaged in terrorist activities. The Soviets attempt to disguise such support by using middle men-radical governments such as Cuba, North Korea, Nicaragua, Syria, and Libya, which deal directly with radical terrorists and insurgents. Whether Moscow is providing support directly or indirectly, the ultimate targets of radical terrorism are the United States, Western Europe, Japan, and other moderate, pro-Western governments.

The Soviet Union in recent years has become much more sophisticated in wielding the instruments of national power. Despite significant weaknesses in the Soviet economy, the Politburo actively employs economic instruments in its global strategy. It uses trade with the West to obtain economic leverage, technology, and foreign exchange. The acquisition of military-related advanced technology through legal and illegal means, is especially important to the Soviets, to shorten weapon development times, reduce costs, and to compensate for the weakness of the Soviet economy. Acquisition of production technology is equally important to the Soviets, to improve the efficiency of their defense industry. Access to Western manufacturing equipment, processes, and know-how has enabled Soviet defense plants to introduce some advanced weapons into production up to five years earlier than would have been otherwise possible. The Soviets also attempt to obtain

long-term economic agreements which build relationships of dependency on the USSR (e.g., those relating to the supply of energy resources to Western Europe) .

In addition, the Soviets have established a massive political influence apparatus. This apparatus includes the world's largest propaganda machine, incorporating overt and clandestine activities in all types of media ; funding and support of foreign communist parties and front organizations; political and ideological indoctrination of foreign students, government officials, terrorists, and military personnel ; and perceptions management of foreign visitors to the USSR . It includes separate efforts to conduct "active measures," including disinformation, forgeries, the use of political agents of influence, and other deceptive operations .

While the Soviets cannot be branded as instigators of all revolutionary movements, their strategy clearly is to exploit domestic vulnerabilities in foreign countries to promote the emergence of regimes under Soviet influence or control . All this is accomplished under the rubric of "peaceful coexistence" with the United States and the West, defined as a continuing contest in which all forms of struggle are permissible short of all-out war .

While we remain properly concerned with the Soviet threat, we must not neglect other destabilizing international threats and problems which can seriously damage U.S. interests if not properly addressed . These include non-communist nations with oppressive governments and ideologies opposed to ours ; international economic concerns of massive world debt, trade imbalances, and shifts in comparative advantage in our interdependent global economic system ; the global population explosion and related food, water, and poverty problems ; the proliferation of nuclear weapons ; drug trafficking; and human rights violations, to name only a few.

An additional threat, which is particularly insidious in nature and growing in scope, is international terrorism-a worldwide phenomenon that is becoming increasingly frequent, indiscriminate, and statesupported . Terrorism is likely to be a prominent feature of the international landscape for the remainder of this century. It directly attacks our democratic values, undermines our diplomatic efforts for peaceful solutions to conflicts, and erodes the foundations of civilized societies. Effectively countering terrorism is a major national security objective of the United States.

A solid understanding of our national interests and objectives, against the backdrop of major threats to those interests, is essential to devising sound strategies . The next two chapters will discuss the principal elements of our foreign and defense policies, and the ways in which they contribute to the achievement of national security objectives. The effective integration of our foreign and defense policies provides the foundation for our National Security Strategy.

III . U.S. Foreign Policy

CONTINUITY OF BASIC GOALS

Our foreign policy reflects the basic thrust of our National Security Strategy-the promotion of our democratic way of life . History has shown us repeatedly that only in democracies is there inherent respect for individual liberties and rights . In the postwar world, democracies have also exhibited extraordinary economic vitality. With their more flexible economies, democracies have continued to demonstrate the efficiency and dynamism necessary to maintain strength in a complex and difficult international economic environment.

If we are to achieve the kind of world we all hope to see, democracy must continue to prosper and expand . Today, in a number of countries in varying stages of economic development, democracy is growing stronger. The United States must be a beacon for democracy. Unfortunately, many in the world are prevented from seeing our beacon . For many more, it has been distorted ; and still others, who are able to see it and are inspired by it, need help in the form of practical assistance .

We have provided assistance before-in postwar Western Europe and Asia-and we must again . What we helped achieve in those areas constitutes one of the most remarkable, positive chapters of recent history. Our support for democracy should not be hidden ; it must be active and visible .

Active support of democratic forces in the past two decades has demonstrated the value of this legitimate and important activity. The substantial support provided by West European democratic parties significantly aided the successful drives of democratic movements in Spain and Portugal .

We are interested in assisting constructive change which can lead to greater political stability, social justice, and economic progress . Change must come from within, following a path dictated by national and local traditions . In some instances, assistance and guidance is better provided by other democracies or multilaterally. Patience, respect for different cultures and recognition of our own limitations must guide our effort .

INSTRUMENTS OF FOREIGN POLICY

The United States has an exceptionally diverse array of tools for protecting its international interests and for supporting the drive toward democracy across the globe. It is possible that no other nation has ever been comparably endowed . These instruments are normally most effective when used in concert with others . All of them must be adapted to changing situations. The resurgence of our national strength in this decade has been broadly based . It will endure into the next decade only if we protect this base and ensure that the tools available to us are properly sustained and effectively used . The separate, but interrelated tools on which the success of our foreign policy depends are :

Moral and political example . American spirit and prosperity represents a critical challenge to the ideology and the practical record of our adversaries free, pluralist societies work . This power of example represents a potent advantage of American society, but we should not leave its expression to chance. It is in our interest to spread this message in an organized way.

Military strength and economic vitality . A strong U.S. military capability is essential to maintaining the stable, secure environment in which diplomacy can be effective and our adversaries are deterred . America's economic power sustains this strength and fortifies our relations with the other countries that share our interest in a free and open international order.

Alliance relationships. The pursuit of American goals depends on cooperation with like-minded international partners . This relationship enhances our strength and mitigates the understandable reluctance of the American people to shoulder security burdens alone. The predictable difficulties that arise from time to time in all alliance relationships must be measured against the enormous value that these ties bring us and our friends .

Security assistance. By helping friends, allies, and those targeted by our adversaries acquire the means to defend themselves, we limit the potential of our own involvement in dangerous conflicts . Security assistance abroad is productive investment in our own security. It aids deterrence, promotes regional stability, helps to ensure access to vital overseas military facilities, and lessens our own military requirements. Resolute use of this valuable foreign policy tool directly promotes our security interests .

Economic assistance. In the decades since World War II, America has contributed nearly \$200 billion to the economic development of other countries . These financial resources have played a vital role in ensuring critical U .S . objectives are met. A well structured economic assistance program provides essential support for our world leadership position .

Trade policy. The impact of economic assistance is maximized when it is matched by a sound trade policy that facilitates the best use of our assistance . Moreover, a trade policy that aggravates the economic difficulties of others may only increase the need for future American assistance. Adherence to the principles of an open and fair world trading order ensures that countries acquire the economic strength to stand on their own feet, and contributes to our own well-being through mutually beneficial trade . Security considerations will sometimes require restrained trade and allied cooperation to prevent enhancing the military capabilities of our adversaries .

Science and Technology Cooperation . For most countries, access to advanced scientific and technological resources is critical to prosperity and long-term economic growth . U .S. world leadership and vast resources in science and technology constitute important strategic assets to

strengthen existing ties with friends and allies, and promote positive relationships with emerging nations .

Private investment in developing economies . The free flow of international investment is as central to global economic growth as an open trading order. U.S . private investment in less developed countries contributes significantly to their economic growth and promotes social stability. At a time when developing countries are striving to meet their debt-servicing obligations and the resources of our national budget are under pressure, the contribution of private-sector investment assumes increased importance .

Diplomatic mediation. In regions where conflict threatens our interests and those of our friends, political efforts are essential to ending violence, promoting freedom and national self-determination, and laying the foundations for future stability. The initiatives of American diplomacy take their strength from effective and integrated use of the other tools already discussed, and from the ability of U .S . representatives to act credibly as mediators of disputes. Making clear the firmness of our commitments to friends and allies will, in fact, increase the incentives of their adversaries to negotiate seriously.

International Organizations . Multilateral diplomacy and participation in international organizations provide an opportunity to address common global problems and share the task of solving them . Skillful U .S . diplomacy within these organizations has served to enhance our overall goals on issues such as peacekeeping, promotion of human rights, and encouraging the development of free economic and political systems.

Support for Freedom Fighters . The tools of foreign policy must encompass the special needs of those who resist the Soviet-style regimes implanted in Third World countries in the 1970's and 1980's. America has a long history of private and government support to groups seeking national independence and freedom . This is a vital and important effort, as aggressive Marxist-Leninist regimes clearly threaten international peace and stability. We seek to advance the cause of freedom and democracy, and to demonstrate to the Soviets that their actions aimed at spreading Marxist-Leninist totalitarianism will bring them no enduring gain .

INTERNATIONAL ECONOMIC POLICY

The United States supports market-oriented policies that foster economic growth, both domestically and internationally. The economic growth of the United States is the cornerstone that ensures our strength and permits human potential to flourish . Our policies of economic growth have provided the underlying base of support for the most important element in our National Security Strategy in the past six years-the revitalization of U.S. military power. The dynamic growth of the U .S. economy is the envy of much of the world . We are now working in this country to rebuild American productivity, sustain our scientific and technological leadership, make the most of our human potential, and move into the 21st century with an even more efficient, capable and competitive American economy. Our nation will achieve these goals with hard work, determination, and a commitment to the revitalization of American industry.

The United States places reliance on private enterprise and initiative. This philosophy leads to higher living standards and concern for the economic advancement of the individual . Our National Security Strategy in the international economic area seeks to support and promote market-oriented economic policies which will maximize economic opportunity and individual welfare .

It is important to understand why we stress private enterprise as the basis of our international economic policy. This is one of the prime areas in which the United States-and the free world generally-differ in all respects from the communist world . The Soviet economic model is characterized by the ineffectiveness of the centralized command economy, the failure of collective enterprises, and the inability to provide adequate standards of living for the mass of Soviet citizens . The Soviet model of economic organization does not work and will not work.

Under the leadership of General Secretary Gorbachev, the Soviet Union has announced that it is attempting fundamental reforms in the management of economic policy. Recently, Gorbachev

invited the Western private sector, and U.S. business leaders in particular, to develop a long-term stake in the future of the Soviet economy. In light of this Soviet initiative, we need to ask ourselves what kind of Soviet Union we wish to see in the next twenty or thirty years. Clearly, we can affect the outcome only at the margin. But we should not ignore new opportunities for increasing economic interaction between our two societies. Greater economic freedom for the Soviet people is in the interest of the West as long as it does not foster greater Soviet investment in military capability.

But we must approach such interaction with a sense of realism. There are some areas where it would clearly not serve constructive purposes. Soviet membership in the General Agreement on Tariffs and Trade (GATT), for example, would not be in the best interests of the West at present. In addition to the danger of GATT politicization, the USSR's state-directed trading system is fundamentally incompatible with the free-market orientation of the GATT international trading system. Suggestions by Soviet officials about possible USSR membership in the World Bank or International Monetary Fund should be treated with caution for similar reasons. We would oppose such membership under present circumstances.

The USSR's effort to broaden its foreign economic relations forms an integral part of Soviet national security strategy. In addition to aiding the Soviet economy, it is designed to exploit dependence of trading partners and enhance Soviet power and influence generally. Trade with the West can also provide access to advanced technology which facilitates the Soviet military buildup. Non-communist governments need to display greater discipline in weaving security considerations into the fabric of East-West commercial relations.

Specifically :

- As recognized in the Helsinki Accords, government-to-government cooperation in the economic sphere should be dependent on progress in other areas of East-West relations, including Eastern observance of human rights.
- COCOM controls on strategic technologies should be maintained, streamlined and enforced to restrain the ability of the Soviet Union and its allies to match or overtake Western defense capabilities.
- The International Energy Agency (IEA) should continue its efforts to reduce dependence among member countries on insecure energy supplies.

Early in our Administration, we laid the international economic groundwork for greater cooperation with our allies. We have attempted to foster the view that the future belongs to those who allow free enterprise to guide economic decisions and not to those regimes which allow bureaucratic functionaries to set the course of economic development. Throughout these six years, we have witnessed these principles move from concept into reality. In France, economic liberalization is steadily progressing. In Japan, slowly but surely, trade and capital markets are being opened. In Germany and the United Kingdom, new economic courses are being set to sustain growth with low inflation.

We believe that market-oriented policies are key to greater growth in America and throughout the world over the long-term. We have worked diligently to resist protectionist tendencies both at home and abroad, since protectionism will harm all free nations. Immediate as well as long term costs would more than offset any short-term benefits which might be gained.

We have encouraged market-based energy policies and more open energy trade within the International Energy Agency. We have been the prime movers in laying the groundwork for a new round of negotiations in the GATT that will open markets for our exports of goods and services and stimulate greater growth, efficiency and worldwide job opportunities. We have forged stronger ties with our Asian partners by emphasizing the future role of U.S. Pacific economic relations.

The industrial nations of the West have become increasingly interdependent. None of these countries acting alone can effectively resolve long-term economic problems. The United States and its allies must work together if we, and the rest of the world, are to prosper and grow.

Enhancing world economic growth, opening markets, and ameliorating the developing country debt situation are long-term goals that can be met only through sound economic policies, prudent lending, and direct investment and aid strategies that will elicit the broad economic development and growing markets needed to sustain long-term prosperity. Significant contributions of capital and know-how through aid, investment, technology transfer and training are as much an ingredient of regional peace and collective security as are deterrent forces and defense alliances . This redefinition of the traditional concept of "burdensharing" is in keeping with the capabilities of the United States and our allies and the evolving responsibilities of shared leadership .

In short, our international economic policy is built around the belief that economic freedom is not the sole possession of a chosen few, but the universal right of all people . We will use our economic power and political will to preserve and nurture our vision of the world's economic future, which belongs to free people, free governments and free economic enterprises .

POLITICAL AND INFORMATIONAL ELEMENTS OF NATIONAL POWER

We are faced with a profound challenge to our national security in the political field . This challenge is to fight the war of ideas and to help support the political infrastructure of world democracies . To accomplish this we must be as committed to the maintenance of our political defense as we are to our military defense . Public opinion polls consistently find that two-thirds of the American electorate normally take no interest in foreign policy. Moreover, only a bare majority today believes that this country needs to play an active part in world affairs-and that majority is eroding . There is no natural domestic constituency for foreign policy we must build one.

The instruments to implement such an approach include a number of traditional foreign policy agencies such as the Departments of State and Defense, Agency for International Development (AID), and U .S . Information Agency (USIA), plus several less traditional participants including the Departments of Commerce and Treasury, and the U .S. Trade Representative (USTR) .

Another actor in the field of political, informational and communications activity is the private sector. During the past six years, the private sector has been energized as a key element in the projection of U .S . foreign policy goals. Leading private citizens and groups are taking steps to identify and organize the many local forces throughout the United States that have a direct stake in the nation's relations with the rest of the world . The private voluntary organizations in world affairs are doing an indispensable job of public education . They have our strongest encouragement and support .

While we focus on the needs of an effective political and informational policy, we must keep in mind that the Soviet Union has a most aggressive public deception and propaganda program, using a wide range of techniques aimed not only at the Third World, but also at our alliance partners . The current Soviet regime has increased the range and intensity of Soviet public diplomacy and propaganda efforts . We must actively counter Soviet propaganda and active measures using the full range of U .S. informational programs .

Our political and informational strategy must also reach to the peoples of denied areas, particularly the USSR and Eastern Europe-to encourage hope for change and to educate publics on the benefits of free institutions. This is achieved through the electronic media, written materials, and the increased contact and exchange of ideas that come from such contact. The process of gradual change will take place inside, but the stimulant and the vision of "how things could be" must come from outside in a closed society. This is the vision of a nation which believes that a world of democracies is a safer world, and one where the respect for the dignity of all men has a better chance to be realized .

REGIONAL POLICIES

Western Hemisphere. The defense of North America is the nation's most fundamental security concern . Since the Second World War this has entailed a hemispheric security system, composed of a strong U .S . nuclear deterrent, greater cooperation with Canada, and the promotion of collective security arrangements with Latin America . New threats and new opportunities for

democracy in the Western Hemisphere require that this traditional approach be revitalized by building on the interests we share with our democratic Caribbean, North, Central and South American neighbors .

Aggressive Marxist regimes in Cuba and Nicaragua have made the Western Hemisphere, once considered indisputably secure for the United States, an area of strategic opportunity for the Soviet Union . The fragility of social and political arrangements in Latin America and the presence of these two Soviet client states, with their support for guerrilla movements in other Latin nations and their ties to international terrorism, promise continued instability and conflict in the region . This situation is compounded by continuing economic and debt-servicing problems, the ongoing problem of the drug trade and the growing political strength of the drug traffickers who often in collusion with local guerrilla groups have begun to pose serious challenges for the reborn Latin democracies .

U.S . national security policy for the Western Hemisphere seeks to address these problems within the broader framework of the promotion of democracy, fostering economic development, strengthening dialogue and diplomacy within and among area countries, and contributing to defensive capabilities that allow progress without debilitating external interference. Many of the current challenges for the United States fall outside of the formal collective security arrangements created in previous decades. Our national security requires an emphasis on political and economic support for the hemisphere's democracies and diplomatic initiatives to strengthen alliances .

Western Europe. The security of Western Europe constitutes a vital interest of the United States . Shared values, the Soviet threat, and U .S: European economic interdependence underscore the importance of collective defense epitomized by NATO .

The two greatest dangers to Western Europe's security today are the proximity of massive Soviet conventional and nuclear forces, and the vulnerability of Western Europe's oil supply, some 60 percent of which moves by sea from the Persian Gulf.

The cohesion of the NATO Alliance remains strong in the face of these challenges, and is reinforced by an intensive process of consultation on the full range of security issues. Over the past twelve months, there have been almost thirty high-level consultations at NATO . This intense process, to which we remain fully committed, has contributed to the fundamental Alliance consensus on its approach to East-West relations on issues ranging from arms control to human rights . The common Alliance approach, set forth in recent NATO Ministerial communiques, combines a commitment to preserving the strength necessary to defend our vital interests with a readiness to work toward improved relations through a realistic dialogue with the Soviet Union .

The Alliance has been measurably strengthened in recent years . The United States has devoted special attention to rebuilding its Alliance relationships, and our efforts to reinvigorate the American economy have provided a major impetus for growth in Western Europe. Other milestones include the Spanish entry into NATO in 1982 and last year's Spanish referendum in support of continued membership . Through its 1983 and subsequent Intermediate-range Nuclear Force (INF) deployments, the Alliance demonstrated its resolve to protect its basic interests in the face of Soviet intimidation . In 1984, the Allies launched a program to improve conventional defense capabilities, and more recently have focused increased attention on armaments cooperation . In 1985-86, Allied firmness and solidarity helped to bring the Soviets back to the negotiating table in Geneva and to promote progress in the talks themselves .

Despite the basic vigor and strength of the Atlantic Alliance, NATO relationships have come under strain from several quarters. The challenges include, for example, protectionism and trade deficits, different methods of dealing with terrorism, burdensharing, and at times, differing assessments of the Soviet threat . Moreover, the foreign policy priorities of Western European governments with respect to developments in Asia, Africa, the Middle East and Latin America do not always coincide with U .S. priorities, in part because the United States must adopt a global outlook.

Doubts have sometimes been expressed, especially in the late 1970's, over the continued validity of the U.S. commitment to Europe's defense. The successful implementation of NATO's 1979 INF dual-track decision thwarted the most recent Soviet attempt to decouple the U.S. security guarantee from the defense of Europe, and has served as a major incentive for the Soviets to engage in serious negotiations for real reductions in intermediate-range nuclear forces. Whatever the outcome of the INF negotiations, flexible response will require the continuing presence of U.S. nuclear weapons in Europe. Nonetheless, NATO has consistently worked to keep its nuclear arsenal at the minimum level necessary for deterrence and is proceeding with the reductions in its stockpile mandated by the 1983 Montebello decision.

The challenge before us is to maintain the momentum we have achieved and continue to manage the inevitable strains in our Alliance relationships. With a common commitment to the values and interests which constitute the bedrock of the Alliance, imagination, and political courage, the United States and its Allies will succeed in building an even stronger bulwark against Soviet aggression and intimidation.

East Asia and Pacific. The United States is a Pacific power and a proud member of the area of the globe that has led the world's economies in growth. Soviet military power in Asia and the Pacific has grown dramatically, but the U.S. response goes far beyond technical issues of relative military power. The goal is to strengthen our natural political and economic associations, while proceeding steadily with necessary modernization of our military forces deployed in the area.

Cooperation with Japan is basic to U.S. relationships in the region. The U.S.-Japan Mutual Security Treaty formalizes our defense ties, providing a security foundation for the broad spectrum of economic, social and political associations which join us.

In the security area, Japan's recent redefinition of its self-defense goals-especially as they relate to sea lane protection-is of particular importance. Japanese forces are developing capabilities that can make a significant contribution to deterrence. At the same time, Japan's defense spending remains small as a share of its huge economy, and more rapid progress is needed toward Japan's defense goals. But the constant and substantial growth of that spending over the last fifteen years, and particularly over the last five years, is significant. Japan's recent decision to spend more than one percent of its GNP on defense is especially noteworthy.

Japan is now the world's second greatest economic power. This development is reflected in increased Japanese expenditures on foreign assistance, which it continues to target on key strategic countries. At the same time, Japanese economic relations have become a source of political tension. The Japanese trade surplus is the biggest in history. This surplus cannot be sustained and must be brought into better balance. We are working together on many fronts to do this.

Our alliance with the Republic of Korea remains of exceptional importance. North Korea still has armed forces that far exceed those of the South in quantity, are newly strengthened by additional Soviet weapons, and are in the hands of a government whose aggressive demeanor and tendency to act unexpectedly is well known. Our own military presence in the Republic of Korea is of importance, both for regional stability and for local security, which is essential to that country's remarkable economic development. It now faces a critical period of political development as well, as it moves toward a first-ever peaceful change of government when President Chun's term will be completed in 1988. In this process, the United States hopes to use its influence to encourage Koreans in this democratic change. We do so, however, in careful ways that respect Korean traditions and political realities, and are mindful of the constant security threat.

China's importance speaks for itself. Its attainment of rapid economic growth, while simultaneously making basic economic, social and political changes, is another great achievement in its remarkable history. The United States seeks a close, friendly, and cooperative relationship with the People's Republic of China, outside any alliance, and without any illusions that one is a political or strategic "card" for the other. Simply put, both of us recognize the importance of each

to the other in the many shared areas of agreement, even as we appreciate the diversity of our political systems.

In the Philippines, the new government faces major and inherited political, security and economic challenges. Through all of the tools available to us, we are determined to help this key Pacific ally to overcome these problems so it can once again achieve economic growth, counter the threat of a serious insurgency and strengthen democratic government.

Our second treaty ally in Southeast Asia, Thailand, is the ASEAN frontline state bordering Cambodia, now occupied by the Vietnamese and the site of an active Cambodian resistance coalition struggling to gain selfdetermination for the Khmer people . In support of Thailand, which also shoulders the major refugee burden in Southeast Asia, we will continue our close security cooperation to deter any potential aggression and maintain our support of eligible refugees. We will also continue our cooperative effort with, Thailand to suppress narcotic trafficking .

The United States views the continued occupation of Cambodia by Vietnamese forces as unacceptable as it undermines regional efforts towards development, peace and stability. We also oppose the return of the Khmer Rouge to power in Cambodia . We will continue our strong support of ASEAN's quest for a peaceful political solution and for the non-Communist elements of the resistance coalition . Under our initiative on regional problems at the United Nations, we are prepared to play a constructive role in the context of a Cambodian settlement.

Despite acute and serious differences with Vietnam, through bilateral discussions we have made more progress in accounting for our missing servicemen in the past two years than at any time since the end of the war. Similarly, our bilateral discussions on the humanitarian question of refugees, reeducation of internees and Amerasians will continue with the objective of a humane solution to these complex questions. We will not, however, resume normalization of relations with Vietnam until Hanoi agrees to a Cambodian settlement involving withdrawal of its occupation forces .

We have seen a modest but welcome improvement in relations between Laos and the United States . Our primary measure of their sincerity to improve relations is further, accelerated, cooperative efforts to account for our servicemen still missing .

In the South Pacific, our longstanding alliance with Australia under the ANZUS Treaty remains the keystone of our foreign policy in the area . The United States has been especially aware of the needs of the South Pacific independent states. We recently reached agreement on the key elements of an historic fisheries treaty . We are pleased with this agreement which creates a solid foundation for future friendship and cooperation . We believe that the package of U .S . assistance that is linked to the treaty will encourage development of the island economies . We also were recently able to celebrate the creation of a new U .S. Commonwealth-The Northern Marianas-and two new freely associated states, the Federated States of Micronesia and the Republic of the Marshalls. We welcome these new participants to the Pacific Ocean community.

The Soviet Union and Eastern Europe . As mentioned earlier, the most significant threat to U .S. security and national interests is the global challenge posed by the Soviet Union . There is no doubt that Moscow aspires to alter the existing international system and establish Soviet global hegemony. These Soviet long-range objectives are underwritten by Soviet concepts, of foreign and defense policy . Our policy for dealing with the Soviets rests on three guiding principles :

- Realism, which means that we must recognize the nature of the Soviet system and deal frankly and forthrightly with problems in our relationship .

- Strength, which is more than military power, but includes political determination, the strength of alliances, and economic health as well . The Soviet Union respects strength and takes advantage of weakness.

- Dialogue, which means that we are prepared to discuss all the issues that divide us, .and are ready to work for practical and fair solutions on a basis compatible with our own fundamental interests .

Consistent with this approach, we are engaged in dialogues with the Soviets on four basic elements of our relationship: human rights; the reduction of regional conflicts ; areas of mutually beneficial cooperation; and arms control . In all areas, progress is slow.

At the same time, through coordinated employment of many elements of our national power, we seek to deter further Soviet direct and indirect aggression, and achieve a lessened Soviet reliance on the use or threat of force . We will continue to counter Soviet expansionism worldwide . No additional country has fallen to Soviet aggression since 1981, and the Soviets have been more cautious in undertaking new military adventures in recent years, though they and their proxies remain active in such areas as Afghanistan, Angola, Cambodia, and Nicaragua.

In short, we have put in place a policy designed for long-term management of U .S: Soviet relations in order to pursue our interests without the rapid fluctuations or unrealistic illusions which characterized some periods in the-past . The fundamental fact is that the U .S: Soviet relationship is essentially adversarial, and will remain so for the foreseeable future . But both sides agree that we have a responsibility to ensure that this relationship remains peaceful . We are ready for the long effort and steady course required to pursue our national interests in this fashion .

The United States has important political and economic interests in Eastern Europe . We have never recognized the division of Europe as either lawful or permanent. There was no agreement at Yalta to divide Europe into "spheres of influence." Rather, the Soviet Union pledged itself to grant full independence to Poland and to other states in Eastern Europe and to hold free elections. Soviet failure to honor these commitments is one of the primary causes of East-West tensions today. Our policy toward Eastern Europe seeks to promote a positive role for Eastern European states in preserving European stability and exercising a moderating influence on the Soviet Union .

We believe the United States should deal with the East European countries on an individual basis and vary our policies depending upon our assessment of the conditions in each nation . In keeping with this principle, we differentiate our policies toward Eastern Europe to achieve a variety of objectives . These include the encouragement of domestic liberalization and more autonomous foreign policies ; promotion of security through enhanced economic and political cooperation; and the fostering of genuine and longlasting improvement in human rights. Concurrently, we seek to promote increased dialogue through cultural and scientific exchanges, international forums, highlevel visits, bilateral councils and people-to-people contacts.

The Middle East and South Asia . Our principal interests in the Middle East include maintaining regional stability, containing and reducing Soviet influence, preserving the security of Israel and our other friends in the area, retaining access to oil on reasonable terms for ourselves and our allies, and curbing state-sponsored terrorism . Those interests are threatened by the continuation of the Iran-Iraq conflict, the existence of deep-seated Arab-Israeli tensions, the growth of anti Western political movements in the region, and the use of terrorism as an instrument of state policy, particularly by Libya, Syria, and Iran . Our strategy in the region aims to safeguard our interests from those threats ; to hasten negotiated settlements of the Palestinian problem and the Iran-Iraq war ; to bolster the security and economic well-being of Israel and moderate Arab regimes ; to help our friends in the Gulf protect themselves and international shipping lanes; and to isolate and deter state sponsors of terrorism .

The U.S. Initiative of September 1982 remains the cornerstone of our approach to the Arab-Israeli peace process. Our immediate goal is direct negotiations between Israel and a Jordanian-Palestinian delegation, as part of a general effort to broaden the Egyptian- Israeli peace and bring about a just and lasting resolution of the Palestinian problem . We remain firmly committed to a prompt and honorable negotiated settlement of the Iran-Iraq war. Current Iranian behavior poses a serious threat to our interests and those of our friends in the region . Until Iran ceases its efforts to prolong the senseless war with Iraq, we will work actively to block the flow of arms and military material to Iran .

Despite severe budgetary constraints, economic and security assistance, together with a prudent but responsive policy of arms sales within the region, remains an essential part of our efforts to strengthen Israel and moderate Arab regimes . We cannot afford to neglect the real needs of our friends. At the same time, we will continue to try to isolate and build international pressure against state sponsors of terrorism . Our recent actions against Libya were designed to demonstrate the political, military and economic costs of supporting terrorism . While we have no illusions about eradicating this menace easily or quickly, we remain determined to combat it vigorously in close cooperation with our friends and allies .

U.S. objectives in South Asia include reduction of regional tensions ; development of cooperative relationships between South Asian countries ; prevention of nuclear proliferation ; and restoration of the freedom of the Afghan people .

U.S. policy also seeks a general improvement in bilateral relations with all countries of the subcontinent. Important elements have been improved India-U .S. relations and U .S. encouragement of better relations between India and Pakistan . A new six-year assistance plan of \$4 billion for Pakistan has been proposed by this Administration and is vital to that country's ability to withstand strong pressures generated by the Soviet invasion of Afghanistan . Pakistan is hosting nearly three million Afghan refugees on its soil . The United States remains the largest donor of humanitarian assistance to the refugees .

For the first time, the United States has established substantially improved relations with both India and Pakistan . This enables us to help support the regional desire for peace, despite periodic crises in Indo- Pakistani relations.

Africa. African issues demand increasing attention because of the continent's extensive natural resources ; its growing role in international forums ; the threat posed to regional security by the escalating racial conflict in South Africa; and Soviet, Libyan, East European and Cuban adventurism throughout the region . The challenges to democracy are especially strong in Africa, and we remain concerned about the widespread denial of basic human rights, whether by Marxist-Leninist clients of the Soviet Union or through apartheid in South Africa. The sources of conflict within Africa are many : extreme poverty, great disparities of wealth, ethnic frictions, unsettled borders, and religion .

U.S. policy must strive to encourage economic development and political stability in Africa . African leaders have started to recognize that statist solutions are not the answer and are beginning to reform their economies . We must work with other donor countries and the multilateral institutions to reinforce this trend toward economic policy reform and private sector development .

Economic growth will contribute to, but also requires, political stability. We must continue to encourage the peaceful resolution of conflicts without foreign intervention . Deteriorating economic conditions and political instability have encouraged intervention by the Soviets, their surrogates, the Cubans, and maverick troublemakers like Libya .

IV. U.S. Defense Policy

INTRODUCTION

The Defense Policy of the United States requires military forces that are organized, manned, trained, and equipped to deter and, if necessary, defeat aggression across the entire spectrum of potential conflict . Our National Security Strategy, global objectives, and the nature of the threat require that we be prepared to defend our interests as far from North America as possible . Accordingly, our strategy relies heavily on forward deployment of combat-ready forces, reinforced by strong alliance relationships . In support of those relationships, we will continue to maintain in peacetime major forward deployments of land, naval, and air forces in Europe, the Atlantic and the Pacific ; and other deployments in the Western Hemisphere and Indian Ocean . The overall size and composition of our armed forces are strongly influenced by these requirements .

The challenge we face is dynamic and complex . There remains a significant imbalance of forces favoring the Soviet Union in several important contingencies . In addition, Third World

states are increasingly armed with modern and sophisticated military equipment. Comprehensive and imaginative integration of U .S. and allied military capabilities is required to reduce risks to our national security. Since our political and social heritage militates against raising and supporting large forces in peacetime, we are impelled to seek security in America's national genius for technological innovation ; the breadth and diversity of our national economy; and alliance cooperation . The United States must pursue strategies for competition with the Soviets which emphasize our comparative advantages in these areas.

The full range of U .S. military capabilities must be suitably balanced among combat and support elements, and contain an appropriate mix of active duty and reserve components. The United States must have specialized forces-ranging from those required for nuclear deterrence to forces configured to deal with terrorism ; and must also have general purpose forces capable of sustaining high intensity conflict, while maintaining an effective capability for lesser contingencies and special operations. At the same time, we must balance defense priorities among the competing needs of readiness, sustainability, modernization, and force expansion .

U.S. military forces also must be supported by plans, doctrines, and command relationships which provide for effective integration and employment of all facets of our military power. While the possible use of nuclear weapons must remain an element in our overall military strategy, nuclear forces should never be viewed as simply a lower-cost alternative to conventional forces. U .S. forces must be capable of rapid deployment to deter wider crises or conflicts. They must also possess the capability, should deterrence fail, to expand the scope and intensity of combat operations, as necessary, to terminate the conflict on terms favorable to the United States and its allies .

The United States must maintain effective and robust Reserve and National Guard forces, trained and equipped at levels commensurate with their wartime missions, as well as Coast Guard and other capabilities which support the national security establishment . The United States must also continue to enhance its capabilities to surge or mobilize manpower and key industrial resources, planning for the most effective use of available strategic warning in the event of crisis or war.

TAKING ADVANTAGE OF U.S. STRENGTHS AND SOVIET WEAKNESSES

One of the central tenets of our defense policy is that the United States will not seek to match the Soviet Union weapon for weapon . Rather, we will work to overcome Soviet numerical superiority by taking maximum advantage of the inherent strengths of alliances composed of democratic, industrialized, free economy nations.

Technology. The United States and its allies continue to enjoy technological superiority over the Soviet Bloc in most areas of military application . This technological advantage derives from the fundamental nature of the two societies . The spirit of inquiry and the free flow of information which characterize the West will inevitably permit technology and innovation to flourish to a greater degree than it will in a closed society . The United States and its allies enjoy an intrinsic advantage not only in the creation, but in the practical exploitation of advanced technologies . Competitive, free-enterprise societies consistently out-perform centrally planned economies in fostering innovation, growth, and the application of new technology to a wide variety of fields .

Technology affects our national security in two ways . First, the ability to exploit and adapt technology contributes to the overall economic health of the United States and its allies, which is a key element of national power. Second, the exploitation of a technological advantage directly enhances defense . Precision guided munitions, for example, help offset the large Soviet edge in tank forces . Stealth technology helps counter the massive Soviet investment in air defense. Advances in anti-submarine warfare technologies and in submarine quieting help preserve maritime superiority despite the Soviet Navy's numerical advantages. Perhaps most significantly, the U.S. edge in computer technology and software has military relevance across the entire spectrum of warfare .

The Soviets are, of course, conscious of the Western technological advantage and have undertaken a massive effort to acquire and exploit Western technology. Thus a vital element of our defense policy is to control technology transfer and protect classified information relating to military technologies . With this in mind, we have undertaken a major effort to enhance our National Counter-intelligence and Security Countermeasures plans and capabilities, as I outlined in my November 1986 report to Congress .

Competitive Strategies . Competitive strategies are aimed at exploiting our technological advantages in thoughtful and systematic ways to cause the Soviets to compete less efficiently or less effectively in areas of military application . Such strategies seek to make portions of the tremendous Soviet military machine obsolete and force the Soviets to divert resources in ways they may not prefer, and in a manner that may not necessarily threaten our own forces. Low observable (stealth) technology, for example, can render much of the Soviet investment in air defense obsolete and requires the Soviets to divert resources from offensive forces to defensive forces . The contribution which new technologies can make to our competitive strategies is an explicit consideration in making defense procurement decisions.

Alliances. A third area of U .S. strength and Soviet weakness is alliance relationships . While the Soviet Union presides over an empire that has seen several armed rebellions in the past forty years, the United States is the leader of a voluntary coalition of equal nations . U .S . allies, particularly our NATO partners, contribute a major share of the West's total military strength . Recognizing this contribution, our defense policy is based on the fundamental premise that we will not seek to offset Soviet power alone, but in conjunction with our allies throughout the globe, on a basis of equitable burdensharing .

In NATO, this means continuing our strong support for Alliance efforts to improve the overall Western conventional balance, including appropriate economic and military assistance to allies on NATO's critical southern flank . It means integrating the contribution of our NATO partners into our strategy--indeed, the United States has no separate military strategy for the defense of Europe, but is a partner in the NATO alliance strategy of deterrence and defense . Outside of Europe, the United States seeks strong ties with nations throughout the globe, assisting friendly and allied countries in improving their military capabilities while encouraging them to assume a greater role in their own defense .

The Strength of the Individual . One of our greatest advantages in competing with the Soviet Union is the character of our people. Western societies, with their stress on the importance of the individual, stand in sharp contrast to the repressive nature of the Soviet state . The initiative, enterprise, and motivation of free people is a source of great strength when individuals are put to the supreme test of combat. While intangible, these qualities are an important asset, which the Soviets cannot match . Defense policy recognizes this by stressing unit integrity and leadership, while our training and tactics place great value on individual initiative, and aggressive exploitation of opportunities .

MAINTENANCE OF A STRATEGIC DETERRENT

Deterrence is the most fundamental element of our defense policy and the cornerstone of our alliance relationships . Deterrence must not only prevent conventional and nuclear attack on the United States, but must extend such protection to our allies . Deterrence can best be achieved if our defense posture makes the assessment of war outcome by the Soviets, or any other adversary, so dangerous and uncertain as to remove any possible incentive for initiating conflict. Deterrence depends both on nuclear and conventional capabilities, and on evidence of a strong will to use military force, if necessary, to defend our vital interests .

While deterrence requires capabilities across the entire spectrum of conflict, its essential foundation is provided by our strategic nuclear forces and the doctrine which supports them . Nuclear deterrence, like any form of deterrence, requires us to consider not what would deter us, but what would deter the Soviets, whose perceptions of the world and value system are substantially

different from our own . Since we can never be entirely certain of Soviet perceptions, it is of the utmost importance that the effectiveness of our strategic capabilities-and our will to use them, if necessary-never be in doubt.

In the interest of ensuring deterrence, the United States maintains diversified strategic forces to hedge against a disarming first strike, complicate Soviet attack plans, and guard against technological surprise which might threaten one element of our strategic forces . To this end, we maintain a variety of basing modes, launch platforms, and attack vehicles, achieving diversity through a triad of SLBMs, ICBMs and bombers . Adequate and survivable command and control is an essential element of strategic force structure, and is critical to the credibility of our strategic deterrent .

Our strategic forces and the associated targeting policy must, by any calculation, be perceived as making nuclear warfare a totally unacceptable and unrewarding proposition for the Soviet leadership. Accordingly, our strategy :

- Denies the Soviets the ability to achieve essential military objectives by holding at risk Soviet warmaking capabilities . This includes the entire range of Soviet military forces, as well as the war supporting industry which provides the foundation for Soviet military power, and supports its capability to conduct a protracted conflict .

- Places at risk those political entities the Soviet leadership values most : the mechanisms for ensuring survival of the Communist Party and its leadership cadres, and for retention of the Party's control over the Soviet and Soviet Bloc peoples .

This basic strategy of targeting those assets which are essential to Soviet warmaking capability and political control has been U .S. policy for many years. In implementing this strategy, the United States does not target population as an objective in itself and seeks to minimize collateral damage through more accurate, lower yield weapons .

We cannot permit any President to be faced with a situation in which the only available responses to aggression are capitulation or massive destruction .

Thus, in addition to holding at risk the full range of assets important to the Soviet leadership, the United States also requires flexibility in the employment of its strategic forces. It is essential that we have response options appropriate to the broad range of plausible situations . This flexible response capability bolsters the credibility of our deterrent by making clear to the Soviets that the United States has a variety of military options with which to respond to aggression .

Finally, the United States also requires sufficient residual capability to provide leverage for early war termination, and to avoid coercion in a post-conflict world . For this reason, we maintain a nuclear reserve force as an integral part of our strategic forces . We also maintain Continuity of Government programs as an essential element of deterrence to assure the Soviets they cannot escape retaliation by a quick, "decapitating" attack aimed at incapacitating U .S . political and military leadership.

These capabilities do not imply the United States seeks to fight a nuclear war. I have repeatedly emphasized that a nuclear war cannot be won and must never be fought. But we seek to deter an adversary with a very different strategic outlook from our own-an outlook which places great stress on nuclear warfighting capability. It is essential the Soviets understand that they cannot gain their objectives through nuclear warfare under any conceivable circumstances. To achieve this we must ensure that they clearly perceive that the United States has the capability to respond appropriately to any Soviet attempt to wage a nuclear war, and that we have the means to do this in ways which will defeat Soviet military objectives without necessarily triggering a massive nuclear exchange .

Strategic Defenses . Our policy of flexible response and deterrence through the threat of offensive retaliation has preserved the security of the United States and its allies for decades. At the same time, the Soviet strategic force buildup has threatened the foundation on which deterrence has long rested . Looking to the future, the U.S . Strategic Defense Initiative offers an opportunity to

shift deterrence to a safer and more stable basis through greater reliance on strategic defenses . Such defenses, which threaten no one, could substantially enhance deterrence by injecting great uncertainties into Soviet estimates of their ability to achieve their essential military objectives in a first strike . "Leak proof" defenses would not be required initially in order to deny the Soviets confidence that they could achieve meaningful military goals . Even less than perfect defenses could significantly increase stability by eliminating plausible incentives for a Soviet first strike . In judging the suitability of systems for possible deployment, we will continue to be guided by the criteria of military effectiveness, survivability, and costeffectiveness at the margin .

By reducing the military value of ballistic missiles, and ultimately rendering them obsolete, strategic defenses would also provide incentives for Soviet acceptance of significant arms reduction agreements . In a world with fewer ballistic missiles, however, Soviet incentives to cheat would be greater. Strategic defenses can effectively negate these incentives by eliminating the military utility of covertly stockpiled missiles . Thus, they offer the prospect of a safer, more stable world in which deep reductions in strategic offensive arms are both negotiable and enforceable .

In short, the pursuit of strategic defenses has the potential to bring about the most significant change in U.S . National Security Strategy since the end of World War II. By allowing us to move away from reliance on the threat of massive destruction to deter aggression, strategic defenses would change the entire U .S: Soviet strategic relationship in a positive way, increasing the safety and security of the peoples of both nations and their allies . We will continue to try to persuade the Soviets to join with us in working out a stable transition to this sensible and attainable goal .

U.S. Strategic Modernization Program. Continuing U .S. strategic modernization is essential to assure reliable deterrence, enhance stability, and provide motivation for the Soviets to negotiate broad, deep, equitable and verifiable reductions in strategic offensive arms . While we are firmly committed to using arms control as one component of our policy for enhancing U .S. and allied security, it would be exceptionally dangerous to anticipate success in arms control . Indeed, neglecting strategic modernization in expectation of arms reduction agreements would have the perverse effect of decreasing the likelihood of such agreements by reducing one of the principal Soviet incentives to agreement .

History shows that a demonstrated will to maintain a military balance with the Soviets and not allow them to gain a significant strategic advantage is an essential foundation for serious arms control negotiations . It was U.S. action to rectify imbalances which brought the Soviets to consider the major force reductions discussed at Reykjavik . Even if we are successful in achieving the agreements we seek, however, the United States will continue to require modernized, missioneffective, and survivable nuclear forces to provide deterrence, promote stability, and hedge against Soviet cheating or abrogation during the transition to new, lower force levels.

For their part, the Soviets continue to invest heavily in strategic modernization, with emphasis on accurate, fast-flying ballistic missiles which can destroy hard targets. Their goal has been, and remains, attainment of an effective disarming first-strike capability . They have always sought to enhance their ICBM survivability through silo hardening. Recently they have also sought to do so through mobility, including continued deployment of the road-mobile SS-25, and preparation for deployment of the rail-based SS-X-24.

At the same time, the Soviets continue to invest roughly the same amount in their strategic defense programs as in their offensive force modernization . They are expanding and improving the world's only deployed ABM system. They continue to violate the ABM Treaty with their radar at Krasnoyarsk, enhancing their ability to break out of the Treaty through rapid deployment of a nation-wide ABM system . Their extensive civil defense program includes a vast and growing network of deep underground leadership shelters aimed at ensuring the survival of Communist Party control over the Soviet nation, economy, and military forces in war. Their strategic communications are highly redundant, survivable, and hardened against nuclear effects . Their active and passive defenses, their unrelenting buildup of offensive forces, and their published

doctrine all provide evidence of the Soviet nuclear warfighting mentality, and underline the absolute essentiality of maintaining the effectiveness of the U.S. strategic deterrent .

To this end, in 1981 we undertook the Strategic Modernization Program in order to maintain the essential survivability and effectiveness of our own forces in the face of the continuing qualitative and quantitative upgrade in the Soviet threat. Current elements of that program, which remains our highest defense priority, include :

- Improved strategic command, control and communications, to ensure timely warning of attack and an assured means of passing retaliatory orders to our strategic forces .
- ICBM modernization, centered on the PEACEKEEPER (MX) and Small ICBM, both of which will have enhanced survivability through mobility .
- SLBM modernization, including deployment of the TRIDENT submarine and development and deployment of the TRIDENT II missile .
- Bomber and cruise missile upgrades, including deployment of the B-1B, and the exploitation of the important U.S. lead in low observable technology by development of the Advanced Technology Bomber and the Advanced Cruise Missile.
- Strategic Defense programs, including SDI and the Air Defense Initiative, to redress the long-standing neglect of defensive programs generally, and to capitalize on the potential which modern technology offers for radically transforming the basis for deterrence and laying the foundation for a far more safe and stable strategic relationship with the Soviet Union .

ARMS CONTROL

Arms control is not an end in itself but an integral part of our overall National Security Strategy . It must be viewed as only one of several tools to enhance our national security and to promote our fundamental national interest in the survival of the United States as a free and independent nation . Our arms control objectives are fully integrated with our defense and foreign policies to enhance deterrence, reduce risk, support alliance relationships, and ensure the Soviets do not gain significant unilateral advantage over the United States.

Based on this view of arms control as a complement to a strong national defense posture, U .S. arms control policy, since the beginning of this Administration, has been guided by several fundamental principles :

- The United States seeks only those agreements which contribute to our security and that of our allies .
- The United States seeks agreements which reduce arms, not simply codify their increase.
- Achieving agreements on broad, deep and equitable reductions in offensive nuclear arms is the highest arms control priority of the United States.
- Within the category of offensive nuclear arms, the United States gives priority to reducing the most destabilizing weapons : fast-flying, non-recallable ballistic missiles.
- The United States also seeks equitable arms control measures in the area of nuclear testing, chemical weapons and conventional forces .
- The United States insists on agreements that can be effectively verified and fully complied with . Arms control agreements without effective verification measures are worse than no agreements at all as they create the possibility of Soviet unilateral advantage, and can affect U .S. and allied planning with a false sense of confidence.

These principles contrast sharply with the Soviet arms control approach . The Soviets have historically sought to exploit the arms control process to gain unilateral advantage by shifting the military balance in their favor . At the same time, they have pursued additional advantage by failing to comply with important provisions of existing arms control agreements, secure in the knowledge that the United States does not cheat and can be relied on for full compliance with agreements in force .

This approach has proven at least partially successful for the Soviets in the past . The arms control agreements of the 1970s largely legitimized the planned Soviet strategic buildup, while

constraining our own force modernization by reducing public support for essential strategic programs. Typical of the defects of the past was the SALT II Treaty of 1979, a fundamentally flawed agreement which was never ratified. Unequal and unverifiable in important provisions, it was inimical to the security interests of the United States and its allies, and to the stability of the U.S. Soviet strategic relationship.

Imperfect as these earlier arms control agreements were, their faults have been compounded by the Soviets' failure to abide by key provisions—a failure which persists today. They encrypt telemetry associated with ballistic missile testing in a manner which impedes verification. They have deployed a prohibited second new type of ICBM, the SS-25, and exceeded the numerical limit on strategic nuclear delivery vehicles. The Soviets have also violated the SALT I Interim Agreement of 1972; and with respect to the ABM Treaty, as noted earlier, the Krasnoyarsk radar remains a clear violation.

As a result of both U.S. concerns with the SALT structure and the poor Soviet compliance record, I determined in May 1986 that, in the future, the United States would base decisions regarding its strategic force structure on the nature and magnitude of the threat posed by Soviet strategic forces, and not on standards contained in a flawed, unratified, and expired treaty which has been repeatedly violated by the Soviet Union. At the same time I indicated that—assuming no significant change in the threat we face—the United States will not deploy more strategic nuclear delivery vehicles, or more strategic ballistic missile warheads, than does the Soviet Union. Thus, while ensuring an adequate strategic deterrent, the United States will continue to exercise the utmost restraint, in order to foster the necessary atmosphere for obtaining Soviet agreement to significant reductions.

While the United States' priority objective in arms control is deep reductions in strategic offensive arms, we are also engaged in a wide variety of negotiations and discussions on other subjects. The U.S. approach to all of these areas is consistent. We seek only those agreements which are equitable, verifiable, and will enhance our security and that of our allies.

Specifically:

- In the area of Intermediate-Range Nuclear Forces (INF), we seek the complete elimination of an entire class of weapons: land-based longer-range INF (LRINF) missiles. As an interim goal, we seek a global agreement limiting the U.S. and USSR to 100 LRINF missile warheads each, to be deployed in Soviet Asia and the United States, with none of either side in Europe.

- Consistent with our belief that strategic defenses may offer a safer, more stable basis for deterrence, we seek Soviet agreement for an orderly transition to a more defense-reliant world.

- We have proposed an effectively verifiable global ban on chemical weapons.

- We seek alliance-to-alliance negotiations to establish a more stable balance in conventional forces from the Atlantic to the Urals, at lower levels. Such reductions must be effectively verifiable and must recognize the geographic asymmetries between the two sides.

- In the area of nuclear testing, we seek essential verification improvements to permit ratification of existing treaties: the Threshold Test Ban Treaty, and the Peaceful Nuclear Explosions Treaty. Once our verification concerns have been satisfied and the ratification process is complete, we would be prepared immediately to engage in negotiations with the Soviets on ways to implement a step-by-step program to limit and ultimately end nuclear testing, in association with a program to reduce and ultimately eliminate all nuclear weapons.

- Finally, we seek to improve stability through improved measures which could prevent misunderstanding during periods of crisis. We have made progress on such measures at the recently concluded Stockholm conference.

In all of these areas we consider effective verification to be equally as important as specific negotiated limits; they should be negotiated concurrently. We cannot accept obligations that limit our military programs unless we can effectively verify Soviet compliance with those same obligations. This is particularly important in light of the continuing pattern of Soviet violations

documented in the several . reports which I have submitted to the Congress on Soviet non-compliance . Substantial progress toward the achievement of U .S. arms control goals was made at the October 1986 meeting in Iceland between General Secretary Gorbachev and myself. At that meeting we agreed on the outlines of a 50 percent reduction in strategic offensive forces and a dramatic global reduction in INF missiles. In the near-term, our primary focus will be to work toward agreement in these areas . Consistent with our priority on radically reducing the most destabilizing strategic systems-and in response to the Soviet desire for a ten-year commitment not to withdraw from the ABM Treaty-we proposed to accept such a commitment through 1996, during which time research, development and testing, which is permitted by the ABM Treaty, would continue . At the same time, the proposed agreement provided for:

- A fifty percent reduction in strategic offensive forces of the United States and Soviet Union during the first five years of the ten year period .
- Elimination of all U .S . and Soviet offensive ballistic missiles of whatever range or armament during the second five years .
- Agreement that either side could deploy advanced strategic defenses after the ten-year period, unless both agreed not to do so.

It is too soon to foresee the future course of arms control following Reykjavik . Much depends on the attitude of the Soviet Union . The United States has tabled proposals in the Geneva negotiations reflecting the areas agreed on in Iceland ; the Soviet Union has tabled proposals that only partially reflect the achievements of Reykjavik . If the Soviets maintain their current attempt to hold all progress hostage to U .S. agreement to kill the Strategic Defense Initiative, prospects for progress are dim . On the other hand, if they are willing to implement the agreements reached in Reykjavik, we can move now to achieve greater stability and a safer world . In moving to that world, I will maintain my commitment to broad, deep, equitable, and verifiable reductions, focused especially on ballistic missiles, and my equally strong commitment to the Strategic Defense Initiative as a basis for moving to a safer, more stable form of deterrence .

Finally, I should emphasize that the measure of success in arms control is not the number of meetings held or agreements signed. Rather it is whether those agreements which are signed contribute to U .S. and allied security and advance the cause of peace and stability. Because of this, while the United States will remain both creative and patient, it will continue to reject calls for agreements which do not enhance U .S . and allied security and contribute to global stability.

MAINTENANCE OF A CONVENTIONAL DETERRENT

Forward Deployed Conventional Defense Capability . Strategic nuclear capabilities are essential for deterrence, but they alone are obviously not enough . The United States and its allies require robust conventional forces as an integral part of our overall deterrent. The U.S . National Security Strategy is built on the concepts of forward defense and alliance solidarity. Consistent with this strategy, we maintain large, forward deployed forces at sea and on the territory of our NATO and Asian allies in time of peace . The overall size and capabilities of U.S. armed services are heavily influenced by the need to maintain such presence, which is essential to deter aggression .

The most demanding threat with which those forces must be prepared to deal is, of course, the Soviet threat. Soviet forces may always outnumber our own even when allied forces are thrown into the balance . For this reason, we must give the most careful attention to maintaining our forces' qualitative superiority at the level necessary to accomplish their deterrent and warfighting missions .

An additional premise of American defense policy is that the United States does not seek to deal with the threat from the Soviet Union unaided . A system of vigorous alliances is the only effective way to deter the Soviets. The most important of these alliances is NATO, which for over a generation has preserved peace and security in Europe. While no single NATO partner can match the massive Soviet conventional forces, together we are capable of fielding a powerful deterrent.

U.S. Contribution to NATO. The United States contributes to this NATO deterrent in several ways . Most visible is the peacetime stationing of over 300,000 military personnel in the European

theater . Although our allies contribute the majority of the conventional forces in Europe, and would continue to do so in crisis and mobilization, the presence of U .S. forces makes it clear that it is not possible to attack a NATO ally without simultaneously engaging the full military might of the United States .

In addition to the direct provision of forces, the United States provides security assistance to those NATO allies whose economies do not permit them to make as great a contribution to the common defense as they and we would wish . Such assistance serves as an important and cost-effective force multiplier, increasing both the political solidarity and the military effectiveness of NATO. Finally, the United States provides the main contribution to the nuclear umbrella over NATO which has been one of the pillars of NATO's strategy for decades.

The Strategy of Flexible Response . NATO's deterrent strategy requires a capability for flexible response, appropriate to the nature of Soviet provocation . In addition to robust U .S . and allied conventional forces, backed by the strategic nuclear capability of the United States, this strategy must be supported by effective and substantial non-strategic nuclear forces as well ..The United States contributes to all legs of the "NATO Triad" : conventional forces, non-strategic nuclear forces, and strategic forces. NATO's 1979 decision to modernize its nuclear forces through deployment of Ground Launched Cruise Missiles and Pershing II ballistic missiles helped to redress the imbalance created by the Soviet deployment of SS-20 missiles targeted against NATO territory. It also signalled NATO resolve to maintain the effectiveness and integrity of its deterrent capabilities, and helped lay the foundation for effective arms control negotiations aimed at reducing the ballistic missile threat to NATO.

In clear contrast to the Soviet Union, it is NATO's policy to maintain non-strategic nuclear forces at the lowest level capable of deterring the Warsaw Pact threat. In pursuance of this policy, the Alliance decided in October 1983 to reduce the number of warheads in Europe by 1,400, in addition to the 1,000 warhead reduction completed in 1980. These reductions, taken independently of any arms control agreement, will reduce NATO's nuclear stockpile in Europe to the lowest level in over 20 years . This makes it essential that the remaining stockpile be survivable, responsive, and effective .

Deterrence of Chemical Warfare. While neither NATO nor the United States seeks to match the Soviets weapon for weapon, deterrence would be weakened if the Soviets were allowed to field a capability which was completely unmatched by a countervailing NATO capability. This premise, which underlies NATO's decision to modernize its theater nuclear forces, is equally relevant to our own determination to modernize U.S. chemical weapons capability through development of modern, safe, binary munitions . This modernization will provide us the capability to deter Soviet first use of chemical weapons . In the absence of such capability, we will remain dependent on an aging stockpile of unitary chemical weapons ill-suited to modern delivery systems, and alliance nuclear capabilities, to deter such Soviet use-an obviously undesirable and risk-prone situation .

The Scope and Intensity of Conflict. Our strategy recognizes that the Soviet Union, together with allied forces, is capable of simultaneous aggression in more than one region of the world . Should aggression occur in several regions simultaneously, U .S . military responses would be governed by existing commitments, general strategic priorities, the specific circumstances at hand, and the availability of forces . This capability to respond would be enhanced by the flexibility we have built into our forces, including our capabilities for global strategic mobility and power projection . This capability to respond effectively in distant theaters reduces the risk that we will ever have to meet such attacks.

If we must respond to such an attack, our overall objective would be to terminate the war as soon as possible, at the lowest level of violence consistent with the restoration of peace on terms favorable to the United States and its allies . Should our initial attempts to defeat aggression fail, however, U .S. strategy provides for the flexible and sufficient application of force for as long as combat continues to ensure that no area of vital interest is lost . Should escalation occur, despite our

best efforts to contain the intensity of the conflict, we would attempt to employ our forces in a manner which would discourage further escalation while achieving our national objectives .

Thus, our strategy recognizes that a variety of factors would affect the nature, locations, and intensity of our military actions in a conflict with the Soviet union . Our strategy is not to try to fight "every where at once ." We would do what is strategically sensible and operationally achievable under the circumstances. But we do need the capability for credible responses to major threats worldwide, so we can ensure that our weakness does not tempt our adversaries .

Other U.S. Commitments. NATO is not our only alliance. The United States has bilateral or multilateral security commitments with some 43 nations throughout the globe.

In support of those commitments, and to deter Soviet and Soviet client state adventurism, the United States maintains forward deployed forces in many regions of strategic importance. In addition to our fleet in the Mediterranean, the United States maintains a large naval presence in the Western Pacific. A smaller presence in the Indian Ocean serves to support our interests in Southwest Asia . U.S. Air Forces deployed throughout the Pacific assist in meeting our security commitments to such nations as Japan and the Philippines . Substantial ground and air forces are deployed in Korea to complement forces of the Republic of Korea in deterring aggression from the North.

Our global forward deployed forces serve several functions. They are essential to the creation of regional power balances which deter Soviet aggression and promote overall regional stability ; they support the political independence of nations on the Soviet periphery and hence are key to the fundamental U .S . strategic objective of avoiding Soviet domination of the Eurasian land mass; and finally, they provide an immediately available capability to deal with lesser military contingencies.

Although the Soviet Union represents the greatest threat to the United States and its allies, as mentioned earlier, it is not the only threat . Forward deployed forces can also discourage local aggression, contribute to regional stability, and serve as visible symbols of United States' will and capability to protect its interests . For military contingencies not involving the Soviet Union, however, the United States looks primarily to the nations involved to provide for their own defense . Direct involvement of U .S. military forces is a last resort, to be undertaken only when clear political objectives have been established, our political will is clear, and appropriate military capabilities are available . If U.S. combat forces are committed, the United States would seek to limit the scope and level of the conflict, avoid the involvement of the Soviet Union, and achieve

U.S . objectives as quickly as possible . In the past six years we have made substantial progress in improving the capability of our forward deployed forces to protect U .S. interests, execute our National Strategy, and support alliance commitments. We remain firmly committed to continued improvement in our deployed capabilities in support of our forward-defense, alliance-based strategy. The following paragraphs will discuss selected capabilities which provide essential foundations for that strategy .

Maintenance of Global Support and Mobility Capabilities. The ability to reinforce and resupply forward deployed forces is essential to the execution of the U.S. strategy of forward defense and alliance solidarity. Rapid reinforcement of NATO during times of tension, for example, is critical to effective deterrence .

The Soviets have a natural geographic advantage with respect to countries on the Eurasian rim, and growing capability to launch simultaneous offensives in Europe, Southwest Asia and the Far East. Capitalizing on interior lines of communication, they can redeploy and resupply forces over a broad geographic range . Recent Soviet efforts have significantly improved military access, by rail and road, to strategically important areas along the USSR's southern frontiers .

Our global support and mobility capabilities, including airlift, sealift, and prepositioning are therefore essential to allow us to meet military challenges around the periphery of the Eurasian continent, which remains the primary locus of Soviet expansionist interests . Prepositioning ashore or at sea can sharply reduce our response times. Airlift, the quickest and most flexible of our

mobility assets, would deliver initial reinforcements in most contingencies; but sealift will inevitably carry the bulk of our reinforcement and resupply material, as it has in past crises . To reduce response times, the United States combines prepositioning with airlift and sealift in an integrated fashion . Mobility capabilities are especially critical to our strategies for dealing with contingencies in Southwest Asia, where we have no military bases or permanently stationed military forces .

Consistent with our alliance approach to security, U .S . allies make critical contributions to the effectiveness of our mobility capabilities . Not only do our allies contribute airfield and port facilities, they also augment our airlift and provide the bulk of our sealift capability . Finally, allied cooperation is an obvious prerequisite for prepositioning .

When this decade began, we faced severe difficulties in moving large forces quickly enough to deter Soviet aggression, deploying forces to two or more theaters simultaneously, or moving material effectively into lessdeveloped regions. Since 1981, with the support of Congress, we have made great progress in redressing these deficiencies, adding substantially to our airlift and sealift capability and prepositioning additional large quantities of material abroad . Not all of our objectives have been accomplished, however. In particular, the continuing decline of the U .S. merchant marine and U .S :flag commercial shipping assets is a matter of concern . This problem is compounded by the decline of the U .S :flag fleet which results in a reduction of the seagoing workforce to man all our U.S:flag vessels-as well as ships of the Ready Reserve Force, the National Defense Reserve Fleet and any effective U .S. controlled ships which might need recrewed. The lack of merchant mariners in the near term could impede our ability adequately to project and sustain forces by strategic sealift .

Maintenance of an Adequate Logistics Base. To maintain a strong conventional deterrent it is vital that we provide adequate logistic support for U .S. forces. A robust logistics infrastructure strengthens deterrence by demonstrating our preparations for hostilities at any level of intensity, and for the length of time necessary to defend U .S. interests . Adequate, sustained support helps raise the nuclear threshold, strengthens deterrence, and improves prospects for early success in conflict. Adversaries must not conclude that U .S. and allied capabilities would erode if confronted with a complex or prolonged military campaign .

We have made substantial progress over the past six years in improving our military logistics base, and in the process provided stronger support for our - deterrence strategy. With the support of Congress, we will seek continued improvement in this unglamorous, but essential component of military power . Concurrently, we will continue to emphasize to our allies the importance of improving the logistics base of their own forces to ensure that their endurance in combat will be parallel to that of our forces . .

Maintenance of Adequate Active Forces . Support of our conventional deterrent requires that we maintain balanced and effective active forces sufficient in quality and quantity to make our National Military Strategy credible. In the context of our alliance relationships, deterring and, if necessary, defeating the Soviet threat requires a carefully structured mix of U .S . and allied land and sea-based forces capable of executing the agreed strategy until reinforced from the respective countries' mobilization bases . In the case of NATO, the proximity of major Warsaw Pact ground, air and naval forces to Alliance territory, the speed with which modern conflict can unfold, the Pact's significant numerical advantages, and the Soviets' strong doctrinal emphasis on surprise, all argue for substantial, qualitatively advanced, and flexible U .S . and allied conventional forces .

The land-based forces of the United States and its allies would have primary responsibility for blunting a Soviet attack and defending allied territory, while simultaneously disrupting and destroying the follow on forces which Soviet strategy relies on to exploit any initial successes . U .S. and allied ground forces, supported by tactical air power, require the capability to halt a Pact attack and restore the integrity of Alliance territory if NATO political and military objectives,are to

be achieved. Absent such capability, Alliance strategy becomes heavily dependent on the threat of resorting to nuclear weapons to achieve essential deterrence and warfighting objectives.

For decades it has been a fundamental U .S . objective to reduce the risk of nuclear warfare by maintaining the nuclear threshold at a high level . Achievement of this goal requires that, wherever we confront Soviet forces, the forces of the United States and its allies have the capability to achieve their missions with conventional arms . In the case of our land-based forces committed to Europe, this requires constant upgrading and modernization to retain a qualitative edge in the face of the Pact's superior numbers .

While NATO requirements properly occupy much of our ground forces' concern, the global nature of potential threats to U .S. interests requires maintenance of flexible and diverse ground forces capable of rapid deployment to, and effective operations in, areas of strategic importance. This has led the Army to establish five rapidly deployable light divisions, while continuing efforts have gone into the enhancement of Marine Corps capabilities. These ground forces, with appropriate tactical air support, provide essential elements of our capability to deal with worldwide contingency requirements .

Tactical airpower supports the achievement of ground force goals by maintaining battlefield air superiority, providing responsive and effective firepower for Army maneuver units, and conducting deep interdiction of enemy forces, command and control capabilities, and sources of logistic support . In addition, it plays a critical role in assuring the essential reinforcement and resupply of U .S. forward deployed forces by protecting port facilities, aerial ports of debarkation, and lines of communication from attack and disruption . The capability of air forces to deploy rapidly in crises adds to our ability to deter threats to our interests in distant areas, and to bring effective military power to bear should deterrence fail .

Maritime forces play a unique role in supporting our military strategy. Given the realities of our geostrategic position, fronting on two oceans, maritime superiority is vital to support our alliance relationships and our forward deployed forces . While maritime superiority depends predominantly on the capabilities of our naval forces, land-based air forces also contribute to its maintenance in important ways, including early warning of enemy air threats, long-range aerial tanker support for sea-based tactical aircraft, and the laying of anti-submarine mines .

Maritime superiority enables us to capitalize on Soviet geographic vulnerabilities and to pose a global threat to the Soviets' interests . It plays a key role in plans for the defense of NATO allies on the European flanks. It also permits the United States to tie down Soviet naval forces in defensive posture protecting Soviet ballistic missile submarines and the seaward approaches to the Soviet homeland, and thereby to minimize the wartime threat to the reinforcement and resupply of Europe by sea. .

The mobile nature of maritime forces allows them directly to influence land campaigns through the application of sea-based tactical air power; and by the use of amphibious forces to seize strategically important territory, reinforce allies accessible from the sea, or threaten the seaward flanks of enemy ground forces .

This capability to project power far from our shores is of particular importance, given the central position of the Soviet Union in the Eurasian land mass, the fact that many of the United States' most important allies are located on the Eurasian periphery and offshore islands, and the volatility of many Third World areas in which there is no U .S. military presence. Our naval power projection capabilities would play an essential role in any Southwest Asia contingency.

Essential to our wartime strategy, maritime superiority plays equally vital roles in peacetime . Mobile maritime forces, easily deployed in time of crisis, are a traditional symbol of our nation's will and capability to defend its vital interests. They have proven to be an indispensable tool of crisis management for every U .S. president since the end of World War II . Finally, by permitting the rapid application of U .S . power, maritime superiority contributes to regional stability, whether in the Indian Ocean, Central America, the Middle East, or other areas of strategic concern .

The trends in the maritime area are generally favorable . We are steadily building back toward our goal of a 600 ship, 15 carrier battle group Navy. With continued strong Congressional support, the programs of this Administration should ensure our essential maritime superiority for the remainder of this century .

Maintenance of Effective Reserve Forces and National Mobilization Base . The effective mobilization of manpower and industrial resources in the event of conflict would provide essential support for our military capabilities . With approximately 6 percent of GNP devoted to defense, our peacetime economy focuses on the needs of the civilian marketplace, not on the nation's defense requirements . We rely on the inherent size and strength of the U .S. economy as our ultimate line of defense, tapping into civilian production to a greater or lesser extent only as the situation may require .

As a result, we require an ability to surge our industrial base to produce the additional wartime materiel needed during conflict . The health of the industrial base, therefore, has clear military and strategic significance . Accordingly, the U .S. Government continues to promote initiatives which support improvements in industrial productivity and modernization .

Additionally, through its procurement procedures, the government seeks to provide incentives for increased productivity, improved manufacturing technologies, and to increase U .S. competitiveness in the international marketplace.

To complement our industrial mobilization programs, the United States has maintained for over thirty years a stockpile program to ensure a supply of critical raw materials to support defense and essential civilian needs during an emergency. It is important that we continue to modernize our stockpile program to keep pace with current requirements, changes in industrial capacity and new manufacturing and technological developments . Since fundamental disagreements on stockpile policies exist with the Congress; we must renew efforts to resolve our differences and develop realistic goals and policies which will produce a modernized stockpile for the future.

On the manpower side, the Total Force policy established in the early 1970s places increased responsibilities on the reserve component of U .S. forces. Today, fully 50 percent of the combat units for land warfare are in reserve components. Reserve units perform important missions and support functions on a daily basis . Their priority for manning, training, and equipment modernization is not based on their peacetime status as forces "in reserve ;" but on the basis of their direct integration into the nation's operational plans and missions. In many cases, the sequence of deployment in the event of conflict would place reserve component units side-by-side, and sometimes ahead of active duty forces .

To maximize the cost effectiveness of the Total Force policy, we must continue to balance the combat and support elements of our active and reserve force structure, their costs, and attendant levels of risk. While there are specific mission areas in which the role of reserve components can be expanded, we must exercise care to avoid making demands on our personnel that would fundamentally alter the nature of service in the reserves . Our peacetime operational tempo, forward deployments, and our general strategy of deterrence all require a substantial, balanced, and ready active duty military establishment .

SPACE SUPPORT OF NATIONAL SECURITY

The United States uses space systems to conduct a variety of activities that are essential to our national security, including command, control, and communications, navigation, environmental monitoring, warning, surveillance, and treaty monitoring. Support of these important activities requires assured U .S . access to space, supported by an efficient and predictable launch capability . Therefore, late last year I directed that U .S. national space launch capability be based on a balanced mix of launchers consisting of the Space Transportation System and Expendable Launch Vehicles (EM) . The elements of this mix support the mission needs of the national security, civil government, and commercial sectors of U.S . space activities .

To support this approach,, the Department of Defense has undertaken an effort to achieve the design and "mnrrcUtinn of forces" to Soviet advantage . The procurement of a medium-sized EM This will complement the Shuttle, and existing small and large ELVs . In addition, selected government satellites will be designed for dual compatibility with either the Shuttle or ELVs.

In view of the increasing reliance of U .S . and allied forces on space-based support, we must be prepared to protect our space assets against hostile interference . Accordingly, other facets of the national security space program include development of concepts and techniques that allow systems to survive in crisis, and the development of an anti-satellite capability to deter threats to U.S. space systems, and to deny an adversary the use of his space-based resources in war, correcting a serious asymmetry in U .S. and Soviet space capabilities . The Soviets introduced their anti-satellite (ASAT) system over a decade ago . Today it is the world's only operational ASAT system . The Congressionally imposed ban on testing of our developmental ASAT system against targets in space leaves the Soviets with a monopoly in ASAT capability and should be removed .

Overall, Soviet space programs are strong and growing., Their well-publicized manned space programs, their ambitious space scientific exploration programs, and their impending heavy-lift space launch capabilities will pose strong challenges to U .S. space leadership in the near-term . In addition, these capabilities provide the base for rapid development and deployment of military space assets in crises or war .

An emerging technology that has important security, as well as civil and commercial applications, is the National Aerospace Plane . The design of this plane incorporates advanced air and space flight technologies to yield an aircraft that can function in both the atmosphere of earth and the vacuum of space . The first flight of an experimental aerospace craft, which capitalizes on important U .S . technological advantages, could take place by the mid 1990s .

INTELLIGENCE SUPPORT OF NATIONAL SECURITY

Development and execution of a sound National Security Strategy requires effective intelligence. An effective U .S . response to this form of warfare requires the national will to sustain long-term commitments. The United States has addressed the manifestations of Low Intensity Conflict through a tough counter-terrorism policy; support for democratic resistance movements; and political, economic, and military assistance to developing nations to help them prevent or combat low intensity challenges .

U.S. policy for dealing with Low Intensity Conflict situations may be summarized as follows : When it is in U.S. interest to do so, the United States :

- Will take measures to strengthen friendly nations facing internal or external threats to their independence and stability by systematically employing, in coordination with friends and allies, the full range of political, economic, informational, and military instruments of power. Where possible, action will be taken before instability leads to violence.
- Will work to ameliorate the underlying causes of instability and conflict in the Third World by pursuing foreign assistance, trade, and investment programs that promote economic development and the growth of democratic social and political orders .
- May support selected resistance movements acting in opposition to regimes working against U .S. interests . Such support will be coordinated with friends and allies and may contain political, informational, economic, and military elements .
- Will take steps to discourage Soviet and other statesponsored adventurism, and increase the costs to those who use proxies or terrorist and subversive forces to exploit instability in the Third World .

The Low Intensity Conflict strategies that support these policies must coordinate the use of a variety of policy instruments among U .S. Government agencies and internationally. Responses may draw on economic, political, and informational tools, as well as military assistance.

Economic Policy and Low Intensity Conflict . U.S. policy for Low Intensity Conflict recognizes that long term political and economic development will reduce the underlying causes of

instability of the Third World, help undermine the attractiveness of totalitarian regimes, and eventually lead to conditions favorable to U.S. and Western interests. Therefore, we will encourage expansion of free trade, the development of private enterprise, and the expansion and independence of local economies. U.S., development assistance and economic aid programs facilitate these policies. In addition, we will encourage private investment in the Third World when that investment supports balanced economic growth.

Informational Policy and Low Intensity Conflict. Low Intensity Conflict is a political struggle in which ideas may be as important as arms. We hold significant advantages over our adversaries in this area. In contrast to our adversaries, we have an open political system that thrives on communication and truth. We must ensure, however, that accurate information concerning American ideals and objectives is available throughout the Third World; substitute: and that the resources needed to accomplish this are available.

Political Instruments and Low Intensity Conflict. We recognize that other nations may not necessarily develop along democratic lines identical to ours. Nevertheless, we seek to encourage the development of political systems that protect the rights of the individual and provide for representative government, free institutions, and an environment in which human dignity can flourish. We do this partially by example, and by defending our own ideals when they are challenged. We can also promote development of humane social orders by helping eliminate security threats and the underlying economic causes of unrest and instability.

Military Instruments in Low Intensity Conflict. The fundamental tenet of U.S. strategy for dealing with Low Intensity Conflict directed against our friends and allies is that military institutions in threatened states must become able to provide security for their citizens and governments. U.S. Low Intensity Conflict policy, therefore, recognizes that indirect-rather than direct applications of U.S. military power are the most appropriate and cost effective ways to achieve national goals.

The principal military instrument in Low Intensity Conflict, therefore, is security assistance. The primary role for U.S. armed forces in Low Intensity Conflict is to support and facilitate the security assistance program. The military services must also stand ready to provide more direct forms of military assistance when called upon. Usually, this assistance will consist of technical training and logistical support. The services and the Unified Commands must also be prepared for the effective execution of contingency and peacekeeping operations when such operations are required to protect national interests. U.S. combat forces will be introduced into Low Intensity Conflict situations only as a last resort and when vital national interests cannot otherwise be adequately protected.

Narcotics Trafficking and Low Intensity Conflict. Narcotics trafficking can breed violence, fuel instability and threaten governing institutions wherever it is found. The vast revenues produced by illegal narcotics sales, and concomitant use of international financial networks to launder the proceeds of these transactions, can promote the type of instability that becomes a breeding ground for Low Intensity Conflict. For these reasons, our policies for dealing with drug trafficking provide important support for our efforts to deal with Low Intensity Conflict.

Terrorism and Low Intensity Conflict. Under some circumstances, terrorism can be an important aspect of Low Intensity Conflict. This Administration has taken significant steps to define and implement policies to counter international terrorism. These policies focus on deterring, preempting and effectively reacting to international terrorist incidents. Low Intensity Conflict policy goes beyond this, however, and deals with the broader problem of supporting groups and governments against which terrorism is being used as a subversive weapon.

We must realize that Low Intensity Conflicts are frequently protracted struggles. In addition, most of the instruments of power that we can bring to bear on them work indirectly and over a long period of time. Therefore, we must be patient in such struggles. It is important that we prevail, but especially important that we recognize that we often cannot do so easily or quickly. On the other

hand, we do hold important advantages. We represent a model of political and economic development that promises freedom from political domination and economic privation . If we can protect our own security, and maintain an environment of reasonable stability and open trade and communication throughout the Third World, political, economic, and social forces will eventually work to our advantage.

V. Executing the Strategy

This portion of the report discusses U.S. capabilities to execute the National Security Strategy discussed in preceding chapters with particular emphasis on those areas where resource shortfalls impede effective achievement of important national strategy objectives .

FOREIGN POLICY CAPABILITIES

The United States depends on foreign assistance and other foreign operations programs to protect national security, promote its interests, and communicate its values and principles throughout the world . Our foreign operations programs include economic and military assistance, food aid, development assistance, international education and communication programs, the overseas operations of the State Department, and many other important functions.

These programs convert our foreign policy into positive, visible actions which provide assistance to people who face severe economic privation, and promote the economic and political development so important to support free and democratic societies. The programs also help governments seeking to defend themselves from internal and external threats . By helping our friends enhance their security, we can help create the necessary preconditions for economic and political development .

Equally important, our programs tell people about American ideals and values . By building greater understanding of what the United States stands for, we can influence growth in positive directions. The overall goal of our efforts is to create a more stable world in which humane social and political orders can flourish and which can support balanced economic growth . In short, our foreign operations programs are intended to support the types of positive change that will protect our national interests over the long term . A stable world whose nations can meet the economic needs of their citizens and respect individual rights is a world that is safer for the United States and its friends .

We spend only about two percent of our annual federal budget on the various foreign assistance programs . This is indisputably money well spent. The good we do, the problems we help solve, and the threats we counter through our assistance programs far outweigh the costs . They represent a highly leveraged investment . Nevertheless, our foreign assistance programs do not receive the support they deserve from the Congress. In the last few years, Administration foreign operations budget requests have been severely cut by the Congress. Although all programs must bear the burden of reducing the budget deficit, the cuts in foreign assistance have often been grossly disproportionate when compared with other programs .

This is penny wise and pound foolish . We cannot dismiss foreign assistance as a "give-away" program that wastes money which could better be spent on Americans. In the first place, such a characterization is factually wrong. Much of the money we spend in foreign assistance programs goes to purchase goods and services produced here in the United States. Our food aid programs are one of the best examples, but other programs, such as foreign military sales, also directly increase U .S . exports .

Furthermore, our assistance programs work to solve problems, relieve hardships, and ameliorate conflicts that, if neglected, could degenerate into crises adversely affecting U .S . interests . Unless we can be an active participant in encouraging the type of world order we desire, we may find ourselves compelled to defend our interests with more direct, costly, and painful means.

We face a foreign assistance funding crisis under the FY1987 budget voted by Congress. In that budget, we sought \$16.2 billion for Foreign Economic and Military Assistance. That assistance was carefully calculated to support a broad variety of important U.S. national security objectives.

Specifically :

- Thirty-four percent of that budget was to go to Israel and Egypt, reinforcing our vital search for lasting peace in that region .
- Twenty-six percent was intended for military access states and countries hosting U.S. military forces such as the Republic of Korea, the Philippines, Greece and Turkey.
- Eleven percent would have gone to Central America and the Caribbean .
- Seventeen percent was for countries which share our democratic values and need our help to advance them, such as Thailand and Colombia ; where new democracies have emerged, such as Bolivia and Uruguay; and where fundamental economic reforms are taking place, such as Ecuador and Senegal .
- All other country programs accounted for only three percent of the total foreign aid request . Some are poverty-stricken African states to which we are directing our humanitarian and technical assistance programs . Others, such as Burma, are active partners with us in the war against international narcotics trafficking .
- The remaining nine percent of our assistance was to go to international organizations, multilateral development banks, the Peace Corps, refugee assistance, narcotics control efforts, and AID noncountry programs .

Congress cut our request to \$13.6 billion . The effect of this cut is devastating . After we meet our commitment to the Middle East peace process, we have grossly inadequate funds left to meet other requirements. As a result, we are unable to fulfill our commitments to countries that provide us with strategically important basing and access rights . Indeed, some programs will have to be cut over 50 percent this year . We face the danger of falling behind in programs that are designed to help key regions beset with severe economic and security problems. We also can do little to help Third World debtors get back on their feet .

The cuts signal a policy of retreat . Clearly, in the next few months the Congress and the Executive Branch must work together to find solutions to these funding problems so that we can resume our positive role. These programs are a key part of our first line of defense in protecting American freedoms, and must enjoy full bipartisan support to be effective . I solicit such support for the FY 1987 supplemental appropriations request which has been submitted to Congress .

DEFENSE CAPABILITIES

Defense resources. The successful execution of any National Security Strategy depends on the availability of adequate resources. Strategies which depend on unrealistic or unachievable assumptions about resource availability are doomed to failure . At the same time, recent history has taught us that the time between the onset of a crisis and the need for a national security response has dwindled over the years . The days when nations could respond to crises by raising, training, and equipping new forces are gone. This fact of life, coupled with the sober knowledge that crisis situations can burst upon the world with startling suddenness, means that we must be able to deter aggression and infringement of our vital interests at any moment, and at places far removed from the United States .

In practical terms, this means that the Administration must not adopt strategies that our country cannot afford, and that our military leaders cannot and must not base their plans on resources that are beyond the nation's capability to provide . It also means that Congress, operating from a shared view of U.S. national interests, and the objectives which support them, must provide the Executive with the resources necessary to implement a realistic, prudent and effective strategy .

Providing for the common defense is the most important responsibility of the federal government shared equally by the Executive and Legislative branches. Partnership is the key to its successful execution . In that spirit, in the early 1980's-for the third time since World War II-

Congress and the Executive joined together in a concerted effort to rebuild and strengthen our military capabilities. However, unlike past build-ups, which were characterized by high rates of consumption to support combat operations in Asian conflicts, we focused this time on investment. There were important manpower and readiness problems to be overcome as well, but it was clear that only an increase in investment would produce the necessary positive, sustained impact on the military balance.

This action was essential to redress the serious imbalances between U.S. and Soviet capabilities which had emerged during the 1970's—a period of unprecedented military investment by the Soviets, aimed at shifting the global "correlation of forces" decisively in their favor. Had we not arrested this dangerous trend, the damage to our most fundamental national interests would have been profound. Fortunately, the Congress and the American people recognized the essentiality of rebuilding the country's defenses. As a result, we have achieved great progress. Our level of investment roughly matches that of the Soviets. However, the legacy of a decade in which Soviet investment far exceeded our own remains, and must be corrected.

Judgments about the adequacy of our defense program ultimately come down to questions of risk. Put in its starkest form, the issue is: how much risk to the survival of this country and its free institutions are we willing to accept? Military forces which are unsuccessful in deterring major war fail the first test of adequacy. We and our allies must have credible military responses, the prospects of which convince our adversaries that aggression would entail unacceptably high costs for them. How much military power is required to deter is inevitably a subjective question, involving our sense of how others view our military capabilities and our political will to use them, if necessary. In this respect, our forces must not only be adequate, but must be unmistakably perceived as adequate to defend our interests, execute our strategy, and preserve our alliance relationships.

Without question, the defense program required to support our strategy is affordable. In fact, in the past seven years, Americans have devoted an average of only 6.1 percent of GNP to defense—well under rates in the 1950s and 1960s, which ranged from 7 percent to 9.2 percent. Likewise, at about 27 percent of federal outlays, defense spending falls well below the peacetime average of 38 percent during the postwar era. In both instances, the increases of the early 1980s seem large only because the spending of the late 1970s was so severely depressed.

In the FY88-89 Defense Budget, I have not asked the Congress to approve defense increases similar to those of the early 1980s. At the same time, the Congress must act positively to protect the gains that we together have achieved. We must not continue on the path of real decline in defense investment established during the past two years. The time has come for us to join together in supporting moderate, sustainable increases in our defense budget, consistent with the economic growth we expect for the nation as a whole, and with the long-term challenge which the Soviet Union presents to the free world. Together, as a nation, we must break the pattern of costly and inefficient ups and downs in defense spending, and support the path of sustained, reasonable growth, at a rate which will allow the continuing modernization of our strategic and conventional forces, while maintaining adequate levels of military readiness, sustainability, and force structure.

Military Forces. Earlier in this report I set forth our strategy for the maintenance of deterrence against strategic nuclear or conventional attack on the United States or its allies.

The execution of our strategy to maintain a credible nuclear deterrent through the modernization of our strategic forces has been successful to date. Major elements of the Strategic Modernization Program have been approved by the Congress and our strategic forces are becoming more survivable and effective each day. We are improving the capability and credibility of our diversified strategic force mix and will continue to do so well into the next century.

As we look forward to the future, we are examining options that will allow us to capitalize on the progress made in the Strategic Defense Initiative to render ballistic missiles obsolete and place deterrence on a more stable long-term foundation. Strong support for this program, which exploits our strengths in advanced technology, advances both our deterrence and our arms control goals.

Full funding of the FY88-89 budget request for SDI is essential to sustain the important progress made to date and allow the program to proceed at an efficient pace .

The survivability of our land-based ICBM forces will increase dramatically in the years ahead as we move from older, fixed basing modes to new mobile basing modes that contribute to stability through increased survivability. The new concepts for mobile basing of the Peacekeeper and the Small ICBM will revitalize the ICBM leg of the strategic triad, significantly improve deterrence, and allow implementation of the Scowcroft Commission recommendations in a manner consistent with earlier Congressional guidance .

As we continue to improve our strategic deterrent forces, we must be mindful of the fact that our conventional forces are the first line of deterrence, and an essential means of supporting U .S . interests in crises short of general war. With the emergence of rough nuclear parity between the United States and the Soviet Union, conventional forces have become even more important to maintaining a secure deterrent. Our current conventional force modernization program contributes to a strong forward defense posture.

Key elements include :

- The Army's modernization program, which is based on the new Air Land Battle doctrine, and provides a combined-arms capability that will enable our divisions to maintain a qualitative edge over the much larger Soviet forces.

- Ongoing modernization programs for our tactical air forces supplement these ground force programs . The ability of our tactical air forces to maintain local air superiority and support ground forces requires continuing improvement .

- The program to revitalize our special operations forces is being fully implemented as one of our highest priorities. This program will ensure that we have highly trained forces immediately available to respond to a broad range of crises and Low Intensity Conflict situations, when our interests so require .

- Improvements in C31 are of continuing high priority in order to strengthen the ability to employ our conventional forces to their full capability .

- New short and long range mobility forces are improving our capability to transport and support our forward units, and to deploy forces in contingencies . The ability to build up military power rapidly in strategically important areas on the Eurasian periphery is essential for deterrence, and for neutralizing the geographical advantages of the Soviet Union .

- The warfighting capability of our naval forces is improving markedly with the increase in the quantity and quality of ships and aircraft . This long-term program to assure our ability to use the world's oceans in peace and war requires continuing support.

The full impact of these major modernization programs will be felt over the decade ahead . Accomplishment of our objectives will greatly increase our conventional deterrent capability. The net improvement in our defense posture will not be marginal ; it will be fundamental . Full support of these programs is essential to avoid deterioration of the U .S . Soviet conventional force balance, and assure that we have conventional forces capable of conducting forward defense of our interests without recourse to nuclear weapons.

As we pursue the qualitative upgrading of our forces, we must continue to refine our plans and concepts for employing them. Our military strategy is complex . To accomplish their tasks the Services have developed appropriate doctrines, organizations and tactics . Ensuring that these are melded into a coherent National Military Strategy presents a challenge in the continuously changing international environment . This problem is magnified by the diversity of potential contingencies within the spectrum of conventional conflict. At the theater level, regional strategies have been developed by the Unified Commanders . These strategies, together with other considerations global in character, or which cross CINCS' lines of authority, are integrated into the National Military Strategy . That strategy provides an effective basis for the employment of our military capabilities worldwide, in a coordinated, mutually supporting fashion . Our national military strategy undergoes

periodic reviews to revalidate and update its essential elements . The results will not only improve our capability for employment of military forces, but provide stronger conceptual support for development of our conventional force R & D and procurement programs . In doing so, we are always mindful of the relationship between nuclear and conventional deterrence . Our long-term objective of reducing our reliance on nuclear weapons, if successful, demands special attention to maintaining both the effectiveness of our conventional deterrent and strong alliance relationships .

Improving Efficiency. An important part of the activity aimed at supporting our National Security Strategy includes a series of ongoing efforts to-improve the management and operational effectiveness of our defense establishment . Improving the efficiency of the Department of Defense has been the subject of much attention and a number of notable achievements over the past six years. Most recently these efforts have included the report of the Blue Ribbon Commission on Defense Management, chaired by David Packard ; and Congressional action on defense reorganization . As a result of this activity, important changes have been accomplished in the way the Department of Defense does business. The overriding objectives of these combined efforts are to improve the quality of our strategic planning; promote a tight linkage between strategy, military requirements, and our acquisition programs; and ensure that we realize maximum military benefit for every defense dollar.

Important organizational changes have occurred ; others are impending . New Unified Commands for Transportation and Special Operations Forces will become operational this year, and we will shortly establish the newly authorized position of Assistant, Secretary of Defense for Special Operations and Low Intensity Conflict, concurrently activating the Congressionally-mandated Board for Low Intensity Conflict within the National Security Council organization . The authority of the Chairman, Joint Chiefs of Staff, and the Unified Commanders, has been strengthened ; and the new position of Vice Chairman, Joint Chiefs of Staff, has been established .

In 1986, the Congress approved my proposal to create an Under Secretary of Defense for Acquisition . This appointment has led to a reorganization of procurement functions within the Department of Defense. These changes are intended to achieve a major reduction in the time required to field new technology and equipment, to involve the professional judgment of the Joint Chiefs of Staff more directly in the identification and validation of military requirements, and to improve the efficiency of the acquisition process generally. To promote technological innovation, the role of the Defense Advanced Research Projects Agency in prototyping and other advanced development work on joint programs has been expanded .

To aid our understanding of future requirements, last fall we established a bipartisan Commission on Integrated Long-Term Strategy. This group of distinguished Americans is working to provide the Secretary of Defense and my Assistant for National Security Affairs insights into the role and strategic implications of new defense technologies over the next twenty years . The Commission will also look at ways to accelerate the introduction of the most promising new technologies into our military forces . Possible new threats resulting from ongoing Soviet research programs will also be examined.

Changes underway in the defense planning process will strengthen the relationship between the fiscal plans for defense and the overall budgetary plans for the federal government . With the encouragement of Congress, we are for the first time submitting a two-year defense budget. In both instances, the objective is greater stability for the defense program . While we will continue to strive for greater cost control and savings at the program level, the Blue Ribbon Commission on Defense Management concluded that, in the future, significant efficiencies in the defense budget were more likely to be achieved through greater program stability than through specific management actions.

Greater stability can be effectively accomplished only through close cooperation between the Executive Branch and the Congress. Our joint interest in improving defense management has produced a series of interconnected organizational and procurement reforms that are now underway. We must now let the Department of Defense implement these reforms and assess their effectiveness

without undue interference. It is likely that some adjustments will be required . After suitable experience with the new structure and procedures, we will make appropriate recommendations to the Congress .

INTEGRATING NATIONAL SECURITY CAPABILITIES

As I indicated earlier, the effective achievement of our National Security Strategy's objectives requires the carefully integrated employment of all facets of national power. To the maximum extent possible, we attempt to achieve our objectives through employment of the noncoercive elements of national power. This approach is aided when we are able to identify problems early, diagnose them thoroughly, and apply the pooled insights and wisdom of my senior advisors to their solution . The principal vehicle through which this essential integrating function is accomplished is the National Security Council (NSC), and the various interagency groups which function under its supervision .

The NSC helps us apply our broad objectives to specific situations and translate those objectives into detailed policies and strategies . The overreaching task of the NSC is to help ensure that my decisions are made in a timely manner, and with benefit of the clearest possible articulation of alternative courses of action, their relative strengths and weaknesses, and likely consequences .

The results of this process are formally recorded as National Security Decision Directives (NSDDs) . The NSDDs, in the aggregate, provide a broad body of guidance for the preparation of foreign and defense policy, military planning, and the development of substrategies to support the National Security Strategy's objectives. Over the past six years we have developed over two hundred and fifty NSDDs. Not all remain in force, and not all deal with topics of global import; but the process is effective in promoting the integrated employment of the broad and diverse range of tools available for achieving our national security objectives .

The continued development and successful implementation of U .S . National Security Strategy is a major responsibility of the Executive Branch . But the Administration cannot accomplish this alone . Developing and supporting a National Security Strategy for the United States that provides a sound vision for the future and a realistic guide to action must be a cooperative endeavor of the Congress and the Administration .

I look forward to working with the Congress in a bipartisan manner to achieve increased understanding of, and broad support for, our National Security Strategy and its objectives . There can be no endeavor more important for the long-term well-being of the American people; and I solicit the Congress' closest collaboration in achieving it.

VI . Looking Forward to the 1990's

Six years ago, when the American people elected me as their President, I was determined to achieve four near-term, urgently needed objectives in the National Security Strategy area:

- First, to restore our nation's military strength after a decade of neglect which allowed the Soviet Union to overtake us in many critical categories of military power;
- Second, to restore our nation's economic strength and reinvigorate the world economic system, in the wake of the energy crisis and global recession ;
- Third, to restore the nation's international prestige as a world leader, after some years of our image being tarnished and our adversaries believing that the United States was retreating from its international obligations; and
- Fourth, to restore personal motivation to all Americans and carry our message to the world that individuals and not governments should control their economic, spiritual and political destinies.

After six years, I can report this restoration process is well underway. The ship of state is heading in a new, long-term direction which should be pursued over the remaining years of this century. I believe that our most important thrust in the National Security Strategy area has been to restore the image of the United States as the light of freedom throughout the world .

We have seen our message taken to heart by peoples and governments throughout the world in these last six years . We have seen nations change their economic thinking to place more

emphasis on the worth and work of the individual as opposed to satisfying the interests of the state . We have seen thousands of freedom loving people take up arms against those regimes which seek to impose their will on populations who want peace and economic stability. We have seen mounting opposition to those forces in the world that aggressively employ military power and coercion to achieve their goals .

This is what has given me the personal strength to forge ahead in times of trouble and criticism, in times of great risk and potential loss . I have seen that time is on our side against those forces in this world that are committed to the elimination of freedom, justice, and democratic ways of life . Time is running out for those regimes because people everywhere realize that the way of life imposed by those forces is counter to basic human values. People across the world see that we offer a vision of the future . Our adversaries offer the darkened ways of an unsatisfied past through domination by military power, stifling statism, and political oppression .

I have used every opportunity these past six years to drive this theme home, both here and abroad . This is also the dominant theme of our National Security Strategy-the very pulse of our nation which must be carried into the future to ensure that we remain strong and innovative, vibrant and free.

We must never forget that freedom is never really free ; it is the most costly thing in the world . And freedom is never paid for in a lump sum ; installments come due in every generation. All any of us can do is offer the generations that follow a chance for freedom .

I ask that we stand together in my final two years as your President to ensure that we continue setting in place a strategy which will carry us securely into the 21st Century.

1988

**Стратегия национальной безопасности
Соединённых Штатов
(Вашингтон, январь 1988 г.)**

NATIONAL SECURITY STRATEGY OF THE UNITED STATES
THE WHITE HOUSE
JANUARY 1988

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Preface

This statement of America's National Security Strategy builds on my initial report to the Congress and the American people last year. In the twelve months since, the strategy outlined in that first report has served the nation well in protecting our interests and advancing our security objectives around the world.

In last year's report I noted that, at the outset of this Administration, I had set forth four broad objectives that underpinned our National Security Strategy. They were:

- First, to restore our nation's military strength after a period of decline in which the Soviet Union overtook us in many critical categories of military power;
- Second, to restore our nation's economic strength and reinvigorate the world economic system;
- Third, to restore the nation's international prestige as a world leader; and
- Fourth, to restore pride among all Americans and carry our message to the world that individuals and not governments should control their economic, spiritual and political destinies.

Our National Security Strategy continues to be aimed at reinforcing the gains we have achieved in each of these areas, while employing all the elements of our national power-political, economic and military-in a coordinated way to advance the full range of national security interests outlined elsewhere in this report.

The fundamentals of our strategy change little from year to year; our interests and objectives are derived from enduring values. Much of the discussion in this report therefore parallels that of last year, with changes as necessary to reflect significant developments in the interim. These include:

- Our persistence and adherence to principle have borne fruit in the historic agreement to eliminate intermediate-range nuclear forces (INF) - the first of the nuclear era to achieve meaningful reductions in U.S. and Soviet arsenals. This treaty is a victory for the Atlantic Alliance as well, reflecting the firmness that all allies showed. We have also made further progress toward a START agreement that could cut U.S. and Soviet strategic offensive arms by 50 percent.

- Our SDI program is making great progress, moving us toward the prospect of a safer world - one which depends for its security on strategic defense, rather than on the threat of mutual nuclear retaliation.

- In the Persian Gulf we have augmented our traditional military presence to prevent Iran from interfering with U.S.-flag shipping and to support our diplomatic efforts to bring an end to the tragic Iran-Iraq war. Our allies' contributions to the safe navigation of the Gulf by non-belligerent shipping are welcomed, and underline the importance which the Free World ascribes to this strategically and economically pivotal region of the world.

- Critical imbalances remain in the international economy which could portend problems ahead unless they are addressed in a forthright and effective manner by the governments of the industrialized nations. The major world economies, including our own, are sound and can provide

the basis for continued growth and prosperity, provided we and our partners deal with important fiscal, trade and budgetary issues in sensible and cooperative ways.

- In the Soviet Union we hear talk of "new thinking" and of basic changes in Soviet policies at home and abroad. We will welcome real changes, but we have yet to see any slackening of the growth of Soviet military power, or abandonment of expansionist aspirations. As we work to find areas for further cooperation, we will continue to judge the Soviets by their actions, rather than their words, and to found our National Security Strategy on a realistic view of Soviet aims and capabilities.

- On many continents, efforts by the Soviet Union and its clients to impose or maintain Leninist regimes by force of arms are meeting increasing resistance. In Afghanistan, Nicaragua, Angola, and Cambodia, anti-Communist insurgencies are raising the cost of aggression and offering hope of just political solutions. Our strong support for Freedom Fighters, from Afghanistan to Nicaragua, is a vital insurance policy for peace with freedom. We are encouraging the broader democratic trend in the world—from Latin America to the Philippines, to the Republic of Korea.

- At home, however, the reluctance on the part of the Congress to provide the financial resources necessary to support our National Security Strategy is a cause for rising concern. Our assessment of risks to important U.S. interests has increased, and some of the recent gains in redressing the military and geopolitical balance are in jeopardy. The implications of this adverse trend, now in its third year, are discussed in more detail in the final chapter of this report.

I forward this report with the confidence that it will help the Congress and the American people better understand our National Security Strategy and contribute to the consensus needed to enable us to fulfill our responsibilities as leader of the world's democracies.

As I said in last year's report, we must never forget that freedom is never really free; it is the most costly thing in the world. And freedom is never paid for in a lump sum. Installments come due in every generation. All any of us can do is offer the generations that follow a chance for freedom. In the final analysis, this is the assurance that our National Security Strategy seeks to provide. I commend its reading to all Americans.

Ronald Reagan
January 1988

I. Historical Dimension U.S. National Security Strategy

This is my second report to the Congress on our National Security Strategy. Its focus is on how the principal elements of national power—diplomatic and informational, economic and military—can be employed to support our national interests and promote the objectives of peace, security, and freedom. It analyzes the major political, economic, and military threats to our interests, and discusses the strategies that we believe most appropriate to respond to those threats and to help shape the future in accordance with our positive goals and ideals. It also discusses some of the dilemmas, tradeoffs and risks that America faces, because we realize that our knowledge of our adversaries is never certain and that all resources, including our national will, are finite.

Walter Lippmann once wrote:

... the behavior of nations over a long period of time is the most reliable, though not the only index of their national interests. For though their interests are not eternal, they are remarkably persistent... There is no great mystery why this should be: the facts of geography are permanent ... thus successive generations of men tend to face the same recurrent problems and to react to them in more or less habitual ways.

Lippmann's observation is particularly apt. While it is commonplace to hear that U.S. National Security Strategy changes erratically every four to eight years as a result of a new Administration taking office, in reality there is a remarkable consistency over time when our policies are viewed in historical perspective. The core interests and objectives of this Nation have changed little since World War II.

The first historical dimension of our strategy is relatively simple, clear-cut, and immensely sensible. It is the conviction that the United States' most basic national security interests would be endangered if a hostile state or group of states were to dominate the Eurasian landmass—that area of the globe often referred to as the world's heartland. We fought two world wars to prevent this from occurring. And, since 1945, we have sought to prevent the Soviet Union from capitalizing on its geostrategic advantage to dominate its neighbors in Western Europe, Asia, and the Middle East, and thereby fundamentally alter the global balance of power to our disadvantage.

The national strategy to achieve this objective has been containment, in the broadest sense of that term. Administrations have differed over which instruments of national power—diplomatic and informational, economic or military—should receive the most attention at any particular time. But, in the final analysis, every Administration since World War II has endorsed the concept that the United States, in partnership with its allies, must prevent the Soviet Union from dominating those great concentrations of industrial power and human capacity that are Western Europe and East Asia. Thus, shortly after World War II, the United States helped rebuild, through the Marshall Plan, the war-ravaged economies of Europe, limiting Soviet opportunities to exploit Europe's economic distress. In addition, America deployed military forces forward, as necessary, to help deter and contain Soviet military expansion. As Soviet capabilities grew, our security also required a large strategic nuclear force to augment the forward-deployed conventional deterrent and to reinforce our deterrence of both nuclear and conventional attacks on ourselves or our allies.

The advent of nuclear weapons and intercontinental delivery systems added another dimension to our thinking about national Security Strategy: these weapons became the primary threat to our national survival. Thus, for over forty years, the deterrence of nuclear war and the reduction of its threat have been major objectives of U.S. National Security Strategy. We have pursued these objectives with renewed vigor, and heartening results, during this Administration.

Similarly, the economic element of our national power has long been an important component of our National Security Strategy. This Administration's strong support for an open and expanding world economy and trading system reflects a fundamental national interest. The industrial democracies have long been important trading nations. An open world of enterprise and the free movement of people, goods, and ideas are not only the keys to our prosperity, but basic moral principles. We see an expanding global prosperity as enhancing our own. The global economy is clearly even more interdependent now than early in this century when America first endorsed these principles; and our need for access to markets and raw materials has increased. As a result, our commitment to free and fair trade among nations is greater today than ever.

The facts of geography, as Lippmann pointed out, dictate basic dimensions of our National Security Strategy. Since the early 19th century we have not feared invasion of the American mainland; and even to this day, our national territory remains relatively secure against conventional attack, protected by oceans on the east and west and friendly nations to our immediate north and south. However, nuclear weapons and the means to deliver those weapons over great distances can now threaten our national survival. And most of our friends and allies—as well as the markets and resources that are integrated with our economy—are physically distant from the continental United States.

To help protect our friends and allies, and other U.S. interests abroad, we must not only possess national strength, but we must be able to project this power—diplomatic and informational, economic, and military—across great sea and air distances. In the military sphere, we must maintain the capability to secure our worldwide lines of communication; to project military power quickly; to sustain forces at great distances for extended periods of time; and to pose a credible deterrent to those who might contemplate aggression against our allies and friends.

The United States has long recognized that, even as we have taken up a major role of world leadership, our interests and political values call for a deepening partnership with like-minded nations to advance the cause of peace and freedom. Thus, an abiding commitment to strong

alliances has been a consistent and vital component of American strategy since the Second World War. Even if we could afford, economically and militarily, to chart our national Security Strategy without allies-which we cannot-we would not want to do so. "Fortress America" is an obsolete concept. Such a policy would be dangerously misguided and self-defeating. Solidarity with our allies multiplies the strength of all. It permits a sharing of responsibilities and it reminds us that the cause of democracies is, after all, one of our most fundamental goals.

As with all Administrations, during our stewardship we have faced unique security challenges-and opportunities- presented by a dynamic world and America's own needs. This has given our national Security Strategy two additional emphases worth noting. The first is realism. We have sought to deal with the world as it is, not as we might wish it to be. A strategy without illusions, based on observable facts, has been our goal. We attempt to deal with both friends and adversaries on a basis that recognizes that acts are more important than words, and that frankness is the foundation of productive and enduring relationships among nations. At the same time, we have emphasized our willingness to dialogue-to engage our adversaries, in particular, in negotiations aimed at finding areas of common interest, reducing sources of tension, and rendering our relations more stable and predictable. By emphasizing realism and a willingness to talk, we have been able to place our arms reduction negotiations with the Soviets on a more solid basis, culminating in the first agreement between the superpowers to achieve significant reductions in nuclear arsenals.

This list of historical dimensions of U.S. national Security Strategy could be extended. Academics and practitioners have debated the issue for years. But the fundamental point should be clear: there has been impressive continuity in U.S. National Security Strategy, reflecting the fact that the strategy is grounded in unchanging geographic considerations, and designed to preserve the fundamental values of our democracy.

II. Fundamentals of U.S. National Security Strategy

THE FRAMEWORK-VALUES, INTERESTS, AND NATIONAL SECURITY OBJECTIVES

Traditionally national security has been viewed as protection from external attack, thought of largely in terms of military defenses against military threats. But that is clearly too narrow a conception. A nation's security today involves much more than the procurement and application of military forces.

National Security Strategy must start with the values that we as a nation prize. Last year, in observing the 200th anniversary of our Constitution, we celebrated these values with a sense of rededication-values such as human dignity, personal freedom, individual rights, the pursuit of happiness, peace and prosperity. These are the values that lead us to seek an international order that encourages self-determination, democratic institutions, economic development, and human rights. The ultimate purpose of our National Security Strategy is to protect and advance those values. But, if they are to serve as the basis of a National Security Strategy, these values must be translated into the more concrete terms of national interests and objectives.

U.S. Interests

Our National Security Strategy reflects our national interests and presents a broad plan for achieving the national objectives that support those interests. The key national interests which our strategy seeks to assure and protect include:

1. The survival of the United States as a free and independent nation, with its fundamental values intact and its institutions and people secure.
2. A healthy and growing U.S. economy to provide opportunity for individual prosperity and a resource base for our national endeavors.
3. A stable and secure world, free of major threats to U.S. interests.
4. The growth of human freedom, democratic institutions, and free market economies throughout the world, linked by a fair and open international trading system.
5. Healthy and vigorous alliance relationships.

Major Objectives in Support of U.S. Interests

U.S. national security objectives are broad goals refined from our national interests. They provide a general guide for strategy in specific situations which call for the coordinated use of national power. Our principal national security objectives are:

1. To maintain the security of our nation and our allies. The United States, in cooperation with its allies, must seek to deter any aggression that could threaten that security and, should deterrence fail, must be prepared to repel or defeat any military attack and end the conflict on terms favorable to the United States, its interests, and its allies.

Specifically:

- To deter hostile attack on the United States, its citizens, military forces, or allies and to defeat attack if deterrence fails.
- To deal effectively with threat to the security of the United States and its citizens should armed conflict, including the threat of international terrorism.
- To prevent the domination of the Eurasian landmass by the Soviet Union, or any other hostile power or coalition of powers.
- To prevent transfer of militarily critical technology and resources to the Soviet bloc and hostile countries or groups.
- To reduce our reliance on nuclear weapons by strengthening our conventional forces, pursuing equitable and verifiable arms control agreements and developing technologies for strategic defense.
- To assure unimpeded U.S. access to the oceans and space.
- To foster closer relations with the People's Republic of China.
- To prevent the spread of nuclear weapons.

2. To respond to the challenges of the global economy. Our national security and economic strength are indivisible. As the global economy evolves in increasingly interdependent ways, we must be aware of economic factors that may affect our national security, now or in the future. Since our dependence on foreign sources of supply has grown in many vital areas, the potential vulnerability of our supply lines is a matter of concern. Additionally, the threat of a global spiral of protectionism must be combatted, and the problem of debt in the developing world is a burden on international prosperity.

Specifically:

- To promote a strong, prosperous and competitive U.S. economy, in the context of a stable and growing world economy.
- To ensure access to foreign markets, energy, and mineral resources by the United States and its allies and friends.
- To promote a well-functioning international economic system with minimal distortions to trade and investment, with stable currencies, and broadly agreed and respected rules for managing and resolving differences.

3. To defend and advance the cause of democracy, freedom, and human rights throughout the world. To ignore the fate of millions around the world who seek freedom betrays our national heritage and over time would endanger our own freedom and that of our allies.

Specifically:

- To promote national independence and the growth of free institutions worldwide.
- To encourage and support aid, trade, and investment programs that promote economic development and the growth of free and humane social and political orders in the Third World.
- To encourage liberalizing tendencies within the Soviet Union and its client states.

4. To resolve peacefully disputes which affect U.S. interest in troubled regions of the world. Regional conflict which involve allies or friends of the United States may threaten U.S. interests, and frequently pose the risk of escalation to wider conflagration. Conflicts, or attempts to subvert friendly governments, which are instigated or supported by the Soviets and their client state, represent particularly serious threat to the international system and thus to U.S. interests.

Specifically:

- To address, where possible, the root causes of regional instabilities which create the risk of war.

- To maintain a regional military balance vis-à-vis the Soviet Union and states aligned with it.

- To neutralize the efforts of the Soviet Union to increase its influence in the world, and to weaken the links between the Soviets and their client states in the Third World.

- To aid in combatting threats to the stability of friendly governments and institutions from insurgencies, subversion, state-sponsored terrorism and the international trafficking of illicit drugs.

5. To build effective and friendly relationships with all nations with whom there is a basis of shared concern. In the world today, there are over 150 nations. Not one of them is the equal of the United States in total power or wealth, but each is sovereign, and most, if not all, touch U.S. interests directly or indirectly.

Specifically:

- To make major international institutions more effective in promoting peace, world order and political, economic and social progress.

- To seek opportunities to improve relations with the Soviet Union on a realistic and reciprocal basis.

- To improve relations with other nations hostile to us in order to reduce the chance of future conflict.

- To strengthen U.S. influence throughout the world.

PRINCIPAL THREATS TO U.S. INTERESTS

The most significant threat to U.S. security interests remains the global challenge posed by the Soviet Union. Despite reforms that the leadership of the Soviet Union has recently undertaken - the significance and durability of which remain unclear - Soviet military power and active diplomacy continue forcefully to challenge our vital interests in many parts of the world. The Soviet Union places a high priority on creating and exploiting divisions within and among the Western allies. In key developing countries it supports communist parties, insurgent movements, and other elements that seek to undermine governments allied with or friendly to the United States and to replace them with authoritarian or totalitarian regimes. In other developing countries, modernizing forces struggling to create or consolidate democratic and free market societies are actively opposed by groups supported or inspired by the Soviet Union and its allies.

As a result of changes in leadership style, the Soviet Union has succeeded in projecting a more favorable international image. Proposed domestic reforms and foreign policy initiatives have given rise, in some cases, to hopes for fundamental changes in Soviet behavior. The new style of Soviet policy has its political impact. Moscow is moving in new directions, offering an array of initiatives, putting old assumptions in doubt, attracting new support internationally, and sometimes placing Western governments on the defensive. This poses a new, continuing, and more sophisticated challenge to Western policy. Whether recent changes constitute a real opportunity for more fundamental improvements in relations with the Soviet Union remains to be seen. We are open-minded on this score. While recognizing the competitive and predominantly adversarial character of our relationship, we shall maintain a dialogue with the Soviet Union in order to seize opportunities for more constructive relations.

Although the Soviet Union still poses the primary security threat, we and our allies and friends also face a diversity of other serious security challenges: regional and low-intensity conflicts; the potential for nuclear proliferation; international terrorism; narcotics trafficking; radical politico-religious movements; and problems of instability, succession, and economic development in countries that are important friends and allies.

In Europe, the principal threat to America's interests, and to those of our allies, continues to be that posed by the ongoing buildup of Warsaw Pact military capabilities. For decades the Soviet Union has allocated a disproportionately high share of its national income to military expenditures.

and has created technologically sophisticated forces far in excess of any plausible need for self-defense. Equally threatening, but much more subtle, is the continuous political warfare against Western cohesion through propaganda, particularly focused on the younger generations of Western Europeans. Through such means the Soviet Union is attempting to affect public opinion in allied countries to weaken relations with the United States, erode the commitment to defense, and encourage support for Soviet policies and proposals. Ultimately, the Soviet Union still seeks to separate Western Europe politically and militarily from the United States, thereby altering the global balance of power in the most fundamental way.

Beyond the challenges in Europe, other areas give cause for concern. Free World interests in the Middle East are seriously threatened by the protracted war between Iran and Iraq, and by Iran's drive to become the dominant power in the region. Tehran's threats to friendly Gulf States and to international shipping in the Persian Gulf have caused the United States and several of its allies to provide naval protection for their own shipping, and to assist certain of the Gulf States. The aggressive radical regime in Iran persists in threatening its neighbors which are friends of the United States with military force, and through terrorism and subversion. Its terrorist surrogates in Lebanon fuel the anarchy in that stricken country, while Iran advertises its willingness to use terrorism against United States personnel and facilities in the Middle East and elsewhere. Whatever Iran's mistrust of the Soviet Union, Iran's policies undermine Western friends and Western relationships in the Middle East and objectively benefit the Soviet Union globally.

Fragile democratic governments in Central and South America are being confronted by myriad social and economic problems. At the same time, radical and insurgent groups supported by the Soviets, the Sandinista regime in Nicaragua, and by Cuba are a source of political destabilization. Prospects for an enduring peace in Central America will be bleak as long as the Sandinista leaders betray their promises of genuinely democratic government and support insurgent forces attempting to subvert their neighbors.

Other regional tensions and conflicts—such as those on the Korean peninsula, in Indochina, in Southern Africa, and between Israel and its Arab neighbors—threaten both international peace and the internal stability of friendly states. In the Philippines, for example, the fledgling democratic government is besieged by a variety of extremist forces some of which wish to impose authoritarian regimes.

Low intensity conflicts, the increasing linkages between international terrorists and narcotics traffickers, as well as racial, sectarian, and other tensions continue to challenge U.S. interests and our hopes for human betterment. Refugees from these conflicts can place powerful burdens on the economies and societies of host countries, and require substantial quantities of international relief.

The spread of nuclear weapons to additional nations threatens to exacerbate regional conflicts and could conceivably involve the United States and the Soviet Union in nuclear conflicts. This proliferation could ultimately make nuclear deterrence less stable. At this time, the most difficult regional nuclear rivalry involves India and Pakistan, but other areas of the world, including the Middle East, Africa, and Latin America could be subject to similar dangers in the future.

Although in recent years the international economic and financial system has proved to be remarkably resilient, sudden, unexpected shocks can pose major new challenges to U.S. interests. The hard currency debts of many developing nations—including several that are neighbors and important friends and allies of the United States—have had severe and destabilizing consequences within their societies. Most of the debtor states have been unable to achieve sustained and significant economic growth since the early 1980s and have experienced high rates of unemployment and inflation, and extended periods of unpopular austerity. Many of these countries are also adversely affected by low commodity prices in the international market, capital flight, excessive government spending, narcotics production and trafficking, and other indigenous and externally imposed problems that will not be easily remedied. The longer the economies of the major debtor states fail to rebound from these conditions, the greater are the possibilities that

irresponsible elements will gain local support for nationalistic responses that could damage important U.S. interests.

In addition, rising pressure in some major trading nations for greater protection from foreign competition could place powerful new downward pressure on these national economies. Potentially, this could result in a spiral of protectionist measures that would endanger the international trading system.

Finally, the prospects for world peace and prosperity- and thus for U.S. interest in a just and progressive international order-will be influenced by other problems in certain parts of the world. Critical shortages of food, a lack of health services, and inability to meet other basic needs will keep millions of people, particularly in Africa, in peril. The dangerous depletion or contamination of the natural endowments of some nations-soil, forests, water, air-will add to their environmental and health problems, and increasingly to those of the global community. These problems cannot be resolved simply through outside assistance, for many of them will require policy changes and leadership by governments and elites in the countries themselves. But all create potential threats to the peace and prosperity that are in our national interest, as well as the interests of the affected nations.

In summary, this broad range of threats to our national interests provides the backdrop against which we formulate our national Security Strategy. As we seek ways to promote our national interests and objectives, a careful understanding of these evolving threats is essential to proper strategy formulation.

III. Power, Policy, and Strategy

ELEMENTS OF U.S. NATIONAL POWER

Having described our national security interests, objectives, and the range of threats that we face, it is appropriate next to turn to the national means available to achieve our objectives, and to the strategies that relate means to ends.

The means available are the elements of national power that the United States possesses-diplomatic and informational, economic and military-and which we employ to influence the behavior of other nations. Power, it is often said, is the quintessence of strategy. Unfortunately, America's national power is sometimes thought of only in coercive or military terms. I believe, however, that national power is also derived from a nation's moral legitimacy and leadership, as we exemplified by the Marshall Plan after World War II-an act of strengthening allies, of enlightened self-interest. Today, nations understand that the effective use of national power is something more than the simple use of force; and we seek to follow a national Security Strategy that ensures we can relate to other nations on the basis of credibility rather than simple capability.

We have an exceptionally diverse array of instruments for employing the various elements of national power. Exercised by the Executive Departments and Agencies, these tools are most effective when integrated, tailored to the specific situation, and guided by a common strategy for their implementation. These instruments include:

- Moral and political example. American spirit and prosperity represent a critical challenge to the ideology and the practical record of our adversaries: free, pluralist societies work. Since the days of our Founding Fathers, this power of example has represented a potent leverage in international relations. But we should not leave its expression and understanding to chance. It is in our interest to spread this message in an organized and effective way.

- Military strength. A strong military capability is essential for a stable, secure environment in which our adversaries are deterred and diplomacy can be effective.

- Economic vitality. America's economic strength sustains our other elements of power and fortifies our relations with the countries that share our interest in a free and open international economy.

- Alliance relationships. The pursuit of American security objectives depends on cooperation with like-minded international partners. These relationships enhance our strength and mitigate the

understandable reluctance of the American people to shoulder security burdens alone. The predictable difficulties that arise from time to time in all alliance relationships must be measured against the enormous benefits that these ties bring us and our friends.

- Public diplomacy. This is a key instrument—one with an impact both strong and subtle on international political events and how people perceive them. Through our public diplomacy activities, we seek to explain to foreign audiences our policies and actions in ways that are clear, credible, and likely to elicit support for our interests and objectives.

- Security assistance. By helping friends and allies acquire the means to defend themselves, we complement the rebuilding of our own military strength and increase the human and material resources available for the defense of free world interests. In the process, we reduce the likelihood of direct American involvement in potential conflicts. Security assistance is a key instrument in our national security strategy, a productive and highly leveraged investment that promotes our security interests at bargain prices.

- Development assistance. It is in our national interest to support efforts of friendly developing countries to provide for the basic needs of their people. Development assistance plays a vital role in encouraging market-oriented approaches with the potential to increase income levels in recipient countries. A well structured and financed development and finance program enhance our world leadership and influence.

- Science and technology cooperation. For many countries, access to advanced scientific and technological resources is critical to prosperity and longterm economic growth. U.S. leadership and our vast resources in science and technology are important strategic assets to strengthen existing ties with friends and allies, and promote positive relationships with key developing nations.

- International organizations. Multilateral diplomacy and participation in international organizations such as the United Nations and the International Monetary Fund provide opportunities to address common global problems and share the task of solving them. Skillful diplomacy within these and other multilateral organizations can serve to enhance our overall goals on issues such as peacekeeping, promotion of human rights, and encouraging the development of free economic and political systems.

- Diplomatic mediation. In regions where conflict threaten our interests or those of our friends, political efforts can play a major role in ending violence, promoting freedom and national self-determination, and laying the foundations for future stability. The initiatives of American diplomacy take their strength from effective and integrated use of the tools already discussed, and from the ability of U.S. representatives to act credibly as mediators of disputes. Making clear the firmness of our commitments to friends and allies increases the incentives to negotiate seriously.

A PERIOD OF TRANSITION

We are living in times that historians will characterize as a period of transition in international security affairs. As noted in my first National Security Strategy Report, this transition really began in the late 1970s when our policies to rebuild our allies' economies had long since succeeded, and America no longer held an overwhelmingly predominant economic position vis-a-vis Western Europe and East Asia. This realignment of economic strength is likely to continue into the next decade with the further evolution of East Asia's industrial economies, particularly that of China.

This transition period has also been marked by the Soviet Union's massive military buildup—consuming as much as 15-17 percent of annual GNP. This large, unmatched investment provided the Soviets by the 1980s a position of strategic nuclear parity, quantitative conventional force superiority around the Eurasian rimland, and a modern, globally deployed navy. The buildup has also supported the projection of Soviet influence into many areas of the world—particularly the unstable Third World regions of Southeast and Southwest Asia, Africa, and Latin America. The buildup's consequences will continue to present a major threat to our security and that of our allies for years to come.

Two other major trends characterize this period of transition in international security affairs. The first is the revolution in military technology that is already well underway. New surveillance and targeting systems, new means of destruction, and low observable (stealth) technology will soon provide military capabilities previously thought wholly infeasible. Similarly, rapid advances in microelectronics will allow the command, control and communications integrated with intelligence sources, to provide the necessary strategic and tactical direction of such advanced military operations.

Our military leaders, as well as those of our adversaries, are now rethinking military doctrines and force structures as a result of these and other applications of advanced technology to military power. As this trend continues, military competition is likely to focus increasingly on non-nuclear weapons, where the combinations of stealth and extreme accuracy at long ranges will reopen the possibility of non-nuclear strategic attack. Space will also become a more prominent area of activity, not the least because of its growing importance for air, ground, and naval warfare. We expect that this revolution in military technology will continue well into the next decade and necessitate the adaptation both of military doctrines and of national security strategies. In this regard, the recent report of the bipartisan Commission on Integrated Long-Term Strategy helps bring into focus the essentiality of maintaining our technological superiority through coherent military research and development programs aimed at exploiting emerging strategic opportunities.

The last major trend of this transition period is the diffusion of economic power and advanced technology to the Third World. This combination of economic growth and technological maturation has already provided several countries with an independent capability to produce large numbers of advanced weapon systems, both for their own use and for export. Thus, countries dependent on neither the United States nor the Soviet Union could in the not too distant future possess the capability to conduct a major war, either against each other or against a world power. The arsenal of the disposal of these sovereign countries are likely to include chemical weapons, and may eventually include nuclear weapons and space systems for target location. As this trend continues, the potential for mid- and high-intensity conflicts increase; in many regions of the world, some of which are already suffering from various types of low intensity conflict.

In responding to these emerging features of the strategic landscape, we have formulated our strategy to play to our strengths and to exploit our adversaries' weaknesses. For example, our defense policies stress that the United States and its allies must continue to enjoy technological superiority over the Soviet Union. The West's spirit of inquiry and the free flow of information permit technology and innovation to flourish to a far greater degree than in a closed society. Our advantages in areas such as precision guided munitions, stealth technology, submarine quieting, and super-computer technology are important strategic assets and we intend to exploit them, and to protect them from Soviet attempts to acquire them—either by purchase or theft.

In a similar manner, our diplomatic policies are designed to play to the strength of our alliance relationships. In Europe, we and our NATO allies are partners in a voluntary coalition of sovereign, equal nations—in stark contrast to the Warsaw Pact and the Eastern European countries still dominated by Soviet military power. In this period of transition we have new opportunities as our allies display an increasing willingness to seek a larger role in providing for Western European defense. We welcome this trend, knowing we are working from the strength of an abiding alliance partnership, and that increasing allied contributions are important to assuring the Alliance's long-term effectiveness and viability.

But the period of transition is not over; and administrations after mine will continue to adapt strategic concepts and policies to the realities of an evolving world—one in which America must always play a leading role, to help shape a positive future for ourselves and our allies.

The remainder of this section discusses the fundamental policies—diplomatic, economic and defense—that guide our use of the elements of national power as we formulate strategy. These policy guidelines provide coherence and consistency among the set of integrated strategies which are discussed in the chapter that follows.

U.S. DIPLOMATIC POLICY

Policies to Move America Forward

As I have stated on many occasions, our diplomacy has aimed at ensuring, in the nuclear age, both peace and freedom. Working with our allies and friends, we have sought to push beyond the stalemates of the postwar era and directly confront two transcendent issues affecting our national security—the danger of nuclear warfare and the continuing expansion of totalitarian rule.

In dealing with the nuclear threat, we have gone beyond traditional arms control and, together with our NATO allies, have sought verifiable reduction in nuclear arsenals. At the same time, we have launched a new program of research into ways to defend ourselves against ballistic missile attack. In doing so, we seek to maintain deterrence while moving away from reliance on retaliation, and toward a situation in which ballistic missiles will ultimately be rendered obsolete.

While we have sought arms reductions and greater reliance on defensive measures, we have never lost sight of the fact that nations do not disagree because they are armed; they are armed because they disagree on very important matters of human life and liberty. The fundamental differences between totalitarian and democratic rule remain. We cannot gloss them over, nor can we be content with accepted spheres of influence, a world only half free. Thus, we have sought to advance the cause of freedom where opportunities exist to do so. Sometimes this means support for liberalization; sometimes support for liberation.

In regional conflicts, for example, we have elaborated a policy of helping anti-Communist insurgents in their battle to bring self-determination, independence, and human rights to their own countries. This doctrine was first reflected in our decision to assist the people of Afghanistan in their fight against Soviet invasion and occupation. It was an important part of our decision to assist the people of Nicaragua in their battle to restore the integrity of their 1979 revolution and make the Sandinista government keep its promise of democratic rule. Our current efforts in Angola in support of freedom fighters constitute the most recent extension of this policy.

Undergirding all of this is our continuing commitment to public candor about the nature of totalitarian rule and the ultimate objectives of U.S. foreign policy: peace, yes, but world freedom as well. We refuse to believe that it is somehow an act of hostility to proclaim publicly the crucial moral distinctions between democracy and totalitarianism.

Informational Support to Diplomatic Power

We are faced with a profound challenge to our national security in the political field. This challenge is to fight the war of ideas and to help support the political infrastructure of world democracies. To accomplish this we must be as committed to the use of the informational aspects of our diplomatic power as to the other elements which comprise it.

Here in the United States, public opinion polls consistently find that, depending on the issue, up to two-thirds of the American electorate normally take no interest in foreign policy. Moreover, only a slight majority of Americans today believe that this country needs to play an active part in world affairs. There is no natural domestic constituency for America's foreign policy—we must build one.

The agencies which we use to implement such an approach include the Departments of State and Defense, Agency for International Development (AID), and U.S. Information Agency (USIA), as well as several less traditional participants, including the Departments of Commerce and Treasury, and the U.S. Trade Representative (USTR). All contribute to our Public Diplomacy and related informational programs.

Another important way of achieving this is through the private sector. During the past seven years, we have encouraged the American private sector to become a key element in the projection of U.S. foreign policy goals. Leading private citizens and groups have taken steps to identify and organize the many local forces throughout America that have a direct stake in our nation's relations with the rest of the world. These private voluntary organizations are doing an indispensable job of public education. They have our strongest encouragement and support.

While we focus on the needs of an effective diplomatic and informational policy, we must keep in mind that the Soviet Union is pursuing a very aggressive public deception and propaganda program, using a wide range of techniques aimed not only at the Third World, but also at us and Our alliance partners. The challenge is to counter Soviet propaganda and so-called "active measures" using the full range of Our informational programs to tell the truth about American values, interests, and policies.

Our political and informational power must also reach to the peoples of denied areas, particularly the USSR and Eastern Europe-to encourage hope for change and to educate publics on the benefits of free institutions. We undertake this through the electronic media, written materials, increased contacts and the exchange of ideas that come from such contacts. Any process of change must find its roots within a closed society, but knowledge of the world at large may be a stimulant; and the free flow of ideas and information is, in itself, one of the goals of those who seek democratic change. For our part, we proceed from our fundamental belief that a world composed of free, sovereign democracies will be a safer, more stable world-one where respect for the dignity of all people has a better chance to be realized.

U.S. ECONOMIC POLICY

International Economic Policy

U.S. national power rests on the strength of our domestic economy. A growing, resilient and techno-logically vigorous economy is vital to our national security. In peacetime it is the fundamental underpinning of our national defense capabilities. In a crisis or during wartime it provides the ability to respond rapidly with skilled personnel, expanded production capacity, and supplies of critical materials. World Wars I and II demonstrated the vital importance of a strong domestic economy able to produce quickly and efficiently the goods needed to defend ourselves and our allies.

Our economic strength has domestic and international dimensions, although the distinctions are neither easy nor rigid. Domestically, it is in our national security interest to maintain a dynamic research and development capability which enables us to be in the forefront of technological advance. Our manufacturing sector must remain competitive with those in other leading industrial countries. Our financial and service industries must provide up-to-date tools for the continued growth of our economy. Other sectors of the economy, such as energy and transport, need to be of sufficient size and diversity to provide a critical nucleus should we need to respond to an emergency. Finally, our labor force is-and will remain-a key element of our economic strength. An innovative, adaptive and educated labor force remains essential to the development of new technologies, the continued growth of our economy and the production of competitive goods.

While mindful of the need for a strong domestic economy, we do not-and should not-strive for domestic economic self-sufficiency or for dominance in all economic sectors. Market economies are interdependent. Since 1945, we have pursued a vigorous policy, first, of helping rebuild the European and Pacific economies devastated by war; and second, of supporting economic cooperation and development among all Free World economies. We strongly believed then-as we do now-that national economic strength is a shared strength. For example, we support European efforts at economic integration through the European Community because we believe that a strong European economy will be better able to contribute the resources necessary for a strong Alliance defense. Likewise, the Free Trade Area Agreement recently negotiated with our largest trading partner, Canada, directly and positively contributes to our collective security in North America. Just as our defense depends on the cooperation and participation of our allies, so does our economic prosperity. Thus our economic objectives in support of our security policies are necessarily global. However, one central consequence of our interdependence is that we cannot dictate economic policy but must consult and negotiate, recognizing the realities of mutual dependence.

As the world's leading economic power, we have a responsibility by our actions at home to help sustain and extend the global economic recovery. The unprecedented peacetime expansion of

the American economy since 1982 provides a vivid demonstration of the power and creativity that free enterprise can unleash. However, the United States has not accomplished this alone. International flows of people, capital and goods have enabled us to improve our standard of living far beyond that which would have resulted from a closed economy. In return, American technology, capital and goods have enabled other countries to improve their economies. Our success also provides constructive examples of the benefits of open societies and economies. At home we must implement economic policies that continue to promote growth, while holding down inflation and reducing the federal deficit by controlled government spending. The budget compromise which we reached late last year with the leaders of the Congress is an important step toward those ends. Limiting the cost of central government will allow resources to be more productively used by the private sector. By reducing the federal deficit and promoting private saving, we can reduce undue dependence on inflows of foreign capital and play a stronger role in providing capital to support growth in the global economy.

A natural consequence of societies' striving to grow and be competitive in the world economy is periodic tension manifested in trade disputes and other bilateral economic difficulties. The United States, as the leading proponent of an open international trading system, has led in the construction of the present General Agreement on Tariffs and Trade (GATT) system, which has promoted over the years a vigorous expansion of trade to the benefit of all. We are now seeking to strengthen that system and bring it up to date. We strongly support the Uruguay Round of multilateral trade negotiations which aims further to reduce barriers to global trade. For the first time, agriculture, intellectual property rights, trade in service (such as banking, insurance and transportation), and investment will be the focus of serious negotiation.

History has shown that free, open economies with unrestricted trade are strong economies, which grow faster and have the resources with which to defend themselves. Open trade and cooperation among nations also help to cement alliances which in turn bolsters our coalition defense efforts. The challenge to the United States now is to avoid letting tensions and disputes over trade issues undermine domestic support for free trade, or become a catalyst for policies which only serve to reduce overall economic growth, and thus work in opposition to our security objectives. In this regard, we must actively resist the temptation to impose protectionist measures in order to cope with trade imbalances, while responding to the legitimate concerns of U.S. industry about the unfair trade practices of other countries. Protectionist trade legislation would be a major threat to our economic health, to economic and political relations with our allies, and to our collective economic and military strength.

There are times, however, when we must restrict economic relations between the United States and other countries not only for reasons of national security, but to protest odious national behavior. By restricting economic relations, we seek vigorously to persuade the target country that its behavior is unacceptable. For example, U.S. economic leverage is employed against nations that threaten regional stability or support international terrorism, such as Cuba, Libya and Nicaragua. However, economic sanctions are never imposed without careful consideration, as they inevitably impose costs on American business as well as foreign clients. For that reason our policy will continue to be to use them sparingly, and only continue them when their need and effectiveness can be clearly demonstrated.

Energy is an important underpinning to our economic, industrial and military strength, and thus to our national security. Over the long term, our national energy policy is aimed at ensuring adequate supplies of energy at reasonable prices by strengthening domestic energy industries, diversifying energy sources, and improving energy efficiency. We are working through the International Energy Agency to assist our allies to develop complementary strategies. More immediate objectives are to reduce the nation's vulnerability to disruptions in foreign energy supplies and to lessen the impact on the civil economy if disruptions should occur. This includes plans for increasing the size of the Strategic Petroleum Reserve, promoting international

cooperation with allies and partners in the International Energy Agency, and encouraging research into economically viable technologies that increase energy efficiency or that make use of alternative sources of power.

Internationally, we have led in the coordination of economic policy among the major industrialized countries. In addition, we will continue to assist developing countries to realize sustained, noninflationary growth, since we understand that this is in our mutual economic and security interest. We will encourage an effective adjustment process for debtor nations, supported by adequate private and public financing. To help debtor countries, we have expressed our willingness to negotiate additional resources for the World Bank. The United States has welcomed a proposed enlargement of the IMF's Structural Adjustment Facility. We also have proposed a broadened IMF facility to provide a financial cushion for vulnerable developing countries dealing with the vicissitudes of external economic forces.

As noted earlier, our nation's defense edge is based on technological, rather than numerical superiority. If we lose this edge, we also lose an essential element of our military deterrent. There is concern that the loss of advanced production capabilities in critical industries could place our defense manufacturing base in jeopardy. We must avoid situations where increased reliance on other countries for advances in critical technologies could, over the long term, turn into vulnerabilities.

Furthermore, the fruits of the free-market economy must not strengthen the military capability of our adversaries. We, as well as our allies, must continue to ensure that economic relationships with the Soviet bloc do not weaken our national security. For example, we have reached agreement on eliminating preferential credit terms to the Soviet Union. Working through the International Energy Agency, we and our allies have reduced the substantial risk of Western European dependence on Soviet energy. Acting with our allies through the Coordinating Committee for Multilateral Export Controls (COCOM), we are making progress toward ensuring that militarily-sensitive technology does not flow to the Soviet Union and that competitor firms in COCOM member nations bear the same export restrictions as U.S. firms. We will continue to improve the COCOM review process, to harmonize and tighten national licensing and enforcement procedures, and to encourage greater cooperation with allies and friends. The dual objectives of protecting and sharing militarily significant technologies is a challenge, one made more difficult by rapid technological changes. But it is a challenge we must meet.

We willingly offer our philosophy of free-market economies to centrally planned regimes. Indeed, it is only by adopting market mechanisms that these regimes can satisfy the economic needs and desires of their peoples. However, market economies only flourish where freedom and individual rights are encouraged. The IMF, GATT and other international economic institutions are mainly concerned with improving relations among free individuals, businesses and financial institutions. While we note recent Soviet policy statements regarding "reconstruction" and economic reform, the Soviet economic system remains at this point fundamentally incompatible with participation in free-world institutions. Policy statements must be translated into positive actions before such participation can be considered.

U.S. DEFENSE POLICY

A Policy of Deterrence

The third element of U.S. national power is military. In some cases, the integrated use of the other elements of national power will be insufficient to meet the threats to our security interests. We therefore must be-and are-ready to employ military power in coordination with the other elements. However, the ultimate goal when applying military force, or projecting military power, is to encourage political solutions. War is the least desirable alternative, but only by being prepared to wage war successfully can we deter it.

America's defense policy throughout the postwar period has been aimed at deterring aggression against the United States and its allies. Deterrence works by persuading potential

adversaries that the costs of their aggression will exceed any probable gains. Deterrence is the basis of our military strategy against conventional as well as nuclear aggression. Because any conflict carries the risk of escalation, our goal is to dissuade aggression of any kind.

We seek also to prevent coercion of the United States, its allies, and friends. Successful coercion could give a hostile power the benefits of victory without the cost of war. As discussed earlier, the Soviet threat manifests itself not only in the danger of an actual attack, but in the form of propaganda, intimidation and coercion as well. The Soviets still seek to dominate Western Europe and Japan without having to fire a shot—a coercive threat which must and will be deterred by our political determination, our defense capabilities, and our alliance relationships.

To deter the Soviet Union, we must make clear to its leaders that we have the means and the will to respond effectively to coercion or aggression against our security interests. While emphasizing our resolve to respond, our policy is to avoid specifying exactly what our response will be. This is the essence of our strategic doctrine of "flexible response," which has been United States policy since 1961 and NATO strategy since 1967. Specifically, our forces deter a potential aggressor by confronting him with three types of possible responses from which we would choose at the appropriate time:

- Direct Defense: To confront an adversary with the possibility that his aggression will be stopped without our resorting to actions which escalate the conflict. This is sometimes referred to as "deterrence through denial." Defeating a nonnuclear attack with conventional forces only would be an example of direct defense.

- The Threat of Escalation: To warn an adversary that his aggression could start hostilities that might not be confined in the manner he hopes or envisions and that escalation could exact far greater costs than he anticipates, or could bear. In this regard, NATO's deterrence of a Soviet conventional attack is enhanced by our ability and resolve to use nuclear weapons, if necessary, to halt aggression.

- The Threat of Retaliation: To raise the prospect that an attack will trigger a retaliatory attack on the aggressor's homeland, causing his losses far to exceed any possible gains. Our deterrence of a Soviet nuclear attack on the United States is based on our resolve to retaliate directly against the Soviet Union.

Maintaining Strategic Deterrence

While deterrence requires capabilities across the entire spectrum of conflict, its essential foundation is provided by our strategic nuclear forces and the doctrine which supports them. Nuclear deterrence, like any form of deterrence, requires us to consider not what would deter us, but what would deter a potential attacker, particularly one whose perceptions of the world and value system are substantially different from our own. Since we can never be entirely certain of Soviet perceptions, we must ensure that both the effectiveness of our strategic forces and our will to use them, if necessary, are never in doubt.

In the interest of ensuring deterrence, the United States maintains diversified strategic retaliatory forces to hedge against a disarming first strike, to complicate Soviet attack plans, and to guard against technological surprise. To this end we maintain a variety of basing diversity through a triad of submarine launched ballistic missiles (SLBMs), intercontinental ballistic missiles (ICBMs) and bombers. Adequate and survivable command, control and communications are essential to our strategic force structure and critical to the credibility of our strategic deterrent.

Our strategic forces and the associated targeting policy must, by any calculation, be perceived as making nuclear warfare a totally unacceptable and unrewarding proposition for the Soviet leadership. Accordingly, our targeting policy:

- Denies the Soviets the ability to achieve essential military objectives by holding at risk Soviet war-making capabilities, including both the full range of Soviet military forces and the war-supporting industry which provides the foundation for Soviet military power and supports its capability to conduct a protracted conflict; and

- Places at risk those political entities the Soviet leadership values most: the mechanisms for ensuring survival of the Communist Party and its leadership cadres, and for retention of the Party's control over the Soviet and Soviet-bloc peoples.

This basic policy of targeting those assets which are essential to Soviet warmaking capability and political control has been an integral part of U.S. strategy for many years. In implementing this policy, the United States does not target population as an objective in itself and seeks to minimize collateral damage through more accurate, lower yield weapons.

Holding at risk the full range of Soviet assets is necessary for an effective deterrent, but is not sufficient. As President, I cannot be limited to the options of capitulation or massive mutual destruction in response to aggression. We must have flexibility in the employment of our strategic forces. For our deterrent to be credible, it must be clear to the Soviets that the United States has military options appropriate to a broad range of plausible situations.

Finally, the United States requires sufficient residual capability to provide leverage for early war termination, and to avoid coercion in a post-conflict world. For this reason, we maintain a nuclear reserve force as an integral part of our strategic forces. In addition, we maintain Continuity of Government programs to ensure the Soviets cannot escape retaliation by initiating a quick, "decapitating" attack aimed at incapacitating our political and military leadership. Our civil defense program also contributes to the Nation's preparedness in the event of an attack.

These capabilities do not imply that we seek the ability to fight a nuclear war. I have repeatedly emphasized that a nuclear war cannot be won and must never be fought. But we must deter an adversary who has a very different strategic outlook from our own outlook which continues to place great stress on nuclear warfighting capability. It is essential the Soviets understand that they cannot gain their objectives through nuclear warfare, or nuclear coercion, under any conceivable circumstances.

Our policy of flexible response and deterrence through the threat of offensive retaliation has preserved the security of the United States and its allies for decades. Looking to the future, the Strategic Defense Initiative offers an opportunity to shift deterrence to a safer and more stable basis through greater reliance on strategic defenses. Such defenses, which threaten no one, would enhance deterrence by injecting greater uncertainties into Soviet estimates of their ability to achieve their military objectives should they attempt a first strike. Even less than perfect defense could increase stability by denying the Soviets confidence that they could achieve meaningful military goals, thereby eliminating incentives for a Soviet first strike. In judging the suitability of systems for possible deployment, we will continue to be guided by the criteria of military effectiveness, survivability, and cost-effectiveness at the margin.

By reducing the military value of ballistic missiles, strategic defenses would facilitate Soviet acceptance of significant arms reduction agreements. In a world with fewer ballistic missiles, however, Soviet incentives to not abide by such agreements would be greater. Strategic defense can effectively negate such incentives by eliminating the utility of covertly stockpiled missiles. Thus enhanced strategic defenses offer the prospect of a safer, more stable world in which deep reductions in strategic offensive arms are both negotiable and enforceable. We will continue to try to persuade the Soviets to join with us in working out a stable transition to this desirable goal.

Continuing the modernization of our strategic forces is essential to assure reliable deterrence, enhance stability, and provide motivation for the Soviets to negotiate broad, deep, equitable and verifiable reductions in strategic offensive arms. While we are firmly committed to using arms reductions as one component of our policy for enhancing U.S. and allied security, success in arms negotiations does not alter the need for modern, effective, survivable nuclear forces to provide deterrence, promote stability, and hedge against Soviet cheating or abrogation. Nor does it eliminate the need for a nuclear weapons production complex capable of supporting such weapons in the future. Neglecting modernization in expectation of arms reduction agreements would actually decrease the likelihood of such agreements by reducing Soviet incentives to negotiate.

For their part, the Soviets continue to invest heavily in accurate, fast-flying ballistic missiles which can destroy hard targets. Their goal has been, and remains, an effective disarming first-strike capability. Moreover, they are continuing to enhance their ICBM survivability through silo hardening and mobility, including deployment of the road-mobile S5-25 and the rail-based S5-24. At the same time, they invest roughly the same amount in their strategic defense programs as in their offensive force modernization. They are expanding and improving the world's only deployed anti-ballistic missile (ABM) system, violating the ABM Treaty with construction of their radar at Krasnoyarsk and other radar deployments, and increasing their capability to deploy a territorial ABM defense. Their vast growing network of deep underground leadership shelters is aimed at ensuring the survival of Communist Party control over the Soviet nation, economy, and military forces in war. Their strategic communications are highly redundant, survivable, and hardened against nuclear effects.

In response to the buildup of Soviet capabilities, the United States is continuing the Strategic Modernization Program in order to maintain the essential survivability and mission-effectiveness of our offensive forces. The Soviets' active and passive defenses, their buildup of offensive forces, and their published doctrine all continue to provide evidence of Soviet nuclear warfighting mentality, and underline the essentiality of maintaining an effective US deterrent through support for this highest priority defense program.

Arms Reductions

Arms control is not an end in itself, but only one of several tools to enhance our national security. Our arms reductions objectives are fully integrated with our national security policies to enhance deterrence, reduce risk, support alliance relationships, and ensure the Soviets do not gain significant unilateral advantage.

Based on this view of arms control as a complement to a strong national defense posture, we have been guided since the beginning of this Administration by several fundamental principles:

- The United States seeks only those agreements which contribute to our security and that of our allies.
- The United States seeks agreements which reduce arms, not simply limit their increase.
- Achieving verifiable agreements on broad, deep and equitable reductions in offensive nuclear arms is the highest arms control priority of the United States.
- Within the category of offensive nuclear arms, the United States gives priority to reducing the most destabilizing weapons: fast-flying, non-recallable ballistic missiles.
- The United States also seeks equitable arms control measures in the area of nuclear testing, chemical weapons and conventional forces.
- The United States insists on agreements that can be effectively verified and fully complied with. Arms control agreements without effective verification measures are worse than no agreements at all, as they create the possibility of Soviet unilateral advantage, and can affect U.S. and allied planning with a false sense of confidence.

Our perseverance in adhering to these principles paid off on December 8, 1987, when Soviet General Secretary Gorbachev and I signed a treaty on Intermediate-Range Nuclear Forces (INF) eliminating all U.S. and Soviet ground-launched ballistic and cruise missiles and their launchers, with ranges between 500 and 5,500 kilometers. The INF agreement is an important tribute to NATO solidarity, persistence, and political courage.

The Soviet Union, because of its massive buildup, is required by the treaty to eliminate an INF missile force capable of carrying four times as many warheads as the United States. Thus, the treaty establishes the important principle of asymmetry in arms reduction agreements, to compensate for large Soviet quantitative advantages. It is noteworthy that the systems the Soviets must eliminate are primarily based within the Soviet Union, where they are not particularly vulnerable to conventional attack in a possible NATO-Warsaw Pact conflict. In contrast, the U.S. systems to be eliminated are high priority targets for Soviet conventional attack. Finally, the Soviet

systems eliminated, particularly the shorter-range INF missiles, have chemical and conventional as well as nuclear capabilities, and could be employed against NATO bases and forces during non-nuclear phases of a NATO-Warsaw Pact conflict.

The military benefits of the INF Treaty will be even greater if we succeed in negotiating a treaty on strategic arms reductions. An agreement which significantly reduces strategic systems will lessen Soviet capability for a first strike, inhibit their ability to use intercontinental weapons against theater targets, and substantially increase the Soviets' uncertainty of accomplishing their political ends through military means.

While reducing the Soviet threat, the INF treaty does not alter NATO's basic approach to deterrence. NATO's strategy of flexible response continues to demand a strong allied nuclear capability. Fears that an INF agreement will somehow decouple the defense of Europe from the U.S. nuclear arsenal are based on fundamental misunderstandings of the US commitment and capability to participate in the defense of Europe. The United States retains substantial nuclear capabilities in Europe to counter Warsaw Pact conventional superiority, and to serve as a link to U.S. strategic nuclear forces. NATO aircraft will continue to have the capability to hold at risk a broad range of targets, including those within the Soviet homeland. In addition, U.S. sea-based forces assigned to NATO will continue to provide Alliance authorities with a comparable targeting capability. Thus, the Soviets can be under no illusion that they could attack NATO without placing their own territory at risk.

Eliminating an entire class of ground-launched missiles, while an achievement of historical proportions, does not remove the large Soviet conventional and chemical threat to Europe. The next NATO priority for arms control, therefore, is to redress existing imbalances in conventional and chemical warfare capabilities which favor the Soviet Union. Recognizing this, the Alliance Foreign Ministers meeting in Reykjavik, Iceland in June 1987 called for a coherent and comprehensive concept of arms control which reduces remaining European-based nuclear forces only in conjunction with the establishment of a conventional balance, and the global elimination of chemical weapons. I fully support this approach.

The most important unfinished arms control task is to achieve deep reductions in strategic offensive arms. Both we and the Soviets have introduced draft texts for strategic arms reduction treaties (START). Our approach provides for specific restrictions on the most destabilizing systems—fast-flying ballistic missiles, especially heavy Soviet ICBMs. We are pursuing a goal first agreed to in October 1986 and reaffirmed during the December 1987 Summit: a 50 percent reduction in strategic offensive forces to a total of 6,000 warheads and 1,600 delivery vehicles. We are negotiating seriously; if the Soviets are willing to match our seriousness, agreement is possible. At the same time, a bad agreement is worse than no agreement, and we will not accept any agreement which does not enhance our security.

We are also engaged in a wide variety of arms negotiations and discussions on other subjects. The U.S. approach to all of these areas is consistent; we seek only those agreements which are equitable, verifiable, and will enhance our security and that of our allies.

Specifically:

- Consistent with our belief that strategic defenses may offer a safer, more stable basis for deterrence, we seek Soviet agreement for an orderly transition to a more defense-reliant world.
- We seek an effective and verifiable global ban on chemical weapons.
- We seek all-iance-to-all-iance negotiations to establish a more secure and stable balance in conventional forces at lower levels from the Atlantic to the Urals. Any steps ultimately taken in this area must be effectively verifiable and must recognize the geographic and force asymmetries between the two sides. Alliance policy in this regard, which we fully support, is quite clear—increased security and stability, not reductions per se, are the objectives of Western conventional arms control efforts. Given the Warsaw Pact's conventional superiority in certain key areas—particularly those important for offensive operations—even modest reductions in NATO forces, in

the "absence of larger reductions from the Warsaw Pact, would reduce NATO's security and would not promote stability. The challenge is to synchronize NATO's force improvement plans and conventional arms control efforts toward the long-term goals of increased security and stability.

- In the area of nuclear testing, on November 9, 1987, we began formal negotiations with the Soviets on essential verification improvements to permit ratification of existing treaties: the Threshold Test Ban Treaty, and the Peaceful Nuclear Explosion Treaty. Once our verification concerns have been satisfied and the treaties ratified, we would be prepared immediately to engage in negotiations with the Soviets on ways to implement a step-by-step program to limit and ultimately end nuclear testing, in association with a program to reduce and ultimately eliminate all nuclear weapons. Until that ultimate stage has been reached, however, the United States must continue testing to maintain a safe and reliable deterrent.

- Finally, we seek to enhance stability through improve measures which could prevent misunderstanding. To this end, we signed an agreement with the Soviets on September 15, 1987, to establish Nuclear Risk Reduction Centers in each national capital as a mechanism to avoid incidents resulting from accident or miscalculation during periods of tension.

In all of these areas we consider effective verification provisions to be as important as specific negotiated limits; they must be negotiated concurrently. We cannot accept obligations that limit our military programs unless we can effectively verify Soviet compliance with those same obligations. This is particularly important in light of the continuing pattern of Soviet violations documented in the several reports which I have submitted to the Congress on Soviet noncompliance.

We have made solid progress in the area of arms reductions. Sound agreements-though they enhance our security and that of our Allies-require patience, firmness and strength. If we continue to display these qualities, and if the Soviets are willing to build on the progress we have made, arms reductions can help keep us on the path toward greater stability and a safer world. In moving to that world, I will maintain my commitment to broad, deep, equitable, and verifiable arms reductions, focused especially on ballistic missiles, and my equally strong commitment to the Strategic Defense Initiative.

Maintaining Conventional Deterrence

Modern strategic nuclear capabilities are essential for deterrence, but they alone are obviously not enough. The United States and its allies require robust conventional forces, backed by adequate theater nuclear capabilities, as an integral part of our overall deterrent. As noted earlier, U.S. national Security Strategy has historically been based on the concepts of forward defense and alliance solidarity. Consistent with that strategy, we maintain large, forward deployed forces at sea and on the territory of our NATO and Asian allies in time of peace. The overall size, capabilities, and characteristics of U.S. Armed Forces are strongly influenced by the need to maintain such presence, which is essential to deter aggression.

The most demanding threat with which those forces must deal is, of course, the Soviet Union. Soviet forces will always outnumber our own in any presently foreseeable conflict-particularly when viewed in terms of active forces and major items of combat equipment. For this reason we must continue to give the most careful attention to ensuring our forces' technological superiority and high readiness to accomplish their deterrent and warfighting missions.

An additional premise of American defense policy is that the United States does not seek to deal with the threat from the Soviet Union unaided. A system of vigorous alliances is essential to deterrence; and the most important of these is NATO. The United States contributes to the NATO deterrent in several ways. Most visible is the peacetime stationing of over 300,000 military personnel in the Alliance area. This significant presence of U.S. forces makes it clear that it is not possible to attack a NATO ally without simultaneously engaging the full military might of the United States. The proximity of major Warsaw Pact ground, air and naval forces to Alliance territory, the speed with which modern conflict can unfold, the Pact's significant numerical advantages, and the

Soviets' strong doctrinal emphasis on surprise, all argue for the continuation of substantial, qualitatively advanced U.S. and allied conventional forces in Europe.

In addition to the direct provision of forces, the United States provides security assistance to those NATO allies whose economies do not permit them to make as great a contribution to the common defense as we and they would wish; and we encourage the more affluent Alliance members to do so as well. Such assistance serves as an important force multiplier-increasing both the political solidarity and the military effectiveness of NATO.

Under NATO military strategy, the land-based forces of the Alliance nations, including the United States, would have primary responsibility for blunting a Warsaw Pact attack and defending Allied territory, while simultaneously disrupting and destroying the follow-on forces which Soviet strategy relies upon to exploit any initial successes. Allied ground forces, supported by tactical air power, require the capability to halt a Pact attack and restore the integrity of Alliance territory if NATO political and military objectives are to be achieved. Absent such capability, Alliance strategy becomes heavily dependent on the threat of resorting to nuclear weapons to achieve essential deterrence and warfighting objectives.

The capability needed to halt such a Warsaw Pact attack, without risking an early transition to nuclear war, is the principal determinant of the size and composition of the more than 300,000 military personnel we currently have forward deployed in Europe. In collaboration with our allies, U.S. military planners consider the Pact's capabilities, the battle terrain, allied capabilities, and NATO strategy when determining the size, composition, and location of our contribution of forward deployed forces along the 720 kilometer Central front, and on the flanks and adjoining seas.

In addition, certain U.S. forces perform functions for the theater that are not within the capability of our allies, such as certain types of reconnaissance and intelligence missions; or they provide the capability to receive and rapidly deploy reinforcements and resupply received from the United States. While marginal changes may be feasible in the future, with adjustments in the U.S.-allied division of labor, the basic U.S. contribution has been carefully planned to assure that the strategy for the defense of Western Europe, and the U.S. contribution to it, are militarily effective, and are seen by our adversaries to be so.

In addition to the right numbers and mix of units, U.S. and allied forces require constant upgrading and modernization to retain a qualitative edge in the face of the Pact's superior numbers and rapidly improving technologies. Our policies relating to force modernization and retention of our technological edge emphasize cooperation among the Allies on research, development, and production. This approach reduces duplication of R&D resources, shares the best available allied technology, promotes interoperable equipment, and provides incentives for our Allies to increase their contribution to Alliance capabilities. Congressional initiatives aimed at stimulating cooperative R&D have aided materially in advancing these programs.

NATO's strategy of flexible response requires a capability for Alliance reaction appropriate to the nature of Soviet provocation. In addition to conventional forces, this strategy must be supported by effective and substantial theater nuclear forces. In contrast to the policy of the Soviet Union, it is NATO's policy to maintain theater nuclear forces at the lowest level capable of deterring the threat. In pursuit of this policy, the Alliance decided in October 1983 to reduce the number of warheads in Europe. These reductions, taken independently of any arms reduction agreement, decreased NATO's nuclear stockpile in Europe to the lowest level in over 20 years. This makes it essential that the remaining stockpile be modern, survivable, and effective.

With the prospective removal of our INF force in Europe, it will be particularly important that our remaining theater nuclear forces be fully capable of supporting the Alliance's flexible response strategy. We have examined the military implications of the treaty from that standpoint and are confident that the resulting force structure will provide the necessary military capability, provided that necessary force modernization continues and that we effectively capitalize on available nuclear weapons delivery platforms.

While neither NATO nor the United States seeks to match the Soviets weapon for weapon, deterrence would be dangerously weakened if the Soviets were allowed to field a major capability which was completely unmatched by a countervailing NATO capability. This premise underlies our determination to modernize U.S. chemical weapons capability through development of modern, safe, binary munitions. This modernization will provide us the capability needed to deter Soviet first use of chemical weapons. Absent such capability, we will remain dependent on a stockpile of obsolescent chemical weapons ill-suited to modern delivery systems. This places undue reliance on Alliance nuclear capabilities to deter Soviet first use of chemical weapons—an obviously undesirable and risky situation.

U.S. strategy recognizes that the Soviet Union is capable of simultaneous aggression in more than one region. Should aggression occur in several areas simultaneously, U.S. responses could be governed by existing commitments, general strategic priorities, the specific circumstances at hand, and the availability of forces. Our strategy is not to try to fight "everywhere at once." We would do what is strategically sensible and operationally achievable under the circumstances. Our capability to respond would be enhanced by the flexibility we have built into our force structure, including capabilities for global strategic mobility and power projection. This visible capability to respond effectively in distant theaters reduces the risk that we will ever have to meet such attacks.

NATO is not our only alliance. The United States has bilateral or multilateral security commitments with some 43 nations around the globe, including important treaties with Japan, the Republic of Korea, and Australia.

In support of these commitments, and to deter adventurism by the Soviets and their client states, we maintain forward deployed forces in other regions of strategic importance. Our naval forces deployed in the Pacific and Indian Oceans assist in protecting our growing strategic and economic interests, and supporting allies and friends, in Asia and the Pacific. Substantial ground and air force are deployed in Korea to complement forces of the Republic of Korea in deterring aggression from the North. Naval and tactical air forces deployed throughout the Pacific assist in meeting our security commitments to such nations as Japan and the Philippines.

These global forward deployed forces serve several functions. They are essential to the creation of regional power balance which deters Soviet aggression and promote overall regional stability. They support the political independence of nations on the Soviet periphery, hence are key to the fundamental U.S. security objective of avoiding Soviet domination of the Eurasian landmass. Finally, they provide an immediately available capability to deal with lesser military contingencies. However, for military contingencies not involving the Soviet Union, we look primarily to the nations involved to provide for their own defense.

In the past seven years we have made substantial progress in improving the capability of our forward deployed forces to protect U.S. interests, execute our military strategy, and support alliance commitments. We remain firmly committed to continued improvement in our deployed capabilities in support of our forward-defense, alliance-based strategy. The following paragraphs will discuss selected capabilities which provide essential foundations for that strategy.

- Maintenance of Global Support and Mobility Capabilities.

The ability to reinforce and resupply forward deployed forces is essential to the execution of U.S. military strategy. A credible U.S. capability to reinforce NATO rapidly during times of tension, for example, is critical to effective deterrence.

The Soviets have a natural geographic advantage in military operation on the Eurasian rim, and are growing capabilities to launch simultaneous offensives in Europe, Southwest Asia and the Far East. Capitalizing on interior lines of communication, they can redeploy and resupply forces over a broad geographic range. Recent Soviet effort have significantly improved military access by rail and road to strategically important areas along the USSR's southern frontiers.

Our global support and mobility capabilities, including airlift, sealift, and prepositioning, are therefore essential to allow us to meet military challenges around the periphery of the Eurasian

continent, which remains the primary locus of Soviet expansionist interests. Prepositioning ashore or at sea can sharply reduce our response times. Airlift, the quickest and most flexible of our mobility assets, would deliver initial reinforcements in most contingencies, but sealift will inevitably carry the bulk of our reinforcement and resupply, as it has in past crises. Mobility capabilities are especially critical to our strategy for dealing with contingencies in Southwest Asia, where we have no military bases or permanently stationed military forces.

- Maintenance of an Adequate Logistics Base.

To maintain a strong conventional deterrent, it is vital that we provide adequate logistic support for U.S. forces. A robust logistics infrastructure strengthens deterrence by demonstrating our preparations for hostilities at any level of intensity, and for the length of time necessary to defend U.S. interests. Adequate, sustained support helps raise the nuclear threshold and improves prospects for early success in conflict. Adversaries must not conclude that U.S. and allied capabilities would be exhausted if confronted with a complex or prolonged military campaign. With the support of Congress we will seek continued improvement in this unglamorous but essential component of military power. Concurrently, we will continue to emphasize to our allies that the sustainment of their forces in combat must parallel that of our own.

- Maintenance of Adequate Active Forces.

Support of our conventional deterrent requires that we maintain balanced and effective active duty forces sufficient in quality and quantity to make our national military strategy credible. In the context of our alliance relationships, deterring and, if necessary defending, the Soviet threat requires a carefully structured mix of U.S. and allied land and sea-based forces capable of executing the agreed strategy until reinforced from the respective national mobilization bases.

While NATO requirements are the primary focus of our ground forces' concern, the global nature of potential threats to U.S. interests requires maintenance of flexible and diverse ground forces capable of rapid deployment to, and sustained operations in, other areas of strategic importance as well. This has led the Army to establish rapidly deployable light divisions, while continuing efforts have gone into the enhancement of Marine Corps capabilities and amphibious lift.

U.S. tactical airpower supports the achievement of theater campaign goals by maintaining battlefield air superiority, providing responsive and effective firepower for ground combat units, and conducting deep interdiction of enemy forces, command and control facilities, and sources of logistics support. In addition, in the European theater, it plays a critical role in assuring the essential reinforcement and resupply of U.S. forward deployed forces by protecting port facilities, aerial ports of debarkation, prepositioned equipment and munitions, and lines of communication. The capability of air forces to deploy rapidly in crises adds to our ability to bring effective military power to bear in distant regions in contingencies.

Maritime forces also play a unique role in supporting our national military strategy. Given the realities of our geostrategic position, fronting on two oceans, maritime superiority over any potential adversary is essential to support our alliance relationships and forward deployed forces. The capability of Navy and Marine Corps forces to project and sustain military power in areas distant from our shores is of particular importance, given the central position of the Soviet Union on the Eurasian land mass and the fact that many of the United States' most important allies are located on the Eurasian periphery, accessible from the sea.

Our naval power projection forces would also play a major role in any Southwest Asia contingency. Their current presence in the Persian Gulf and Arabian Sea, together with Army and Air Force units, is providing essential support for several important national security objectives.

Maintaining a National Mobilization Base

The effective mobilization of manpower and industrial resources in the event of a conflict would provide essential support for our military capabilities. Realistic mobilization plans also

provide a clear means for the United States to communicate its resolve to our potential adversaries in eriods of tension or crisis.

On the industrial side, the maintenance of a broad, technologically superior mobilization base is a fundamental element of u.s. defense policy. As I noted when discussing the economic elements of power, we rely on the size and strength of the U.S. economy as our ultimate line of defense. And, as nuclear weapons red~ctions are negotiated, the capability of the u.s. and allied mobilization bases rapidly to generate additional conventional military forces and the supplies and equipment to sustain them, becomes increasingly important. Maintenance of this capability supports deterrence and provides the ability for a timely and flexible response to the full range of plausible threats.

Defense industrial mobilization policies focus on steps that industry and government can take during peacetime and in the early stages of a crisis to acquire long-lead time items and to prepare for surge production. Examples of current mobilization plans include those providing for surge production of precision-guided munitions; for the adaptation of new production technologies such as flexible manufacturing systems; and for the expand d production of machine tools.

To ensure that our industrial base can respond in an adequate and timely fashion to a broad range of potential emergencies, we are testing a new concept of industrial mobilization responses linked to early warning indicators. Under this concept, the readiness of our industrial base would be progressively increased as intelligence suggested an increasing probabi lity of hostile actions directed against U.S. interests. To support this concept, in peacetime planners will identify and catalog relevant industrial base capabilities, prepare sp cific response options, and create a series of graduated responses to e implemented within exi ting capabilities at a time of crisis.

Such mobilization planning cannot be done on a purely unilateral basis. In the NATO context, international collaboration to improve national mobilization capabilities is important to increase Alliance-wide efficiency and the capability to support war plans. For example, the United States through its representation on the NATO Industrial Planning Committee, works closely with its allies to ensure that member nations are prepared to support the Allian e strategy with a coordinated and effective industrial mobilization response.

With regard to manpower, our mobilization plans emphasize achievable increases in defense manpower at a pace consistent with military needs. Under existing plans, active forces-depending on their location-would either maintain their forward deployment or rapidly reinforce such deployments from the United States. Reserve forces would mobilize, some military retirees would be recalled, and civilian manpower would be expanded to support uch necessary defense functions as logistics, communications, and health services.

Our plans for military manpower m bilization are based upon the Total Force policy, establ ished in the early 1970s, which places increased responsibilities on the reserve component of U.S. forces. With fully 50 percent of the combat units for land warfare in the reserve compon nts, their importance to our conventional deterrent cannot be overstated. Their priority for manning, training and equipment mobilization is based on time-phasing of their use in operational plans. In many cases, the sequence of deployment would place reserve component units ide by side with, and sometimes even ahead of, the active duty forces. While there are pecific mission areas in which the role for reserve components can be expanded, we need to exercise care to avoid fundamentally altering the nature of service in the reserves, or imbalance the reserve/active force mix. While not reserves in the conventional sense of the term, in time of war Coast Guard forces would provide an important augmentation to our worldwide naval capabilities.

SUPPORTING POLICIES

U.S. National Space Policy

I recently approved a new national space policy which updates and expands guidelines for the conduct of U.s. national security, civil, and commercial efforts in space. The p licy recognizes that a fundamental objective guiding U.S. activities continues to be space leadership, which requires preeminence in key areas critical to achieving our broad goals. These goals include:

- Strengthening the security of the United States.
- Obtaining economic, technological and scientific benefits that improve the quality of life on earth, through space-related activities.
- Encouraging U.S. private sector investment in space and space-related activities.
- Promoting international cooperative activities, taking into account U.S. national security, foreign policy, scientific, and economic interests.
- Cooperating with other nations in maintaining freedom of space for activities that enhance the security and welfare of mankind.
- Expanding human presence and activity beyond Earth orbit into the solar system.

The use of space systems to satisfy many critical national security requirements is an expanding and vital element of U.S. national power. Functions important to our national security strategy such as communications, navigation, environmental monitoring, early warning, surveillance, and treaty verification are increasingly performed by space systems. In many cases, the worldwide access provided by the space systems makes them the only available means for accomplishing these important functions. Absent the assured use of space, our nation's security would be seriously jeopardized.

Our military policy for space encompasses five elements.

First, we recognize that deterrence-at all levels of potential conflict-cannot be accomplished without space-based assets, so we seek to ensure that critical space systems will be available to commanders, commensurate with their need.

Second, we seek to ensure free access to space for all nations, in a manner analogous to the way that free access to the earth's oceans is maintained.

Third, we encourage interaction among national security, civil government and, where appropriate, commercial space programs to share critical technologies and avoid unnecessary duplication of activities.

Fourth, our policies provide for improved defensive capabilities in the future, deterring or, if necessary, defending against enemy attacks on our space systems.

Finally, we will continue to improve those space systems that directly support our military forces by enhancing their effectiveness.

Our civil space activities contribute to the nation's scientific, technological, and economic well-being in addition to making a major contribution to America's prestige and leadership in the world. Our civil space goals are:

- To advance scientific knowledge of the planet Earth, the solar system, and the universe beyond.
- To preserve our preeminence in critical aspects of space science, space applications, space technology, and manned spaceflight.
- To open new opportunities for use of the space environment.
- To develop selected civil applications of space technology.
- To engage in international cooperative efforts that further U.S. space goals.
- To establish a permanently manned presence in space.

U.S. leadership in civilian space programs has been taken for granted since the late 1960s. That leadership, however, is being increasingly challenged both by our friends and allies abroad, and by the Soviet Union. The ambitious program of space exploration and research that the Soviets are pursuing, centered upon a high level of launch capacity and the Mir Space Station, have eroded traditional areas of U.S. space leadership. Initiatives-such as efforts to improve our space transportation systems, develop and deploy the Space Station, and develop the technologies to support a range of future solar system exploration options-are intended to ensure U.S. preeminence in areas critical to our national interests.

The United States is first among nations in its efforts to foster a purely commercial, market-driven space industry without direct government subsidies. We believe that private sector space

initiatives will have positive effects on the U.S. balance of trade, work force skills, and the development of unique manufacturing methods and products. These initiatives also promise lower costs to the taxpayer and enhanced security to our nation. We are confident that traditional American ingenuity will yield innovative space technology applications comparable to, or exceeding, those achieved in aviation earlier this century.

U.S. Intelligence Policy

Development and execution of sound national security policies, and the strategies applicable to specific situations, requires timely, accurate, and thorough information regarding actual or potential threats to our national security. Early warning of developments which could place at risk U.S. interests is vital if we are to employ the relevant elements of national power in a timely way and deal with threats before they become unmanageable, or entail the risk of conflict. The primary goal of U.S. intelligence activities is to provide appropriate agencies of government with the best available information on which to base decisions concerning the development and conduct of foreign, economic and defense policy.

It is axiomatic that our National Security Strategy must be strongly supported by reliable intelligence concerning potential adversaries' national capabilities and probable courses of action. Intelligence also provides essential insights into how we are viewed by those adversaries. Their perceptions of our capabilities, political will, national interests, and likely reaction to hostile provocation, provide an important measure of the effectiveness of our strategy. The collection of such information is a priority objective of our intelligence activities. It must be pursued in a vigorous, innovative, and responsible manner that is consistent with applicable law and respectful of the principles upon which this nation was founded.

The capability to deal with the hostile intelligence threat to the United States is equally important. The large and active intelligence services of the Soviet Union, its clients and surrogates, conduct sophisticated collection and analysis operations targeted against us, our allies, and friends. The Soviets rely heavily on espionage and an elaborate apparatus for illegal acquisition of Western military technology to further their strategic aims. The apprehension over the past few years of spies conducting highly damaging espionage operations against the United States has dramatically underlined the severity of the threat. I have directed that the U.S. intelligence community give special emphasis to detecting and countering espionage and other threats from foreign intelligence services.

International terrorism and narcotics trafficking, particularly when state-supported, can threaten the security of the U.S. and our citizens. Intelligence plays a critical role in our efforts to control and reduce these threats. Intelligence collection and special operations by agencies of the U.S. government to protect against international terrorism and international narcotics activities will remain a high priority. The ability to conduct covert action operations is an essential element of our national security capability. In selected circumstances such operations provide a means to deal with developing threats to our security before the employment of U.S. military power or other actions entailing higher costs and risks are required. Over the past year, we have reviewed all existing covert action programs to ensure that they are in accordance with applicable law and consistent with U.S. policy. We have also put into place procedures for approval, review and congressional notification of new covert action operations to ensure that such operations receive appropriate interagency review, and are consistent with applicable law. Additionally, we have instituted stricter accountability of access to protect confidentiality, and have established "sunset provisions" that require annual review of all covert action programs, and their continuation only by Presidential approval. We will continue to employ such covert action operations in support of national security objectives, and ensure that they are consistently supportive of national policy.

IV. Integrating Elements of Power into National Security Strategy

STRATEGY FOR THE WESTERN HEMISPHERE

Our own territorial security is inextricably linked with the security of our hemispheric neighbors, north and south; the defense of North America is the nation's most fundamental security concern. We sometimes fail fully to appreciate the great strategic importance of the Latin American and Caribbean regions, in spite of their proximity to our borders and importance to our national security. The significance of these regions has not been lost to Soviet planners, however, who refer to Latin America and the Caribbean as our "strategic rear." The USSR has, since the early 1960s, increasingly sought to expand its influence in these areas to the detriment of our (MIn security. Our national interests, as well as our political principles, have led us to promote democracy and economic progress throughout the hemisphere. In the past, we have relied on a hemispheric security system composed of a strong U.S. deterrent, broadly-based cooperation with Canada, and collective security arrangements with Latin America. More recently we have built on this foundation a policy aimed at strengthening the ability of our Central American and Caribbean neighbors to resist outside aggression and subversion, and facilitating the transition to democracy in the region. Today 28 of 33 countries in Latin America and the Caribbean, with over 90 percent of the population, are democratic. As we work for further consolidation of democracy, we continue to promote economic cooperation with our Hemispheric neighbors.

We remain deeply committed to the interdependent, regional objectives of democracy and freedom, peace, and economic progress. To achieve these, we must counter the threat of Soviet expansionist policies not only from Cuba, but now from Nicaragua. Critical national security interests in Latin America are based on long-standing U.S. policy that there be no Soviet, Cuban, or other Communist bloc beachhead on the mainland of the Western Hemisphere, or any country that upsets the regional balance and poses a serious military threat to its neighbors. Representative democracy in Nicaragua is a key goal in our strategy to achieve lasting peace and our other interdependent security objectives for the hemisphere.

We support the Guatemala Peace Accords and welcome the initial steps taken by the Sandinistas in the direction of a freer, more democratic and pluralistic Nicaragua, as agreed to in the Accords. Yet we have reason to remain skeptical. It is too soon to tell if the Sandinista leaders will comply with the pledges they have made. The Sandinistas have made similar promises in the past—including in 1979 to the Organization of American States—which were broken. It is important to keep in mind, however, that even if the Nicaraguan government should live up to its obligations under the Guatemala Peace Accords in full and credible fashion, security concerns affecting important U.S. interests would remain. They include the Soviet and Cuban military presence in Nicaragua, and the rapid growth of the Nicaraguan military capability which threatens the military balance of the region as well as Nicaragua's democratic neighbors.

To encourage the Sandinistas to implement the agreed reforms in good faith, and to advance U.S. security interests in Central America, we have engaged in extensive and close consultation with the Central America democracies and the Nicaraguan Resistance. One key element of our diplomatic strategy is the pressure exerted on the Sandinista regime by the Nicaraguan Resistance. We will continue funding the Resistance until we see evidence that democratization in Nicaragua is real and irreversible. Accordingly, the Administration will request renewed assistance for the Freedom Fighters early this year. Economic and trade sanctions are other key elements of our coordinated strategy.

Currently we are deeply involved in the struggle throughout Latin America against the menace of drug production and trafficking, which pose threats not only to the integrity and stability of governments to our South, but to the social fabric of the United States itself. Working bilaterally, and wherever possible on a regional basis, we are supplying resource and expertise to the governments wishing to engage with us in this priority effort.

Increased trade among the Western Hemisphere countries is also an important element of our national security strategy. Such trade will aid debtor countries in the region in managing their obligation in a responsible manner while contributing to their economic growth. In addition, the

United States supports providing additional resources for the World Bank and the International Monetary Fund (IMF) to assist these countries in adjusting to the consequences of external economic forces, such as the decline of world oil and other commodity prices.

Our close relationship with Canada derives from our long historical and cultural association, as well as geopolitical and economic factors—our physical proximity, the openness of our more than 3,000 mile border, and our important military cooperation, both bilaterally and under the ATO aegis. Economically, Canada is by far our largest trading partner. Our primary objective with respect to Canada, a close friend and ally, is to protect and strengthen the already excellent relations we enjoy. In the near-term, our goal can be best achieved by securing approval by the U.S. Congress and Canadian Parliament of the recently negotiated United States-Canada Free Trade Area agreement. This agreement will benefit both countries by removing tariff and non-tariff barriers to trade in goods and services and by facilitating crossborder investment by the private sectors of both countries.

STRATEGY FOR THE SOVIET UNION AND EASTERN EUROPE

As mentioned earlier, the most significant threat to U.S. national interests remains that posed by the Soviet Union. Despite some improvement in U.S.-Soviet relations over the past year, the long-term threat has not perceptibly diminished.

The differences between the United States and the Soviet Union are fundamental in nature, given the great disparities in our political, economic and social systems, and our divergent geostrategic interests. While the much-publicized reforms of the new Soviet leadership have raised expectations of more benign Soviet policies, there is as yet no evidence that the Soviets have abandoned their long-term objectives. This means that U.S. strategy to counter these objectives must also remain consistent and aimed at the long-term. We must remain sufficiently flexible to seize the initiative and explore positive shifts in Soviet policy which may strengthen U.S. security; but we must not delude ourselves into believing that the Soviet threat has yet been fundamentally altered, or that our vigilance can be reduced.

Consistent with this approach, our overall strategy toward the Soviet Union remains to contain Soviet expansionism, and to encourage political democracy and basic human rights within the Soviet Union and the countries under its hegemony. These have been the national security objectives of successive U.S. administrations, though the manner of their implementation has varied. Continued emphasis on the principles of strength, dialogue and realism in our strategy may eventually alter Soviet behavior in fundamental ways to create a more stable and peaceful world.

The maintenance of adequate strength to deter Soviet aggression anywhere in the world that our strategic interests require is central to our strategy. Such strength must encompass not only military power, but also the political determination, vitality of alliances and the economic health essential to meet our global responsibilities. In areas where the Soviets are currently engaged in military expansionism, such as Afghanistan, the United States is demonstrating its willingness to support local resistance forces to the degree necessary to frustrate Soviet ambitions. In general, our goals are to convince the Soviet Union that the use of military force does not pay, and that the build-up of military forces beyond levels necessary for legitimate national defense will not provide unilateral advantage.

National strength must be complemented by constructive dialogue. We have established a four part agenda for discussion with the Soviet Union: arms reduction, human rights, resolution of regional conflicts, and bilateral exchanges. We have made clear that substantial progress in all areas is necessary to allow a truly qualitative improvement of U.S.-Soviet relations. Our emphasis on human rights is directly relevant to our security strategy because we believe that the manner in which a government treats its own people reflects upon its behavior in the international community of nations.

Although progress in U.S.-Soviet relations has historically been difficult to predict, present indications are that the Soviet leadership recognizes that some of the country's past policies must be

altered to prevent further domestic economic and technological obsolescence. In this regard, the policies of the current leadership have a marked strategic cast to them, to the extent that they aim at placing the Soviets in a more competitive position vis-a-vis the United States over the long term. At the same time, should the Soviets demonstrate that they genuinely wish to improve the U.S.-Soviet relationship by reducing military expenditures and force structure, by terminating Third World subversion and expansion, and by focusing on their internal problems, they will find the United States welcoming their more responsible behavior on the international scene.

While acknowledging that most of the countries of Eastern Europe are members of the Warsaw Pact, we have never recognized Soviet hegemony in the region as legitimate or healthy because it is based on military power and dictatorship, not democratic consent. We wish to develop our relations with each country of the region on an individual basis. Many East European countries at present face severe economic difficulties as a result of forced emulation of Soviet economic models. The populations of these countries are significantly pro-Western in outlook and would like to strengthen ties with the Western community of nations. At the same time, the economic utility of Eastern Europe to the Soviet Union is declining.

These factors combine to give the United States an opportunity to improve its relations with Eastern European countries. Our objectives in the region are to encourage liberalization and more autonomous foreign policies, and to foster genuine, long-term human rights improvements. Our strategy is to differentiate our policies toward these countries according to their conduct, and to develop relations with each based on individual merit.

The United States and its NATO Allies also are working jointly to overcome the artificial division of Europe which occurred after World War II and to promote closer ties between Eastern and Western Europe. This takes place primarily through the 35-nation Conference on Security and Cooperation in Europe, which serves to maintain pressure on the Soviet Union and Eastern European governments to improve human rights performance and increases contact and communication between East and West.

STRATEGY FOR WESTERN EUROPE AND NATO

The security of Western Europe is a vital component of U.S. National Security Strategy. We share a common heritage and democratic values with Western European countries, have a compelling mutual interest in containing Soviet expansion, and benefit from interdependent economic relations.

Overall, our objectives in Western Europe are to help maintain the region's security and independence from Soviet intimidation, to promote its political and economic health, to consult with European governments on effective policies toward the Soviet Union and the Warsaw Pact, and to work with Western Europeans toward overcoming the East-West division of the European continent.

The North Atlantic Alliance embodies the u.s. commitment to Western Europe as well as the members' commitment to defend each other. ALO has preserved peace in Europe for almost 40 years, by far the longest period of peace on the continent in this century. Through the Alliance, NATO members engage in collective defense to deter Soviet aggression and enhance security. NATO is, however, both a political and military entity. Through NATO, the United States also consults with its Western European Allies on a wide range of issues.

The cohesion and unity of NATO are essential to a successful security strategy relative to the Soviet Union. The repeated and unsuccessful Soviet efforts to drive wedges between the United States and Western Europe testify to the strength of Alliance unity. These Soviet efforts have been thwarted through close and frequent high-level consultations among allies, to maintain our solidarity and our common strategy on crucial issues. The most recent success story of the Alliance has been the conclusion of an IntermediateRange Nuclear Forces (INF) Treaty between the United States and the Soviet Union. This agreement vindicates NATO's 1979 dual-track decision which, through commitment both to negotiate and to deploy intermediate-range nuclear forces, gave the

Soviet Union incentive eventually to agree to the total elimination of this category of weapons. The cohesion of the Alliance and the courage of Allied governments which deployed INF missiles despite sometimes significant domestic resistance has paid off, and resulted in the first agreement in history which will actually reduce nuclear arsenals.

The United States, working closely with NATO allies, hopes to reach other successful arms agreements with the Soviet Union; but we have made clear that the strategy of flexible response will require the continuing presence of US. nuclear weapons, and strong conventional forces, in Europe. This is particularly true in view of the great disparity in conventional forces on the continent which directly threatens Western Europe. The pronounced conventional force imbalance has been a matter of concern for many years. In 1985, the Alliance adopted an ambitious plan of action designed to remedy NATO's most critical conventional deficiencies. Progress in some areas—such as the provision of aircraft shelters and the filling of critical munition shortfalls—has been encouraging, but much more remains to be accomplished. Within the context of these ongoing efforts, the United States will work in close consultation with our allies toward:

- Maintenance of the credibility of NATO's nuclear deterrent. We will work toward full implementation of the Montebello agreement, including the provisions on nuclear modernization, as well as some restructuring of NATO's nuclear forces.
- Maintenance of a credible conventional deterrent with emphasis on further execution of Alliance approved conventional defense improvements, including provisions for air defense and increased sustainability stocks.
- More effective use of resources available for deterrent capabilities through national defense budgets. We are just beginning to realize a return on initial efforts in armaments cooperation, and will work closely with our allies to bring to fruition other programs recently initiated with Congressionally reserved funds for cooperative research and development. We will also continue to search for new opportunities to enhance conventional defense capabilities in resource-effective ways, such as improved crisis management procedures and rationalization of roles and missions with our allies.
- Improvement of the military use of technology, while strengthening NATO's industrial base, particularly in some countries on NATO's southern flank.

Narrowing the gap in conventional capabilities can enhance deterrence, raise the nuclear threshold and reduce the risk of Soviet miscalculation. It also offers the best hope of inducing the Soviets to negotiate seriously toward a stable conventional equilibrium at lower force levels.

NATO also provides a forum for Western consultation on such political processes as the Conference on Security and Cooperation in Europe (CSCE), where our goal is to ensure full Soviet and Eastern European implementation of the commitments undertaken in the Helsinki Final Act and Madrid Concluding Document. Of special interest are the CSCE provisions on human rights and the freer flow of peoples and information across the East-West divide. CSCE represents a crucial means by which the United States and its Allies are working to reduce the repression and the artificial barriers which have existed since the Soviet Union imposed its will on neighboring countries after World War II.

Although the NATO Alliance remains strong and vigorous, aspects of our relationship with Western Europe transcend NATO concerns. These include issues such as trade and protectionism, methods of dealing with terrorism, and policy toward regions outside of the NATO geographic area. We seek to work closely with Western European governments on these matters, though there are sometimes differing viewpoints as is natural among sovereign, democratic governments.

STRATEGY FOR THE MIDDLE EAST AND SOUTH ASIA

Despite the multitude of changes in the Middle East over the past several decades, U.S. objectives have held remarkably constant. In harmony with the predominant aspirations of the peoples of the region, we remain deeply committed to helping forge a just and lasting peace between Israel and its neighbor. Our regional goals also include limiting Soviet influence, fostering the security and

prosperity of Israel and our Arab friends, and eradicating state-sponsored terrorism. To achieve these aims, we must hurdle some serious obstacles including continuing, deep-seated Arab-Israeli tensions, the emotionally-charged Palestinian problem, radical anti-Western political and religious movements, the use of terrorism as an instrument of state policy, and Soviet policies which have supported the forces of extremism rather than the forces of moderation.

In working to overcome these obstacles we pursue a strategy which integrates diplomatic, economic and military instruments. With regard to the Arab-Israeli peace process, the U.S. initiative of September 1, 1982 remains the cornerstone of our approach. While working diplomatically to narrow the gap and make direct negotiation possible, we also provide military and economic assistance to our friends in the region to bolster their security in the face of continuing threats. Moderate regimes must be secure if they are to run the risks of making peace. At the same time, we remain willing to confront and build international pressure against those states, such as Libya and Iran, which sponsor terrorism and promote subversion against friendly governments.

In the Persian Gulf region, we also pursue an integrated approach to secure our four longstanding objectives: maintaining freedom of navigation; strengthening the moderate Arab states; reducing the influence of anti-Western powers, such as the Soviet Union and Iran; and assuring access to oil on reasonable terms for ourselves and our allies. Iran's continuation and escalation of the Iran-Iraq War, including its attempts to intimidate non-belligerent Gulf Arab states, pose the most serious, immediate threat to our interests, and provide the Soviet Union the opportunity to advance its regional agenda.

In responding to these threats diplomatically we work persistently to end the war, both unilaterally—as with Operation Stanch, to cease the flow of war materiel to Iran—and through multilateral forum, such as the United Nations Security Council. The current challenge is to get Iran to join Iraq in accepting a comprehensive settlement.

Since 1949, our diplomatic commitment to regional stability and uninterrupted commerce has been supported by our military policy of maintaining a permanent naval presence in the Persian Gulf. That presence is currently expanded to allow us to deter Iranian attempts to intimidate moderate states in the region, and to play our traditional role of protecting U.S.-flag shipping in the face of increased Iranian aggressiveness. Five other NATO governments have also made decisions to deploy naval vessels to the Gulf where they assist in protecting freedom of navigation. A prudent but responsive policy of arms sales for the self-defense of our friends in the region is also an integral part of our strategy, as those nations assume greater responsibility for their own defense.

In South Asia, we aim to reduce regional tensions, especially those between India and Pakistan; to restore freedom in Afghanistan; to promote democratic political institutions and economic development; to end narcotics production and trafficking; and to discourage nuclear proliferation. These objectives are threatened primarily by the Soviet occupation of Afghanistan, the continuing antagonism between India and Pakistan, and the refusal of those two states to restrain sensitive aspects of their nuclear programs.

In dealing with the problem of nuclear proliferation in South Asia we have followed a two-track approach. First, we have made clear to the government of Pakistan that our provision of security assistance requires Pakistani nuclear restraint. At the same time, provision of U.S. military and economic assistance helps Pakistan meet legitimate security needs without resorting to the acquisition of nuclear weapons. Secondly, recognizing that there is a regional context for the Pakistani nuclear program, we have encouraged India and Pakistan toward an agreement on confidence building measures. We are encouraged that the leadership in both countries is actively looking for ways to improve their relations with each other.

We remain unequivocally opposed to the Soviet military presence in Afghanistan. In the absence of a political settlement which provides for a prompt and complete withdrawal of Soviet troops, restoration of Afghanistan to its independent non-aligned status, and self-determination for the Afghan people, we will continue our firm support for the Afghan cause. We also work to

bolster the security of Pakistan, the frontline state hosting nearly three million Afghan refugees, with a second six-year assistance plan. By expanding our ties with India as well as Pakistan, we hope to foster stability in South Asia. Recent advances in technological and scientific cooperation between the United States and India, in both civilian and military areas, with prospects for further growth, have been important in improving relations between our two countries. We also provide development assistance throughout the region and support the work of the South Asian Association for Regional Cooperation to promote stability by fostering regional economic growth.

The sharp reduction in US economic and military assistance funding, plus Congressional opposition to the sale of modern defense weapons to a number of states, has had a negative impact on U.S. security interests in both the Middle East and South Asia. These cutbacks in security assistance have been all the more damaging because threats to friendly states have increased their need for security assistance and weapons. At the same time, the Soviet Union has become more aggressive in offering weapons to countries unable to obtain them from the United States. The Soviets have also become more active in using economic instruments such as debt rescheduling to enhance their own political influence.

STRATEGY FOR EAST ASIA AND THE PACIFIC

As a Pacific power the United States faces formidable challenges in projecting its strength across that broad region. Our security objectives, as elsewhere, are aimed at helping our allies and friends in the region to develop economically and politically as they defend themselves from encroachment. We are meeting with success in most areas. The free nations of East Asia and the Pacific now lead the world in demonstrating an economic and political dynamism that stands in stark contrast with conditions in other nations in the regions such as Vietnam and North Korea. Our Asian allies and friends also stood together with us in the years of effort required to achieve the INF Treaty, which removes a threat from Asia, as well as from Western Europe.

Soviet military power in Asia and the Pacific continues its steady qualitative improvement, but the U.S. response is not confined to technical issues of relative military strength. Our basic aims are to strengthen the natural political and economic ties that link us with regional states, to evoke greater participation by our allies and friends in their own defense, and to proceed steadily with necessary modernization of our military forces deployed to the area.

Cooperation with Japan remains basic to U.S. relationships in the region. The United States-Japan Treaty of Cooperation and Security formalizes our defense ties, providing a security foundation for the broad spectrum of economic and political associations which uniquely join us.

During the past ten years, a consensus has emerged in Japan that Japan should undertake the primary responsibility to defend its homeland, territorial seas and skies, and its sea lanes out to 1,000 nautical miles. In 1985 the government of Japan incorporated that concept into its current Five Year Defense Plan. Japan's defense spending has increased more than five percent per year in real terms for the past five years, and we have encouraged Japan to continue modernizing its forces in order to carry out its legitimate defense responsibilities. In addition to providing for its own defense forces, Japan contributes over \$2 billion per year to support U.S. forces stationed in Japan.

The economic dimension of our relationship with Japan, as well as with other key nations in the region, is so prominent that it must be considered an integral part of our national security strategy. The massive trade surplus of Japan with the United States is unsustainable and a source of political tension, as are the lesser surpluses of other regional nations. Such economic imbalances must be reduced through a combination of measures including support for U.S. initiatives for multilateral trade liberalization in the GATT.

In view of the globalization of financial markets, cooperation with Japan on economic policy will be key to maintaining confidence on world stock and currency markets. A recent positive development is Japan's significantly increased expenditures on foreign assistance. Japan continues to target assistance on countries of strategic importance, and is giving more of its aid in "untied" form than in the past.

Our alliance with the Republic of Korea remains vital to regional stability. North Korea maintains forces that far exceed those of the South in quantity, are continuously strengthened by additional Soviet weapons, and are in the hands of a government whose aggressive demeanor and tendency to act unexpectedly are well known. Our military presence in the Republic of Korea underpins regional stability and builds confidence, which is essential to that country's remarkable economic development and political evolution. Sound security, politics, and economics are indivisible. In this process, the United States has used its influence to encourage Koreans toward democratic change. We have done so, however, with respect for Korean traditions and political realities; and we are mindful of the constant security threat. The Republic of Korea is our seventh largest trading partner; significant market and investment opportunities for U.S. firms exist. Market access barriers are coming down, but not fast enough, and much more remains to be done.

Both the People's Republic of China and the United States have cultivated good relations based on realistic calculations of each country's best interests. For our part, we continue to believe that a strong, secure, and modernizing China is in our interest. Although our economic, social, and political systems differ, we share a common perception of the requirement for stability in the region and for resistance to expansionism. On this basis, we have continued to increase our trade, people-to-people contacts, and even limited, defensive military cooperation. Differences persist over some issues, but we have continued to develop a mature relationship that clearly benefits both countries.

Through assiduous management of the United States – China relationship, we expect to cooperate when our interests and China's are parallel, such as in Afghanistan, and in maintaining stability in East Asia. We are confident a level-headed national consensus on how to conduct relations with China will remain the foundation for additional growth and interaction in the relationship.

The Philippine government has made progress restoring democracy and laying the foundation for economic growth. The Aquino government, however, continues to face major political, security and economic challenges. Through all of the tools available to us, we are determined to help this important Pacific ally to overcome these problems so it can sustain economic growth, counter the threat of a virulent internal communist insurgency, and strengthen democratic government.

Thailand, another Association of Southeast Nations (ASEAN) member, and our treaty ally, borders Cambodia, which is now occupied by the Vietnamese and the site of an active Cambodian resistance effort struggling to regain self-determination for the Khmer people. In support of Thailand, which also shoulders the major refugee burden in Southeast Asia, we will continue our close security cooperation to deter any potential aggression and maintain our support of eligible refugees. We will also continue our cooperative effort with Thailand to suppress narcotic trafficking.

We view the continued occupation of Cambodia by Vietnamese forces as an unacceptable violation of international law that undermines regional efforts towards development, peace and stability. We also oppose the return of the Khmer Rouge to power in Cambodia. We will continue our strong endorsement of ASEAN's quest for a political solution and support for the non-Communist elements of the Cambodian resistance coalition. Under our initiative on regional problems at the United Nations, we are prepared to play a constructive role in efforts to achieve a Cambodian settlement. In the context of a settlement involving the complete withdrawal of Vietnamese troops, we are prepared to enter into normalization talks with Vietnam.

Despite our serious differences with Vietnam, through bilateral discussions we have achieved progress in accounting for our missing servicemen, and in release of reeducation internees and Amerasians. We have also seen a modest but welcome improvement in relations between Laos and the United States. Our primary measure of Laotian sincerity in improving relations with the U.S. is accelerated efforts to account for our servicemen still missing.

As Australia enters its bicentennial year, close bilateral bonds and security relationships continue to be the keystone of our policy in the region. But regrettably, New Zealand has now

written into law the policies that caused us to suspend our ANZUS Treaty obligations to Wellington. This has dimmed the prospect of New Zealand's resuming its place in the Alliance.

The South Pacific more broadly is passing through a generational change and the stresses of economic and demographic shifts. The island nations of the South Pacific have joined the legion of commodity-exporting countries whose efforts to develop a stable economic base have been undermined by persistently low world commodity prices. At the same time, the positive effects of improved health care have produced rapid increases in population. Memories of U.S. cooperation with the islanders during World War II are fading. Resource constraints have prevented us from assisting as much as we would wish, but we expect Congress to approve expeditiously authorization for \$10 million annually over the 5-year life of the new fisheries treaty with the region's island states. This should help offset some of the irritants that have troubled our traditional good relations in the region and have invited Soviet probes.

In Fiji this past year, we have sorrowfully witnessed a prolonged struggle within that nation's ethnic communities over their future. We remain committed to encouraging a broadly based resolution of Fiji's political troubles.

The decision of the people of Palau last year to accede to the Compact of Free Association lays the foundation for creation of a third freely associated state and for closing our UN trusteeship in the Pacific Islands. This act of self-determination promotes our belief in stability through democracy; and the Compact of Free Association helps accomplish our goal of preventing these Pacific states from becoming caught up in superpower rivalry.

Soviet interest in East Asia and the Pacific remains on the upswing, however, as Moscow's increasingly skillful propagandists seek to erode the concept of deterrence and promote seemingly benign disarmament schemes. The United States and the people of the region naturally seek a reduction of tensions. But this should begin at the real points of tension—North Korea and Vietnamese-occupied Cambodia, for example. We will not be lured into proposals designed to weaken relations with our allies or unilaterally impair our ability to protect U.S. interests in East Asia and the Pacific region.

STRATEGY FOR AFRICA

The diversity of Africa embodies a broad range of national security interests and presents numerous challenges for the United States. We maintain military access to U.S. facilities in several countries in support of our strategic interests in the region and beyond (such as in Southwest Asia and the Persian Gulf). Africa is an important source of strategic minerals and a potential growth market for U.S. exports. Its shores adjoin some of the most important international sea lanes. It represents a significant voting group in the United Nations and other international organizations.

A number of domestic and external pressures pose threats to our interests in African security. The Soviet Union and its surrogates have made the Horn of Africa an arena for East-West competition. They have sustained a costly civil war in Angola which has shattered the country's economy and seriously degraded the quality of life for innocent civilians. The Soviet Union has viewed southern Africa as an opportune area for its expansionist policies. And it has been the preeminent military supplier for Libya's Muammar Qaddafi, whose southward aggression threatens Chad and other sub-Saharan African countries. Apartheid will not only continue to breed conflict within South Africa, but is a primary cause of instability in all of southern Africa.

Perhaps as in no other region, economic concerns are closely interrelated with political stability in Africa. After more than two decades of misguided statist policies which produced economic deterioration, many African countries are now recognizing that market-oriented economic reform is critical for renewed growth and development. Political reaction to the stringent reforms which are now needed will pose another kind of threat to political stability, at least in the near term. Moreover, Africa's heavy debt burden has stymied the abilities of governments to move beyond economic reform to economic growth.

An effective U.S. strategy toward Africa integrates political, military, and economic elements. We must continue to sustain relationship with our military partners and support regimes threatened by Soviet and Libyan aspirations. We will work for national reconciliation and the peaceful resolution of conflicts in Angola, Namibia, and elsewhere. We will continue to promote peaceful progress toward non-racial representative democracy in South Africa, and peace between South Africa and its neighbors. We support regional economic cooperation among the countries of southern Africa and will assist collaborative efforts to achieve economic development. We must encourage governments to stay the politically risky course of economic reform.

In a region as underdeveloped as Africa, which has relatively little access to private sources of capital, our ability to achieve our objectives depends in very significant measure on effective economic and security assistance programs. Too often security assistance is portrayed as a tradeoff against support for development. In Africa, this distinction is particularly ill-founded. Our security assistance programs promote a stable political and economic environment that permits the exercise of individual choice and the development of human talent. Without that environment, sustained development is not possible. U.S. military assistance programs in Africa have always been modest, but recently funding has been almost eliminated by Congress. It is in our national interest to provide a reasonable level of support to moderate, friendly countries such as Kenya and Zaire, to regimes on the front lines of Soviet-supported aggression such as Somalia, and to countries facilitating access in support of our strategies in Southwest Asia and the Persian Gulf.

U.S. military training programs are an invaluable instrument for promoting professionalism and respect for human rights. The exposure to Western values that comes from such programs may foster a respect for the United States and democratic institutions among individuals who play a key role in determining the level of freedom and stability in African countries. Many of these programs also contribute to economic security. The African Coastal Security Program, for example, provides training to West African countries to enable them to protect their coastal fish stocks from unauthorized foreign fishing fleets.

The U.S. assistance program in South Africa for victims of apartheid, enacted into law by Congress, helps prepare disenfranchised citizens for participation in constitutional democracy and a free enterprise economy in post-apartheid South Africa. Our new program for regional trade and transport development in the southern African states furthers our mutual political interests and enables these countries to develop alternatives to total dependence on South Africa.

As African countries struggle to liberalize and expand their economies, market economics are on trial. Our challenge is to be able to provide enough resources to permit new economic policies to bear fruit and enable African countries to become fully integrated into the existing world trading and financial system. A promising start has been made with the President's Initiative to End Hunger in Africa, the African Economic Policy Reform Program, the Baker Plan providing assistance on debt, and the Food for Progress program. We must ensure that our assistance programs and those of other donor countries and institutions give impetus to further progress.

As part of that effort, we will continue to work with our Western and Japanese partners to find creative solutions to the debt problem of countries implementing reforms. Our budgetary restrictions limit what we can do directly, but much is at stake. Although the aggregate debt is smaller compared to that of Latin America, it has prevented the growth benefits of economic reform from being realized.

STRATEGY FOR LOW INTENSITY CONFLICT

While high intensity conflict has been successfully deterred in most regions of primary strategic interest to the United States, low intensity conflicts continue to pose a variety of threats to the achievement of important U.S. objectives. As described in last year's report, low intensity conflict typically manifests itself as political-military confrontation below the level of conventional war, frequently involving protracted struggles of competing principles and ideologies, and ranging

from subversion to the direct use of military force. These conflicts, generally in the Third World, can have both regional and global implications for our national security interests. For example:

- Military basing. access and transit rights in the Philippines, key to u.s. power projection capabilities in the Western Pacific and Indian Oceans, are presently threatened by the communist insurgency being waged against the Philippine Government.

- In mineral-rich southern Africa, insurgencies, economic instability and apartheid, as well as ethnic tribal conflicts, pose potential threats to the extraction of essential raw materials and their export to industries in the West and Japan. The conflicts endemic to the region are exacerbated by the activity of the Soviet Union and its surrogates.

- Soviet, Cuban and Nicaraguan support for insurgencies in El Salvador and elsewhere in latin America threaten nascent democracies in the region which are already struggling with chronic poverty, economic underdevelopment, and the growing influence of narcotics cartels.

- Libya has used the threat of restricting or denying oil shipments to blunt West European response to state-sponsored terrorism, while Simultaneously training terrorists on libyan soil. Freedom of action for some U.s. allies can be limited by economic ties.

Our strategies for dealing with low intensity conflict recognize that U.S. responses in such situations must be realistic, often discreet, and founded on a clear relationship between the conflict's outcome and important U.s. national security interests. Many low intensity conflicts have no direct relevance to those interests, while others may affect them in the most fundamental ways. When a U.s. response is called for, we take care to ensure that it is developed in accordance with the principles of international and domestic law, which affirm the inherent right of states to use force in individual or collective self-defense against armed attack; and to assist one another in maintaining internal order against insurgency, terrorism, illicit narcotics traffic, and other characteristic forms of low intensity conflict.

Consistent with our strategies for dealing with low intensity conflict, when it is in u.s. interest to do so, the United States will:

- Work to ameliorate the underlying causes of conflict in the Third World by promoting economic development and the growth of democratic political institutions.

- Support selected resistance movements opposing oppressive regimes working against U.s. interests. Such support will be coordinated with friends and allies.

- Take measures to strengthen friendly nations facing internal or external threats to their independence and stability by employing appropriate instruments of U.s. power. Where possible, action will be taken early~before instability leads to widespread violence; and emphasis will be placed on those measures which strengthen the threatened regime's long-term capability to deal with threats to its freedom and stability.

- Take steps to discourage Soviet and other statesponsored adventurism, and increase the costs to those who use proxies or terrorist and subversive forces to exploit instability.

- Assist other countries in the interdiction and eradication of illicit narcotics production and traffic. Measures which have proven particularly effective include aid to expand and improve the affected country's law enforcement capabilities, to preserve the independence and integrity of its judicial system, and to provide for the sharing of intelligence and investigative capabilities.

Our own military forces have demonstrated capabilities to engage in low intensity conflict, and these capabilities have improved substantially in the last several years. But the most appropriate application of u.s. military power is usually indirect through security assistance-training, advisory help, logistics support, and the supply of essential military equipment. Recipients of such assistance bear the primary responsibility for promoting their own security interests with the U.s. aid provided. Our program of assistance to El Salvador illustrates a successful indirect application of U.S. military power.

The balanced application of the various elements of national power is necessary to protect U.s. interests in low intensity conflicts. But in the final analysis, the tools we have at our disposal

are of little use without the support of the American people, and their willingness to stay the course in what can be protracted struggles. We cannot prevail if there is a sharp asymmetry of wills—if our adversaries' determination is greater than our own. At the same time we do hold important advantages. We represent a model of political and economic development that promises freedom from political oppression and economic privation. If we can protect our own security, and maintain an environment of reasonable stability and open trade and communication throughout the Third World, political, economic, and social forces should eventually work to our advantage.

V. Executing the Strategy

The legislation requiring this annual report wisely emphasized the importance of discussing not only what our strategy is, but how well it is supported, and whether any significant impediments to its execution exist. In a sense, this portion of the report is the most important, for it brings into focus the fundamental issue of whether our strategy and resources are in balance; and, if they are not, whether we should resolve the imbalance by changing the strategy, by supporting it more effectively, or by consciously accepting a higher level of risk to our national security interests.

The following paragraphs will discuss u.s. capabilities to execute the National Security Strategy presented in preceding chapters, with particular attention to those areas where resource shortfalls adversely affect our ability to execute the strategy in efficient and effective ways.

RESOURCE SUPPORT

The successful execution of any strategy depends upon the availability of adequate resources. This means that we must not adopt strategies that our country cannot afford; and our diplomats and military leaders must not base their plans on resources that are beyond the nation's capability to provide. It also means that Congress, operating from a shared view of u.s. national security interests and objectives, must provide the Executive with the resources necessary to implement a realistic, prudent, and effective National Security Strategy. Recently, however, the Congressional response has been inadequate.

For example, U.S. foreign assistance, including a balanced mix of military and economic assistance, promotes important national interests and helps communicate our values and principles throughout the world. These programs convert our regional strategies into positive, visible actions which provide assistance to people facing severe economic privation, and promote the economic and political development so important to help struggling societies evolve in constructive ways. They also help governments seeking to defend themselves from internal and external threats. By helping our friends enhance their security, we aid in creating the necessary preconditions for economic and political development. In short, our foreign assistance programs support the types of positive change that will protect our national interests over the long-term.

We currently spend less than two percent of our annual federal budget on foreign assistance. This is indisputably money well spent. The good we do, the problems we help solve, and the threats we counter through our assistance programs far outweigh the costs. They represent a highly leveraged investment, with large payoffs for relatively small outlays. Nevertheless, our foreign assistance programs do not receive the support they deserve from the Congress or from the American people. In the last few years, the Administration's foreign assistance budget requests have been severely cut by the Congress. Although all programs must bear the burden of reducing the budget deficit, the cuts in foreign assistance have often been grossly disproportionate. While the federal budget has been growing overall, foreign assistance was reduced by 29 percent in FY86, an additional 11 percent in FY87, and faces another reduction in FY88. The security assistance account now falls significantly below the level needed to maintain, with no expansion, programs critical to our national security interests.

The problem of inadequate funding for foreign assistance is compounded by Congressionally mandated earmarks and restrictions that take an ever larger piece of a shrinking pie. In recent years, Congressional action has earmarked as much as 90 percent of certain foreign assistance accounts to specific countries. These and other restrictions force us to conduct foreign policy with our hands

tied. We are losing the ability to allocate resources according to our strategic priorities, and we have virtually no leeway to respond to emergencies with reallocations of funds. The effects of earmarking on the developing countries is particularly damaging. These smaller programs bear a disproportionate share of the burden when funds earmarked for large programs are maintained at a constant level while the overall assistance program is cut.

The adverse effects of funding cuts are not limited to our foreign development and security assistance programs. To properly coordinate these instruments and to carry out our policies, we rely on our diplomatic missions abroad. No foreign policy, no matter how conceptually brilliant, can succeed unless it is based on accurate information about, and correct interpretation of, the developments in countries we are attempting to influence. We need to be able to persuade others that our goals are worth supporting and that our means are appropriate. The essential tasks of information, analysis and communication are the primary responsibility of our embassies and consulates.

Funds available for operating the Department of State and our embassies and consulates overseas have been cut to an unprecedented point. What that means in real terms is fewer people to work on formulating and implementing the nation's foreign policy at all levels. It means fewer diplomatic and consular posts-which are the eyes and ears of the U.S. Government abroad. It means not providing the country with the level of services, reporting, analysis, or the representation and protection of global U.S. interests that we have come to expect.

It cannot be stressed too strongly that our diplomatic establishment and our foreign assistance programs are an essential part of our political and economic elements of power. We cannot support our National Security Strategy without them. They work to resolve tensions and ameliorate conflicts that, if ignored, could degenerate into crises adversely affecting U.S. interests. Unless we are willing to be an active participant in promoting the type of world order we desire, we may find ourselves compelled to defend our interests with more direct, costly, and painful means. Congressional action to shore up support for this weakened link in our capability for strategy execution should receive high priority attention.

Adequate and sustained resource support is also needed for our defense programs. Providing for the common defense is the most important responsibility of the federal government-shared equally by the Executive and Legislative branches. Partnership is the key to its successful execution. In that spirit, in the early 1980s-for the third time since World War II Congress and the Executive joined in a concerted effort to rebuild and strengthen our military capabilities. It was clear at that time that only an increase in defense investment would produce the necessary sustained impact on the military balance, and redress the serious disparities between U.S. and Soviet capabilities which had emerged during the 1970s-a period of unprecedented military investment by the Soviets aimed at shifting the global "correlation of forces" in a decisive and irreversible way. Fortunately, the Congress and the American people recognized the criticality of rebuilding the country's defenses, and we made impressive progress. Having arrested the adverse trend, however, the challenge then became not to lose the momentum gained-always a difficult task in a democracy. Unfortunately, we have not done as well in that regard.

When I submitted the FY88 Budget a year ago, I did not ask the Congress to approve Defense funding increases of the magnitude that characterized those of the early 1980s. At the same time, I did emphasize that Congress must act positively to protect the gains that we together had achieved. In particular, I stressed that we must not continue on the path of decline in real defense spending established during the preceding two years. With lack of perspective, we had begun a process of reversing the improvements in the U.S.-Soviet balance achieved during the early 1980s. Regrettably, this process continued with the legislative action on the FY88 budget.

While the Defense figures coming out of the "budget summit" were significantly less damaging than would have been the case had sequestration occurred, they continued the downward trend of the Defense Budget, in real terms, for the third year in a row. Soviet spending, on the other

hand, maintained its historical pattern of real growth on the order of 3.5 percent annually during this period of U.S. decline. The unfortunate consequence is that sometime in the future the American people will again be asked to support defense capabilities for which they thought they had once paid. In the meantime, the inefficient procurement rates associated with instability and reduced budgetary resources exacerbate the impact of the Defense Budget cuts.

The FY88 cuts, coming on top of two prior years of decline, have confronted us with a situation in which we must now either reduce the readiness of our forces, or lower investment and eliminate force structure in order to allow our remaining military units to function at an acceptable level of combat capability. Either way, risk will grow, and deterrence will be reduced.

The strategic implication of this continuing decline is that U.S. forces will confront additional risk in regions where the potential exists for high-intensity conflict, and particularly in their ability to conduct high-intensity operations in more than one theater simultaneously. In global conflict this could require us to forego opportunities to bring the conflict to early termination by exerting military pressures on the Soviets from several directions. It increases the likelihood that force limitations will require us to conduct sequential operations in successive theaters, with the risk and uncertainty which that approach entails.

Some will argue that the cuts do not really injure our defense capability; that with greater imagination and a willingness to innovate, we can do more with less in the defense area. In this view, more thoughtful military strategy, improved tactics, or changed emphasis in force structure, can compensate for reduced resource levels. In fact, our commanders work continuously to find better ways to use the forces we have. With our allies, we constantly strive to improve force effectiveness, to capitalize on Soviet vulnerabilities, and to employ competitive strategies which exploit our technological, geographic or other advantages to stress the Soviets' system and require them to make disadvantageous investments. We seek out new ideas on military strategy and force employment, and adopt those which promise real gains in military effectiveness; but we should be under no illusions that there are quick fixes which can fundamentally reduce our current military requirements.

In this regard, it is noteworthy that pursuant to recommendations of the 1986 Blue Ribbon Panel on Defense Management-the Joint Chiefs of Staff over the past year have conducted a global net assessment of U.S. and Soviet capabilities and reviewed the national military strategy to examine whether alternative approaches could improve our overall military capability at a given budget level. They concluded that none of the particular alternatives examined was as effective as the capabilities generated under current plans and strategy.

That is not surprising, given the fact that our military strategy and supporting force structure are based on certain fundamental conditions which change slowly, if at all. These include the immutables of geography; the division of labor entailed in our alliance relationships; our advantage in certain advanced technologies; the large capital investment we have in existing forces; and the evolution of the threat. We will continue to review our military strategy to revalidate and update its essential elements. But in our deliberations we need to distinguish between soundly analyzed recommendations for improvements in U.S. or allied strategy-which can be helpful-and those that simply call for a strategy which costs less, without regard to the range of security interests it can assure.

Another way sometimes suggested to compensate for reduced resource levels is to scale back U.S. commitments. But commitments are not an end in themselves; they are simply ways of protecting U.S. interests and achieving the objectives of our National Security Strategy.

While details of those interests and objectives may vary over time, as noted in the first chapter of this report their core elements have changed little since the 1950s. No one seriously advocates abrogation of our treaty relationships with the NATO nations, Japan, the Philippines, Thailand, Australia, or our Hemispheric neighbors. Nor do responsible voices argue against our strategic relationship with Israel, our friendly ties with Egypt, or our cooperative relations with

other moderate Arab states. The regional strategy sections of this report illustrate how our diplomatic, economic, and military relationships with these and other key countries interact to support fundamental U.s. interests and objectives. While there may be room for adjustments at the margin in our contributions to regional security, none of our current commitments are plausible candidates for major reduction, given the scope of our global interests, the threats to those interests, and the increasingly interdependent nature of free world political, economic, and security relationships. Both Congress and the Executive Branch should continue to review our commitments worldwide, but I see no prudent way to reduce those commitments while remaining true to our values, maintaining essential and mutually beneficial alliance relationships, and safeguarding our future.

This does not imply that the United States is necessarily satisfied with the contributions which our allies and friends make to the common defense in those regions where we have major military commitments. In Europe in particular, our NATO allies can and should do more to enhance Alliance conventional defense capabilities. We will continue to press them for more appropriate levels of defense investment and improved efficiency in the use of Alliance resources, while rejecting the self-defeating argument that the failure of some allies to meet agreed goals should prompt us to reduce our own contribution to Alliance capabilities. We are in Europe because it is in our interest to be there; and, within the limits of Congressional funding, we will continue to contribute those forces which we believe are essential to the support of our national security interests and objectives. At the same time we expect our allies to show an equal interest in the common defense, and to recognize the need to take on an increasing share of the burden as we work together to improve NATO's conventional defense capability and the plans for employing it.

Finally, I should note that the defense program required to support our strategy is eminently affordable. In fact, in the past seven years, Americans have devoted an average of only 6.1 percent of gross national product (GNP) to national defense—well under rates in the 1950s and 1960s, which averaged about 10 percent. Similarly, at about 28 percent of federal outlays, defense spending falls well below the peacetime average of 41 percent during the postwar era. In both instances, the increases of the early 1980s seem large only because the spending of the late 1970s, which averaged less than 5 percent of GNP, was so severely depressed. The resources needed to support our national strategy, at a prudent level of risk, are within our ability to pay. Failure to provide these resources simply defers to future budgets the task of regaining lost ground, while increasing risks to our security in the near-term.

BIPARTISAN COOPERATION

The continued development and successful execution of U.s. National Security Strategy is a major responsibility of the Executive Branch. But, as the foregoing discussion has emphasized, we cannot accomplish this alone. Supporting a security strategy that provides a sound vision for the future and a realistic guide to action must be a cooperative endeavor of the Administration and the Congress.

In this regard, I believe both branches need to review their constitutional roles and the relationship between them in the national security area. There are important powers here; some that are best shared, some that are Presidential responsibilities. After seven years in office, I am convinced that the numerous consultative arrangements established between the two branches in areas such as arms negotiations, intelligence, and military contingency operations generally represent the best way to coordinate our views and resolve our differences. We should continue to look for ways to improve these arrangements; but they are far superior to more rigid structural alternatives that, in response to a specific set of circumstances, would attempt to define in law the precise constitutional boundaries of Executive and Legislative authority which the founding fathers purposely left in broad terms.

Equally detrimental is the increasing tendency of the Congress to act in a directive manner with regard to details of foreign, defense, and arms control policy, limiting the flexibility of the

Executive Branch by enacting into law positions on which the President should be allowed reasonable discretion. This trend diminishes our ability to conduct rational and coherent policies on the world scene; reduces our leverage in critical negotiations; and impedes the integrated use of U.S. power to achieve important national security objectives. It causes others to view us as unreliable, and diminishes our influence generally.

In addition, I would suggest that the Congress reconsider how it can best organize itself for fulfilling its Constitutional role. Over the past twenty years, power and authority have effectively drifted away from experienced leadership and committee chairmen, and toward individual members and special interest coalitions. From a Congressional perspective, Cabinet Secretaries and White House advisers may present diverse points of view while policy is in the formative state; but the President speaks with authority once policy decisions are made. The President, however, faces a far different situation in dealing with Congress. In approaching the Congress as a partner in the formulation of national security policy, the President must have confidence that the Legislative branch leadership is capable of implementing any consensus that is reached, without being second-guessed or undercut by autonomous members or interest groups.

This suggests the need for other legislative reforms. I have often emphasized that restoring and maintaining an adequate military balance, and fulfilling our international obligations, requires a long view and fiscal stability. This is not accomplished in a repetitive and topsy-turvy annual budget cycle. We must face squarely the need for multi-year authorizations and appropriations, consistent with constitutional limitations, in order to support our national security and international affairs programs more efficiently and effectively. While some progress has been made, particularly with the recent adoption by the Congress of a partial two-year defense authorization bill, much more can and should be done. In this regard, it is important to recall the conclusion of the Blue Ribbon Commission on Defense Management that, in the future, significant efficiencies in the defense budget are more likely to be achieved through greater program stability than through specific management improvements by the Department of Defense.

Above all, we must both work harder to rebuild a bipartisan public consensus on our National Security Strategy and the resources needed to execute it. The fundamental policies and strategies we have pursued are similar to, and consistent with, those pursued by previous generations of American leaders. Renewed consensus will be forged on the anvil of public debate—among responsible officials in government, between the Congress and the Executive, in consultations with our allies and friends, and among the larger community of interested and concerned American citizens. We look forward to that debate and to working with the Congress to achieve increased understanding of, and broad support for, our national Security Strategy. There can be no endeavor more important for the long-term well-being of the American people; and I solicit the Congress' closest collaboration in achieving it.

1990

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NATIONAL SECURITY STRATEGY OF THE UNITED STATES
THE WHITE HOUSE
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Preface

In the aftermath of World War II, the United States took on an unaccustomed burden—the responsibility to lead and help defend the world's free nations. This country took bold and unprecedented steps to aid the recovery of both allies and defeated foes, to provide a shield behind which democracy could flourish, and to extend its hand in aid of global economic progress. The

challenge of an aggressive, repressive Soviet Union was contained by a system of alliances, which we helped create, and led.

In this historic endeavor, America has succeeded—brilliantly. But it was inevitable that new conditions created by this success would eventually call for a new kind of American leadership. It was inevitable that our overwhelming economic predominance after the war would be reduced as our friends, with our help, grew stronger. And perhaps it was inevitable that the Soviet Union, met by a strong coalition of free nations determined to resist its encroachments, would have to turn inward to face the internal contradictions of its own deeply flawed system—as our policy of containment always envisioned.

Today, after four decades, the international landscape is marked by change that is breathtaking in its character, dimension, and pace. The familiar moorings of postwar security policy are being loosened by developments that were barely imagined years or even months ago. Yet, our goals and interests remain constant. And, as we look toward—and hope for—a better tomorrow, we must also look to those elements of our past policy that have played a major role in bringing us to where we are today.

It is our steadfastness over four decades that has brought us to this moment of historic opportunity.

We will not let that opportunity pass, nor will we shrink from the challenges created by new conditions. Our response will require strategic vision—a clear perception of our goals, our interests, and the means available to achieve and protect them. The essence of strategy is determining priorities. We will make the hard choices.

This Report outlines the direction we will take to protect the legacy of the postwar era while enabling the United States to help shape a new era, one that moves beyond containment and that will take us into the next century.

I invite the American people and Congress to join us in a dialogue that will inform and enlighten the difficult decisions we will have to make in the months and years ahead.

George Bush
March 1990

I. The Foundations of National Strategy:

Goals and Interests Enduring Elements of Our National Strategy

Throughout our history, our national security strategy has pursued broad, consistent goals. We have always sought to protect the safety of the nation, its citizens, and its way of life. We have also worked to advance the welfare of our people by contributing to an international environment of peace, freedom, and progress within which our democracy—and other free nations—can flourish.

These broad goals have guided American foreign and defense policy throughout the life of the Republic. They were as much the driving force behind President Jefferson's decision to send the American Navy against the Pasha of Tripoli in 1804 as they were when President Reagan directed American naval and air forces to return to that area in 1986. They animated Woodrow Wilson's Fourteen Points, and my initiatives in support of democracy in Eastern Europe this past year.

In addition, this Nation has always felt a powerful sense of community with those other nations that shared our values. We have always believed that, although the flourishing of democracy in America did not require a completely democratic world, it could not long survive in one largely totalitarian. It is a common moral vision that holds together our alliances in Europe, East Asia, and other parts of the world—a vision shaped by the Magna Carta, our Declaration of Independence and Bill of Rights, the Declaration of the Rights of Man, the United Nations Charter, the Universal Declaration of Human Rights, and the Helsinki Final Act. The American commitment to an alliance strategy, therefore, has a more enduring basis than simply the perception of a common enemy.

Another enduring element of our strategy has been a commitment to a free and open international economic system. America has championed liberal trade to enhance world prosperity as well as to reduce political friction among nations. We must never forget the vicious cycle of

protectionism that helped deepen the Great Depression and indirectly fostered the Second World War. Like so many of its predecessors, my Administration is committed to working with all nations to promote the prosperity of the free market system and, to reduce barriers that unfairly inhibit international commerce. In particular, it would be a tragedy of immense proportions if trade disputes weakened political ties that forty years of military threat could not undo.

Our location on the globe has also defined a consistent element of our security strategy. We have been blessed with large oceans east and west and friendly neighbors north and south. But many of our closest friends and allies and important economic and political interests are great distances from the United States. Therefore, in the modern era we have maintained the ability to project American power to help preserve the international equilibrium—globally and regionally—in support of peace and security.

In particular, for most of this century, the United States has deemed it a vital interest to prevent any hostile power or group of powers from dominating the Eurasian land mass. This interest remains. In the period since World War II, it has required a commitment to forward defense and forward military deployments, and a recognition of the lesson of the 1930s—that peace and security come only through vigilance and preparedness. This strategy was described as a strategy of containment of Soviet expansionism. Its purpose was not the division of the world into American and Soviet spheres of influence, but, on the contrary, fostering the reemergence of independent centers of power in Europe and Asia. Behind this shield, our friends built up their strength and created institutions of unity (like the European Community), and our system demonstrated its political and economic vitality. It was our conviction that in these conditions, a steadfast policy of resistance to encroachments would, over time, in George Kennan's famous words, lead to "the breakup or the gradual mellowing of Soviet power."

This we now see. The very success of containment has created new conditions and new opportunities for a new generation of Americans. We welcome this change. Yet our basic values—and our basic geopolitical necessities—remain. As the world's most powerful democracy, we are inescapably the leader, the connecting link in a global alliance of democracies. The pivotal responsibility for ensuring the stability of the international balance remains ours, even as its requirements change in a new era. As the world enters a period of new hope for peace, it would be foolhardy to neglect the basic conditions of security that are bringing it about.

Our Interests and Objectives in the 1990s

Our broad national interests and objectives are enduring. They can be summed up as follows:

The survival of the United States as a free and independent nation, with its fundamental values intact and its institutions and people secure.

The United States seeks, whenever possible in concert with its allies, to:

- deter any aggression that could threaten its security and, should deterrence fail, repel or defeat military attack and end conflict on terms favorable to the United States, its interests and allies;
- deal effectively with threats to the security of the United States and its citizens and interests short of armed conflict, including the threat of international terrorism;
- improve strategic stability by pursuing equitable and verifiable arms, control agreements, modernizing our strategic deterrent, developing technologies for strategic defense, and strengthening our conventional capabilities;
- encourage greater recognition of the principles of human rights, market incentives, and free elections in the Soviet Union while fostering restraint in Soviet military spending and discouraging Soviet adventurism;
- prevent the transfer of militarily critical technologies and resources to hostile countries or groups, especially the spread of weapons of mass destruction and associated high-technology means of delivery; and
- reduce the flow of illegal drugs into the United States.

A healthy and growing U.S. economy to ensure opportunity for individual prosperity and a resource base for national endeavors at home and abroad.

National security and economic strength are indivisible. We seek to:

- promote a strong, prosperous, and competitive U.S. economy;
- ensure access to foreign markets, energy, mineral resources, the oceans, and space; and
- promote an open and expanding international economic system with minimal distortions to trade and investment, stable currencies, and broadly agreed and respected rules for managing and resolving economic disputes.

A stable and secure world, fostering political freedom, human rights, and democratic institutions.

We seek to:

- promote the rule of law and diplomatic solutions to regional conflicts;
- maintain stable regional military balances to deter those powers that might seek regional dominance;
- support aid, trade, and investment policies that promote economic development and social and political progress;
- promote the growth of free, democratic political institutions, as the surest guarantee of both human rights and economic and social progress; and
- aid in combatting threats to democratic institutions from aggression, coercion, insurgencies, subversion, terrorism, and illicit drug trafficking.

Healthy, cooperative and politically vigorous relations with allies and friendly nations.

To build and nurture such relationships, we seek to:

- strengthen and enlarge the commonwealth of free nations that share a commitment to democracy and individual rights;
- establish a more balanced partnership with our allies and a greater sharing of global leadership and responsibilities;
- support greater economic, political, and defense integration in Western Europe and a closer relationship between the United States and the European Community;
- work with our allies in the North Atlantic Alliance and fully utilize the processes of the Conference on Security and Cooperation in Europe to bring about reconciliation, security, and democracy in a Europe whole and free; and
- make international institutions more effective in promoting peace, world order, and political, economic and social progress.

II. Trends in the World Today: Opportunities and Uncertainties

Broadly and properly understood, our national security strategy is shaped by the totality of the domestic and international environment—an environment that is today dramatically changing.

The Crisis in Communism

Future historians may well conclude that the most notable strategic development of the present period is the systemic crisis engulfing the Communist world. This crisis takes many forms and has many causes:

- After the Vietnam trauma of the 1970s, the West's political recovery in the 1980s—including its rearmament and such successes as the INF deployment in Europe—undermined the Soviet leaders' assumptions that the global "correlation of forces" was shifting in their favor.
- While the industrial democracies surge headlong into a post-industrial era of supercomputers, microelectronics, and telecommunications, Communist states have been mired in stagnation, paralyzed by outmoded statist dogmas that stifle innovation and productivity. Poor economic performance, especially in contrast with the West, has discredited a system that prided itself on its mastery of economic forces. And the new Information Revolution has posed for

totalitarian regimes the particular challenge that clinging to old policies of restricting information would lead to permanent technological paralysis.

- A new Soviet leadership in the mid-1980s recognized that its system was in crisis and undertook an ambitious program of reform. Abroad, this leadership sought a calmer international environment in order to concentrate on its internal crisis. This has led, for example, to a Soviet troop withdrawal from Afghanistan and Soviet diplomatic interest in compromise solutions to regional conflicts, as Moscow sought gradually (and selectively) to scale back costly overseas commitments. These commitments had been made costly by indigenous resistance—supported by reinvigorated Western policies of engagement.

- In 1989, in parallel with the negotiation on Conventional Armed Forces in Europe (CFE), the Soviets began unilaterally reducing their heavy military burden and their presence in Eastern Europe, while proclaiming (and thus far demonstrating) a more tolerant policy toward their East bloc neighbors' internal affairs. We have seen powerful pent-up democratic forces unleashed all across Eastern Europe that have overturned Communist dictatorships and are reversing the pattern of Soviet dominance.

We are facing a strategic transformation born of the success of our postwar policies. Yet, such fundamental political change will likely be turbulent. There may be setbacks and new sources of instability. Happy endings are never guaranteed. We can only be impressed by the uncertainties that remain as the Soviet Union and the states of Eastern Europe, each in its own way, advance into historically uncharted waters.

The Industrial Democracies

The industrial democracies also face strategic challenges, some of them serious, but they too are largely the Products of our success. These include a shifting balance of economic power and the danger that trade disputes in an era of economic change and adjustment could strain political and security ties. Such strains would be especially damaging at a moment when we need to maintain strength and unity to take best advantage of new opportunities in East-West relations which that strength and unity have helped bring about.

The growing strength and self-reliance of our allies in Western Europe and East Asia have already resulted in a greater sharing of leadership responsibility—as the European Community (EC) has shown in policies towards Eastern Europe and as Japan has shown in international economic assistance.

One of the dramatic strategic developments of the 1990s will be the new role of Japan and Germany as successful democracies and economic and political leaders. U.S. policy has long encouraged such an evolution. It will provide powerful new reasons to maintain the partnerships—the Atlantic Alliance, the EC, and the U.S.-Japan security alliance—that have fostered reconciliation, reassurance, democracy, and security in Europe and Asia in the postwar period.

The Global Economy

In a new era of technological innovation and global markets, the world economy will be more competitive than ever before. The phenomenal growth in East Asia will likely continue, and by early in the next century the combined output of Japan, the Republic of Korea, China, and Taiwan may exceed our own. Western Europe—as it progressively removes barriers to the free flow of labor, capital, and goods within the EC—will become an even stronger economic power. The Soviet Union, even with a measure of success for perestroika, will likely slip further behind the United States, Japan, and Western Europe in output. In many other areas of the world, economic expansion will not keep pace with population growth or the debt burden, further squeezing resources and fomenting unrest and instability. All these developments carry significant security implications as well as their obvious economic and social import.

The diffusion of economic power that will almost certainly continue is, in part, a reflection of a wise and successful U.S. policy aimed at promoting worldwide economic growth. Provided that the world economic system remains an open and expanding one, we ourselves will benefit from the growth of others. But American leadership will remain pivotal. A healthy American economy is

essential to sustain that leadership role, as well as to foster global economic development and ease dangerous pressures for unilateralism, regionalism, and protectionism.

Third World Conflicts

In a new era, some Third World conflicts may no longer take place against the backdrop of superpower competition. Yet many will, for a variety of reasons, continue to threaten U.S. interests. The erosion of U.S.-Soviet bipolarity could permit and in some ways encourage the growth of these challenges.

Highly destructive regional wars will remain a danger, made even greater by the expansion of the armed forces of regional powers and the proliferation of advanced weaponry. And it will be increasingly difficult to slow the spread of chemical, biological, and nuclear weapons—along with long-range delivery systems. Instability in areas troubled by poverty, injustice, racial, religious or ethnic tension will continue, whether or not exploited by the Soviets. Religious fanaticism may continue to endanger American lives, or countries friendly to us in the Middle East, on whose energy resources the free world continues to depend. The scourge of terrorism, and of states who sponsor it, likewise remains a threat.

Trends in Weaponry

Modern battlefields are characterized by an unprecedented lethality. The greater precision, range, and destructiveness of conventional weapons now extend war across a wider geographic area, and make it much more rapid and intense. As global weapons production becomes more diffused, these weapons are increasingly available to smaller powers, narrowing the military gap between ourselves and regional states and making some Third World battlefields in many ways as demanding as those we would expect in Central Europe.

The United States has a competitive edge in most technologies relevant to advanced weaponry, but we must continue to translate this advantage into fielded weapon systems supported by appropriate tactical doctrine and operational art. New conditions require continuing innovation as we move to incorporate stealth technology, extremely accurate weapons, improved means of locating targets, and new operational concepts into our combat forces.

Illicit Drugs

Traffic in illicit drugs imposes exceptional costs on the economy of the United States, undermines our national values and institutions, and is directly responsible for the destruction and loss of many American lives. The international traffic in illicit drugs constitutes a major threat to our national security and to the security of other nations.

We will increase our efforts to reduce both the supply of and the demand for illicit drugs. Internationally, we will attack the production of such drugs, and the multinational criminal organizations which enable illicit drugs to be processed, transported, and distributed. A cornerstone of our international drug control strategy is to work with and motivate other countries to help defeat the illicit drug trade and reduce the demand for drugs.

As we intensify our programs, we will increase our actions aimed at controlling the flow of drugs across our borders. In this area, as in others, we will make increased use of the resources and expertise provided by the Department of Defense. We recognize that military involvement in this mission has costs, and that in a world of finite resources increased effort here is at the expense of other important defense activities. We accept these trade-offs, and we will do the job.

Refugees

The dislocations of a turbulent world—famine, persecution, war, and tyranny—have swelled the wave of refugees across the planet to a total that now exceeds 14 million. Many have literally been forced from their homes by the heavy hand of tyranny. Thousands of others have fled their homelands to escape oppression. Millions from Afghanistan, Ethiopia, and Mozambique have moved simply to stay alive. Others subsist in camps, from one generation to the next, awaiting solutions to seemingly intractable political and ethnic disputes. Beyond the deep personal tragedies these figures represent, such a vast refugee population taxes the world community's resources,

denies to that community the many contributions these peoples could make in more benign circumstances, and fuels the hatreds that will ignite future conflicts.

The United States has a proud tradition, as long as our history, of welcoming refugees to our shores. We also take pride in our work with international agencies to provide assistance and relief for refugees, even as we strive politically to resolve the conflicts that provoked their flight. We have encouraged the restructuring of relief organizations to make them more effective and efficient—to make certain that scarce resources reach those who need them. This year, through our budget and the generosity of private groups, we will take in more refugees than last year. We will maintain a compassionate and generous program of resettlement in the United States and assistance for refugees worldwide.

Issues for the Future

The security environment we face in the 1990s is more hopeful, but in many ways also more uncertain than at any time in the recent past. Some of the questions before us are:

- How can we ensure continued international stability as U.S.-Soviet bipolarity gives way to global interdependence and multipolarity? What will be America's continuing leadership role—and the new roles of leadership assumed by our allies?

- What are the risks that today's positive strategic trends will be reversed, and how do we take due account of them in our long-term planning? How much risk can we prudently accept in an era of strategic change, fiscal austerity, and great uncertainty?

- While maintaining a balance of power with the Soviet Union as an inescapable American priority, how do we adapt our forces for the continuing challenge of contingencies elsewhere in the world?

- How do we maintain the cohesion among allies and friends that remains indispensable to common security and prosperity, as the perceived threat of a common danger weakens?

- What will be the structure of the new Europe—politically, economically, and militarily—as the Eastern countries move toward democracy and Germany moves toward unification?

- If military factors loom less large in a world of a more secure East-West balance, how shall we marshal the other instruments of policy to promote our interests and objectives?

In shaping a national security strategy for the 1990s, we will need answers to these and other questions. Our preliminary assessments are reflected in the sections that follow.

III. Regional Challenges and Responses

Although we are a global power, our interests are not equally engaged or threatened everywhere. In the face of competing demands, budgetary stringency, and an improving East-West climate, we must review our priorities. Where our capabilities fall short of needs, we must assess the risks and employ the full panoply of our policy instruments to minimize them.

Our relationship with the Soviet Union retains a strategic priority because that country remains the only other military superpower. Even as tensions ease and military forces are reduced on both sides, maintaining the global strategic balance is inescapably an American concern; there is no substitute for our efforts.

Yet, the extraordinary changes taking place, if their promise is fulfilled, will permit important changes in our defense posture—and a greater possibility of viewing other regions in their own right, independent of the East-West context.

The Soviet Union

Our goal is to move beyond containment, to seek the integration of the Soviet Union into the international system as a constructive partner. For the first time in the postwar period, this goal appears within reach.

The Soviet Union has taken major steps toward rapprochement with the international system, after seventy years of seeking to undermine it; it has repudiated its doctrines of class warfare and military superiority and criticized major tenets of its own postwar policy. It has begun to move toward democracy. All this we can only applaud. The United States will seek to engage the USSR in a relationship that is increasingly cooperative. Moscow will find us a willing partner in creating

the conditions that will permit the Soviet Union to join, and be welcome in, a peaceful, free, and prosperous international community. We will expand contacts for mutual benefit, to promote the free flow of ideas and democratic values in the Soviet Union, and to lay a firmer foundation for a deeper relationship over the long term. Our Open Lands proposal, for example, would abolish the "closed zones" that unnecessarily impede contacts by diplomats, businessmen, tourists, students, and journalists. To support Soviet economic reform, I have proposed immediate negotiations on a U.S.-Soviet trade agreement so that—pending action by the Supreme Soviet to codify emigration reform—we could grant Most Favored Nation status to the Soviet Union at the June 1990 Summit. We have offered to support observer status for the Soviet Union in the structures created by the General Agreement on Tariffs and Trade (GATT) after the Uruguay Round of Multilateral Trade Negotiations is completed, and I personally urged Chairman Gorbachev to use the intervening time to move more rapidly towards market practices in the Soviet economy. We are also expanding technical economic cooperation and have begun discussions on a bilateral investment treaty.

We strongly support today's dramatic process of political and economic reform, and have a significant stake in its success. Yet, U.S. policy does not and cannot depend on a particular leader or set of leaders in the USSR. We look for fundamental alterations in Soviet institutions and practices that can only be reversed at great economic and political costs. In the political sphere, democracy is the best assurance of irreversible change. In the military sphere, with agreements in place—and weapons destroyed, production lines converted, and forces demobilized—any future Soviet leadership would find it costly, timeconsuming, and difficult to renew the pursuit of military supremacy and impossible to attempt without providing ample strategic warning. These must be our standards.

Even if the U.S.-Soviet relationship remains competitive, it can be made less militarized and far safer. We will seek effectively verifiable arms control agreements with the Soviet Union and others as an integral component of our security strategy.

But whatever course the Soviets take over the next decade, the Soviet Union will remain a formidable military power. The United States must continue to maintain modern defenses that strengthen deterrence and enhance security. We cannot ignore continuing Soviet efforts to modernize qualitatively even as they cut back quantitatively. As Chairman Gorbachev declared last September 21st, "While reducing expenditure for [defense] purposes, we are paying attention to the qualitative rearmament of the Army, and in this way we are not permitting the overall level of our defense capability to be weakened in any degree." Our response thus represents prudent caution, but the Soviet leadership and people should realize that it is a caution based on uncertainty, not on hostility.

Restructuring the Soviet Union's relationship to the international community is as ambitious a task as containment was for its time. Responsibility for creating the conditions for it lies first and foremost with the Soviet Union itself. But the United States is determined, together with our allies, to challenge and test Soviet intentions and—while maintaining our guard—to work to put Soviet relations with the West on a firmer, more constructive course than had ever been thought possible in the postwar era.

Western Europe

The nations of the Atlantic Community, defined by their common values, are the founding members of a larger commonwealth of free nations—those states that share a commitment to freedom and individual rights. Ours is an alliance rooted in a shared history and heritage. Even if the military confrontation in Europe diminishes dramatically—as is our goal—the natural partnership of democratic allies will endure, grounded in its moral and political values.

The continued strength of the Alliance and our leadership within it remain essential to peace. The Soviet Union, even if its forces were pulled back entirely within its territory, would remain by virtue of geography a major military factor in Central Europe. Security and stability in Europe will therefore continue to depend on a substantial American presence, political and military. As I have repeatedly pledged, the United States will maintain significant military forces in Europe as long as

our allies desire our presence as part of a common security effort. Our nuclear power remains the ultimate deterrent of aggression, even at lower force levels.

In Europe's emerging new political environment, moreover, the Atlantic Alliance remains a natural association of free nations and the natural framework for harmonizing Western policies on both security and diplomacy. It embodies the continuing American commitment to Europe; it also sustains the overall structure of stability that can assure the success of the democratic evolution of Central and Eastern Europe.

Yet, within this framework, the "European pillar" of the Atlantic world is being strengthened before our eyes—another dramatic development of this period. The United States categorically supports greater Western European economic and political integration, as a fulfillment of Europe's identity and destiny and as a necessary step toward a more balanced sharing of leadership and responsibility within the broader Atlantic Community. European unity and Alliance partnership do not conflict; they reinforce each other. We support the European Community's efforts to create a single unified market by 1992. A strong European Community will ensure more efficient use of European resources for common efforts, and will also be a strategic magnet to the nations of Eastern Europe. We also support increased Western European military cooperation and coordination, within the overall framework of the Atlantic Alliance, including both bilateral efforts and those in the Western European Union. We strongly support the independent British and French nuclear deterrent forces and their continued modernization.

The unification of Germany is coming about—by peaceful means, on the basis of democracy, and in the framework of the Western relationships that have nurtured peace and freedom for four decades. This is a triumph for the West. We expect a unified Germany to remain a member of both the North Atlantic Alliance and the European Community, as all of us seek to foster the conditions for wider reconciliation in Europe.

As the European-American relationship shifts, frictions can arise. Statesmanship will be needed to ease them. The challenges that the Western democracies face in this environment, however, are challenges to wise policy, not to the nature of their system. Assuming the democracies maintain discipline in their diplomatic, defense, and economic policies, we face an extraordinary opportunity to shape events in accordance with our values and our vision of the future.

Eastern Europe

The United States and its allies are dedicated to overcoming the division of Europe. All the countries of Eastern Europe are entitled to become part of the worldwide commonwealth of free nations as, one by one, they reclaim the European cultural and political tradition that is their heritage. Overcoming this division depends on their achievement of selfdetermination and independence. We will accept no arrangements with Moscow that would limit these rights, and we expect the Soviet Union to continue to repudiate in deeds as well as in words all right and pretext to intervene in the affairs of East European states. A free and prosperous Eastern Europe is not a threat to legitimate Soviet security interests, and every day it becomes easier to envision the time when Eastern and Western states can freely associate in the same social and economic organizations. The Cold War began with the division of Europe. It can truly end only when Europe is whole again.

We share with our allies a vision of Europe whole and free:

- We believe democratic institutions and values will be the core of the new Europe, as it is these institutions and values that today stand vindicated.
- Even as fundamental political changes are still evolving, we place high priority on moving rapidly to a level of forces lower and more stabilizing, with greater openness for military activities.

The United States intends to play a role in fostering Eastern Europe's economic development, supporting its democratic institutions, and ensuring the overall structure of stability. It has become dramatically clear that the American role is welcomed by the peoples of Eastern Europe, who—in the new Europe that is emerging—see our presence as reassuring. Naturally, our relations with East European countries will be affected by their policies on matters of concern to us, such as espionage, illicit technology transfer, terrorism, and subversion in the Third World.

In November—as an investment in our own security as well as in the freedom and well-being of the peoples of Eastern Europe—I signed into law legislation authorizing \$938 million in assistance to support democracy in Poland and Hungary. In my FY 1991 budget I have proposed an additional \$300 million as we begin to expand our program to encompass other new East European democracies. In addition, we have offered our best advice and expertise in support of economic reform, trade liberalization, labor market reforms, private sector development, and environmental protection. This marks a major and positive step in bipartisan foreign policy and underscores the strength of the American commitment to assist Eastern Europe's historic march toward freedom.

We will also look to the Conference on Security and Cooperation in Europe (CSCE) to play a greater role, since the CSCE stands for the freedom of people to choose their destiny under a rule of law with rulers who are democratically accountable. We suggested last year that we expand the CSCE human rights basket to include standards for democratic pluralism and free elections, and that we breathe new life into the economic dimension of CSCE by focusing on the practical problems of the transition from stagnant planned economies to free and competitive markets. The time is ripe for such steps.

The Western Hemisphere

The Western Hemisphere has within reach the great goal of becoming history's first entirely democratic hemisphere. The dramatic victory of the Nicaraguan opposition in the February 25th elections has given a significant boost to the underlying trend toward democracy evident in the region over the past several years. The United States has long considered that its own security is inextricably linked to the hemisphere's collective security, social peace, and economic progress. The resurgence of democracy supports these objectives, and strengthens our natural unity just as another traditional stimulus to solidarity—fear of an extra-hemispheric threat—is receding. In a new era, our hemispheric policy seeks a new spirit of mature partnership.

We must continue, however, to counter security threats. Improvement in our relations with Cuba depends upon political liberalization there and an end to its subversion of other governments and the undermining of the peace process in the region. In Nicaragua, our goal is to assist the new government of Violeta Chamorro in its efforts to nurture democratic institutions, rebuild the economy, and scale back the Nicaraguan military. We support the Salvadoran government's military and political efforts to defeat the Communist insurgency.

Central America remains a disruptive factor in the U.S.-Soviet relationship. We hold the Soviet Union accountable for the behavior of its clients, and believe that Soviet cooperation in fostering democracy in the region is an important test of the new thinking in Soviet policy.

We will find new ways to cooperate with our two closest neighbors, Canada and Mexico. We strongly support the new democratic government in Panama, which is also the best long-term guarantee of the security and efficient operation of the Panama Canal. We will continue to seek a transition to democracy in Haiti, promoting international efforts in support of free elections. The return to democracy in most of Latin America will put new emphasis on our efforts to support professional, apolitical militaries. We will also confront the challenge to democracy posed by the drug trade and debt problems.

East Asia and the Pacific

Our network of alliances and our forces deployed in the region have ensured the stability that has made this area's striking progress possible.

In addition to our own deterrent strength, security in the region has rested since the 1970s on an unprecedented structure of harmonious relations among the region's key states. Our alliance with Japan remains a centerpiece of our security policy and an important anchor of stability. Japan's importance is now global. Our relationship is one of the most important bilateral relationships in the world and it is in our strategic interest to preserve it.

The relationship between the United States and China, restored in the early 1970s after so many years of estrangement, has also contributed crucially to regional stability and the global balance of power. The United States strongly deplored the repression in China last June and we

have imposed sanctions to demonstrate our displeasure. At the same time, we have sought to avoid a total cutoff of China's ties to the outside world. Those ties not only have strategic importance, both globally and regionally; they are crucial to China's prospects for regaining the path of economic reform and political liberalization. China's angry isolation would harm all of these prospects.

The U.S. security commitment to the Republic of Korea remains firm; we seek a reduction in tensions on the Korean peninsula and fully endorse Seoul's efforts to open a fruitful South-North dialogue. Our strong and healthy ties with our ally Australia contribute directly to regional and global stability. The Association of Southeast Asian Nations (ASEAN) continues to play a major role in the region's security and prosperity.

In Cambodia, the United States seeks a comprehensive settlement, one which will bring the Cambodian people true peace and a government they have freely chosen.

As we have amply demonstrated, we support the Philippines' democratic institutions and its efforts to achieve prosperity, social progress, and internal security. We will negotiate with the Philippines in good faith on the status of our military facilities there. These facilities support a continued and needed American forward presence that benefits us, the Philippines, regional security, and global stability.

The Middle East and South Asia

The free world's reliance on energy supplies from this pivotal region and our strong ties with many of the region's countries continue to constitute important interests of the United States.

Soviet policies in the region show signs of moderating, but remain contradictory. The supply of advanced arms to Libya and Syria continues (as does the cultivation of Iran), though Soviet diplomacy has moved in other respects in more constructive directions.

The Middle East is a vivid example, however, of a region in which, even as East-West tensions diminish, American strategic concerns remain. Threats to our interests—including the security of Israel and moderate Arab states as well as the free flow of oil—come from a variety of sources. In the 1980s, our military engagements—in Lebanon in 1983-84, Libya in 1986, and the Persian Gulf in 1987-88—were in response to threats to U.S. interests that could not be laid at the Kremlin's door. The necessity to defend our interests will continue.

Therefore, we will maintain a naval presence in the eastern Mediterranean Sea, the Persian Gulf, and the Indian Ocean. We will conduct periodic exercises and pursue improved host-nation support and prepositioning of equipment throughout the region. In addition, we will discourage destabilizing arms sales to regional states, especially where there is the potential for upsetting local balances of power or accelerating wasteful arms races. We are especially committed to working to curb the proliferation of nuclear, chemical, and other weapons of mass destruction, the means to produce them, and associated longrange delivery systems. We will confront and build international pressure against those states that sponsor terrorism and subversion. And we will continue to promote a peace process designed to satisfy legitimate Palestinian political rights in a manner consonant with our enduring commitment to Israel's security.

In South Asia, Pakistan and India are both friends of the United States. We applaud the return of democracy to Pakistan and the trends of economic liberalization in both countries. We will seek to maintain our special relationship with our traditional ally Pakistan, steadily improve our relations with India, and encourage Indo-Pakistani rapprochement and a halt to nuclear proliferation. While we welcome the withdrawal of Soviet military forces from Afghanistan, the massive and continuing Soviet arms supply to the illegitimate regime in Kabul reinforces the need for continued U.S. support to the Mujahiddin in their quest for self-determination for the Afghan people. We remain firmly committed to a comprehensive political settlement as the best means of achieving Afghan self-determination and regional security.

Africa

Institution-building, economic development, and regional peace are the goals of our policy in Africa. The global trends of democracy must come to Africa too. All these goals must be achieved

if Africa is to play its rightful role as an important factor in the international system. Africa is a major contributor to the world supply of raw materials and minerals and a region of enormous human potential.

In the strategic dimension, the United States has pressed hard throughout the 1980s for the liquidation of all the Soviet/Cuban military interventions in Africa left over from the 1970s. The New York Accords of December, 1988, were the culmination of an eightyear U.S. effort for peace in Angola, and independence for Namibia. As a result, Cuban forces are departing Angola, and Namibia will become independent on March 21st. In the Horn of Africa, the United States has encouraged negotiated solutions to the region's conflicts.

In the economic dimension, the United States will continue to advocate reforms that eliminate wasteful and unproductive state-owned enterprises and that liberate the productive private sector and individual initiative. The United States has significantly increased the assistance it provides through our Development Fund for Africa. We continue to be the biggest donor of humanitarian aid and have helped international organizations and voluntary associations to distribute food, medicines, and other assistance.

We continue to press for a rapid and complete end to South Africa's system of apartheid. We support negotiations leading to a democratic, non-racial South Africa that would enhance long-term stability in the country and the region. We are encouraged by the progress that has been made, particularly the release of Nelson Mandela and the unbanning of political organizations. We look to all parties to continue to take the steps necessary to create a climate in which productive negotiations can take place.

IV. Relating Means to Ends: Our Political Agenda

The elements of our national power—diplomatic and political, economic and military—remain formidable. Yet, the relative importance of these different instruments of policy will change in changing circumstances. Our most difficult decisions will include not only which military forces or programs to adjust, increase, reduce or eliminate, but also which risks can be ameliorated by means other than military capability—means like negotiations, burdensharing, economic and security assistance, economic leverage, and political leadership.

In a new era, we foresee that our military power will remain an essential underpinning of the global balance, but less prominently and in different ways. We see that the more likely demands for the use of our military forces may not involve the Soviet Union and may be in the Third World, where new capabilities and approaches may be required. We see that we must look to our economic well-being as the foundation of our long-term strength. And we can see that, especially in the new international environment, political will and effective diplomacy can be what translates national power into the achievement of national objectives. While this Report necessarily describes these different elements of policy separately, national strategy must integrate them and wield them according to a coherent vision.

Alliance Relationships

Our first priority in foreign policy remains solidarity with our allies and friends. We have never been able to "go it alone", even in the early days of the Cold War when our major allies were still suffering from the devastation and exhaustion of World War II. Even to attempt to do so would alter our way of life and national institutions and would jeopardize the very values we are seeking to protect.

The rise of other centers of power in the free world is therefore welcome, consistent with America's values, and supportive of our national interests. We must ensure that free nations continue to recognize the fundamental moral, political, and security interests we have in common and protect those interests against both the residual threat of Soviet military power and the emerging threats of regional conflict and of divisive economic issues. We are prepared to share more fully with our allies and friends the responsibilities of global leadership.

Arms Control

Arms control is a means, not an end; it is an important component of a broader policy to enhance national security. We will judge arms control agreements according to several fundamental criteria:

- First, agreements must add to our security. Our objective is to reduce the incentives, even in crisis, to initiate an attack. Thus, we seek not reductions for reductions' sake, but agreements that will promote stability. We will work to reduce the capabilities most suited for offensive action or preemptive strike.

- Second, to enhance stability, we favor agreements that lead to greater predictability in the size, nature, and evolution of military forces. Predictability through openness expands the traditional focus of arms control beyond just military capabilities and addresses the fear of aggressive intent.

- Third, agreements are effective only if we can verify compliance. As we broaden our agenda to include issues like chemical and missile proliferation, verification will become an increasingly difficult challenge, but effective verification will still be required. We want agreements that can endure.

- Finally, since the security of the United States is indivisible from that of its friends and allies, we will insist that any arms control agreements not compromise allied security.

The arms control accomplishments of the past twelve months are impressive. We have already reached a number of new agreements with the Soviet Union on:

- prevention of dangerous military activities;
- advance notification of strategic exercises;
- clarification of the rights of innocent passage in territorial seas;
- a memorandum of understanding implementing verification provisions of the INF Treaty;
- trial verification and stability measures for Strategic Arms Reduction Talks (START);
- reciprocal demonstrations of each side's proposed procedures for verifying re-entry vehicles on ballistic missiles;
- reciprocal exhibitions of strategic bombers to aid verification; and
- demonstrations of proposed "unique identifiers" or "tags" for ballistic-missile verification.

These are but the beginning. Our arms control agenda is now broader than ever—beyond the traditional East-West focus on nuclear weapons. We are dealing with pressing multilateral arms control issues. We are also negotiating for greater transparency and for limits on conventional arms. We will negotiate in good faith, patiently and seriously, but we will not seek agreement for agreement's sake, nor compromise the basic principles set forth above.

Strategic Arms Reduction Talks (START) In START, our goals are not merely to reduce forces but to reduce the risk of nuclear war and create a more stable nuclear balance. Our proposals are designed to strengthen deterrence by reducing and constraining in particular those strategic nuclear forces which pose the greatest threat—namely, ballistic missiles, especially large ICBMs with multiple warheads. We propose less strict limits on bombers and cruise missiles, which are not capable of carrying out a disarming first strike. Our goal is to resolve all substantive START issues by the June 1990 Summit.

Defense and Space

Our approach to this set of issues, as well, is to enhance strategic stability by facilitating a cooperative transition to a stable balance of offensive and defensive forces if effective defenses prove feasible. We also seek greater transparency and predictability in approaches to strategic defense, and have proposed regular exchanges of data, briefings, visits to laboratories, and observations of tests.

Conventional Armed Forces in Europe (CFE)

The United States is firmly committed to reaching an agreement to reduce conventional armed forces in Europe to lower levels in order to enhance security and stability and to reduce the ability to launch a surprise attack or sustain large-scale offensive operations. Our goal is to complete the CFE Treaty as soon as possible this year. In my State of the Union speech, in response

to rapid changes in Europe, I proposed to lower substantially the levels of U.S. and Soviet ground and air force personnel in Central and Eastern Europe—to 195,000 troops. This proposal has been accepted.

Chemical Weapons

The Conference on Disarmament in Geneva continues to work toward a global ban of chemical weapons, using as the basis for its negotiations the draft text that I personally presented for the United States in 1984. It is one of my most important goals to see an effective, truly global ban of chemical weapons—their production and possession, as well as their use. At the United Nations and at Malta, I made several suggestions and challenges to speed this negotiation to a successful conclusion, including ways that the United States and Soviet Union can set an example to spur achievement of a global ban. In this connection, we and the Soviets have agreed to work together to sign a bilateral agreement at the June 1990 Summit that would have each side destroy substantial quantities of its chemical weapons stocks. We must not only deal with those states that now possess chemical weapons, but also address the growing proliferation of these instruments of indiscriminate destruction.

Open Skies

An important step in achieving predictability through openness is the Open Skies initiative I made last May, which would allow frequent unarmed observation flights over the territory of participating states. This would institutionalize openness on a truly unprecedented scale. It would achieve greater transparency about military activities, lessen danger, and ease tension. The NATO allies agreed in December on a common approach for pursuing this initiative, and foreign ministers from NATO and the Warsaw Pact have met in Ottawa to begin negotiating an agreement.

Confidence- and Security-Building Measures

These negotiations in Vienna are another important opportunity to enhance free world security through a variety of measures to codify openness and transparency in military operations and force structures. The recently completed seminar on military doctrine is a powerful example of how this forum can generate valuable exchanges among high-ranking military officers and open up new avenues of understanding.

Nuclear Testing

The United States and the Soviet Union are on the verge of completing new verification protocols to the 1974 Threshold Test Ban and the 1976 Peaceful Nuclear Explosions Treaties that should open the way to their ratification and entry into force. The protocols—which I expect to be signed at the June 1990 Summit—involve new, complex, and unprecedented techniques for effective verification, including direct, on-site measurement of explosive yield.

Proliferation

The spread of ever more sophisticated weaponry—including chemical, biological, and nuclear weapons—and of the missiles capable of carrying them represents a growing danger to international security. This proliferation exacerbates and fuels regional tensions and complicates U.S. defense planning. It poses ever greater dangers to U.S. forces and facilities abroad, and possibly even to the United States itself.

Our comprehensive approach to this problem includes stringent controls and multilateral cooperation designed to stop the spread of these technologies and components. We will work to strengthen the International Atomic Energy Agency, the Nuclear Non-Proliferation Treaty, and the Missile Technology Control Regime. We will also use diplomacy and economic and security assistance to address the underlying causes of tension or insecurity that lead countries to seek advanced weaponry.

Naval Forces

The Soviet Union has urged that we negotiate limitations on naval forces. We have rejected this proposal for reasons grounded in the fundamental realities of the free world's strategic interests.

The economies of the United States and its major allies depend so vitally on trade, and on the security of sea lines of communication, that we have always defined a vital interest in freedom of

the seas for all nations. Our Navy protects that interest. Similarly, some of our most important security relations are with nations across the oceans. The Soviet Union, as a power on the Eurasian land mass not dependent on overseas trade, with interior lines of communication to its major allies and trading partners, has no such strategic stake. Its navy has served the purposes of coastal defense—or of denial of our ability to defend our vital interests. There is no symmetry here.

Nor is our naval power to be equated with the Soviet ground-force superiority that we are determined to reduce—a superiority that in its very nature, scope, and composition has posed an offensive threat. No navy could pose such a threat to the Soviet Union.

The Contest of Ideas and the Nurturing of Democracy

Since the end of World War II, the United States has developed and maintained an extensive program of public information around the world—through U.S. Information Agency offices at our embassies, speakers, publications, exchange programs, cultural centers, and numerous other activities.

A special effort has been made to reach into closed societies with information about their countries, factual news of the world, and insight into American society. Primary tools for this effort are the Voice of America, Radio Liberty, and Radio Free Europe. Their impact has been invaluable, and has contributed significantly to the changes now taking place in the Soviet Union, Eastern Europe, and elsewhere.

The American message of democracy, respect for human rights, and the free flow of ideas is as crucial and inspiring today as it was forty-five years ago. The truth we provide remains a stimulus to openness. In the coming decade, we will have to project American values and protect American interests on issues of growing global importance, such as the battle against narcotics trafficking and the search for solutions to international environmental problems.

An American initiative begun in the 1980s—the National Endowment for Democracy—has broken new ground, mobilizing the private efforts of our political parties, labor unions, businesses, educational and other organizations in fostering the development of democratic institutions. As democratic change continues around the world—and is still denied in many places—we must ensure that the message we send and the means of delivery we use keep pace.

Economic and Security Assistance

Our foreign assistance has traditionally supported our security objectives by strengthening allies and friends, bolstering regional security, deterring conflict, and securing base rights and access.

As East-West tensions diminish, these political and economic instruments become more centrally relevant to an era of new challenges:

- A multipolar world, in which military factors may recede to the background, puts a new premium on the instrumentalities of political relations—of which foreign assistance has been one of the most costeffective and valuable.

- In a new era, nurturing democracy and stability remains a basic goal, but one now freed from its traditional Cold War context. Foreign assistance is an indispensable means toward this end.

- Economic and humanitarian goals—such as promoting market-oriented structural reforms in Eastern Europe and the developing world, or aiding refugees and disaster victims—will also loom larger than before. This is a responsibility we need to share with international financial institutions and prosperous allies, but we need to do our part.

- As regional conflicts are resolved, United Nations peacekeeping takes on additional tasks—and will have a claim on our support. As for those conflicts that continue to fester, security assistance can reduce the level or likelihood of a direct U.S. role in bolstering regional security.

- On problems such as drugs, the environment, terrorism, or the proliferation of high-tech weaponry, U.S. aid remains a valuable tool of policy.

These policy instruments in our International Affairs budget have always struggled for survival in the congressional budget process. Low funding and excessive earmarking and conditionality have hampered flexibility. In the 1990s, we will need to do justice to the growing

needs of the emerging East European democracies without validating the fears of our Third World friends that they will be relegated to second place. A national security strategy that takes us beyond containment needs these tools more than ever.

Military Openness

In addition to the confidence-building measures discussed above, our policy seeks other ways of changing East-West military relations toward our goal of greater transparency. A prudent program of military-to-military contacts can demonstrate the capabilities of our forces while allowing us greater access to and understanding of the military establishments of potential adversaries. This can reduce worst-case planning based on limited information and reduce the likelihood of miscalculation or dangerous military incidents.

As the Soviet political system evolves, we hope that Soviet military power will increasingly be subject to detailed and searching public debate. In the long term, a Soviet military that must justify its size, mission, and resource demands to the Soviet public and legislature will find it more difficult to enhance its capabilities beyond the legitimate needs of defense. Increased contact with the armed forces of the United States and other democracies can aid this process as well as contribute to greater understanding. We will continue to pursue the kinds of contacts first agreed to by Admiral Crowe and Marshal Akhromeyev in 1988. We will also pursue similar exchanges with the armed forces of Eastern European states. In addition to their obvious contributions to transparency, such contacts will support our overall approach to Eastern Europe by helping the military officers of these states establish a professional identity independent of their roles in the Warsaw Pact.

V. Relating Means to Ends:

Our Economic Agenda

America's national power continues to rest on the strength and resilience of our economy. To retain a position of international leadership, we need not only skilled diplomacy and strong military forces, but also a dynamic economic base with competitive agricultural and manufacturing sectors, an innovative research establishment, solid infrastructure, secure supplies of energy, and vibrant financial and service industries.

We will pursue a strategy that integrates domestic economic policies with a market-opening trade policy, enhanced cooperation among the major industrial countries, and imaginative solutions to the problems of the Third World.

Global Imbalances

Japan and Germany continue to run substantial trade and current account surpluses; the United States has large deficits. Recent economic summits and meetings of finance ministers of the Group of Seven (G-7) have given high priority to reducing these imbalances. For deficit countries like the United States, this requires action to reduce budget deficits and encourage private savings. The surplus countries like Germany and Japan should, for their part, pursue macro-economic policies and structural reforms to encourage non-inflationary growth. Through the G-7 and economic summits, we will strengthen coordination and ensure implementation of appropriate policies for noninflationary growth and expanded trade.

Debt

Aggregate Third World debt is over \$1 trillion, and debtor nations need some \$70 billion just to meet annual interest payments. It is a tremendous burden on struggling democracies and on the ability of many friendly countries to maintain their security. Relatively slow world growth, growing inflation, rising unemployment, and the failure to implement necessary economic reforms aggravate an already difficult situation. We have advanced, in the Brady Plan, suggestions to revitalize the international debt strategy through reductions in commercial bank debt and debt service payments, as a complement to new lending. The International Monetary Fund and the World Bank will provide financial support for these efforts. As an essential first step in obtaining this support, we are urging debtors to adopt medium-term economic programs—including measures to strengthen

domestic savings, steps to attract foreign investment, and policies that promote the return of flight capital.

Trade

Support within the United States for free trade has weakened as a result of persistently high trade deficits. Additional concern about the competitiveness of the U.S. economy has led to increased calls for government intervention in support of key sectors. Current account and trade deficits are macroeconomic phenomena that primarily reflect domestic savings and investment. The imbalance between the U.S. saving rate and the higher U.S. investment rate is, therefore, the fundamental source of the U.S. trade deficit. The net capital inflow into the United States, which is necessary to finance the deficit, must be matched by a corresponding increase in imports to the United States over exports to other countries. The key to reducing the deficit, therefore, is to increase domestic saving, thus closing the savings-investment gap and reducing import demand. We have proposed a comprehensive Savings and Economic Growth Act to raise household savings which will help to restore necessary balance in the trade and current accounts.

While addressing the domestic causes for the trade deficit, we must also ensure that market forces are free to operate at home and abroad, and that trade expands—rather than closing our markets. In this regard, we will work with other members of GATT to bring to a successful conclusion this year the Uruguay Round of Multilateral Trade Negotiations now addressing issues crucial to our interests, including agricultural subsidies, services, the protection of intellectual property, trade-related investment measures, and market access. These are the trade problems of the 1990s that require solution if we are to maintain a domestic consensus in support of free and open trade.

Given the continuing strategic importance of unity among the industrial -democracies, it is essential that trade disputes be resolved equitably, without tearing the fabric of vital political and security partnerships.

Technology

Our economic and military strength rests on our technological superiority, not sheer manufacturing might. The United States remains in the forefront in the development of new technologies, but American enterprises must respond more quickly in their exploitation of new technologies if they are to maintain their competitiveness in both domestic and foreign markets. The loss of advanced production capabilities in key industries could place our manufacturing base in jeopardy.

The dynamics of the technological revolution transcend national boundaries. The transfer of technology between allies and friends has benefitted the United States in both national security and economic terms. Open markets and open investment policies will best ensure that scarce resources are used efficiently and that benefits are widely shared. But the openness of the free market economy must not be exploited to threaten our security. With our partners in the Coordinating Committee for Multilateral Export Controls (COCOM), we must continue to work to ensure that militarily sensitive technology does not flow to potential adversaries. At the same time, we must adapt the procedures and lists of COCOM-controlled goods to support rapid political and economic change in Eastern Europe. In that regard, our task is threefold: (a) streamline COCOM controls on strategic goods and technologies; (b) harmonize and tighten national licensing and enforcement procedures; and (c) encourage greater cooperation with non-COCOM developing countries. We have also initiated a comprehensive analysis of the changing strategic threat, which will be instrumental in deciding on possible further changes in the multilateral system of strategic export controls.

Energy

Secure supplies of energy are essential to our prosperity and security. The concentration of 65 percent of the world's known oil reserves in the Persian Gulf means we must continue to ensure reliable access to competitively priced oil and a prompt, adequate response to any major oil supply disruption. We must maintain our Strategic Petroleum Reserve at a level adequate to protect our

economy against a serious supply disruption. We will continue to promote energy conservation and diversification of oil and gas sources, while expanding our total supply of energy to meet the needs of a growing economy. We must intensify efforts to promote alternative sources of energy (nuclear, natural gas, coal, and renewables), and devote greater attention to reducing fossil fuel emissions in light of growing environmental concerns.

VI. Relating Means to Ends:

Our Defense Agenda

One reason for the success of America's grand strategy of containment has been its consistency. The military component of that strategy has been adjusted to changing threats and available military technology, but there too substantial continuity remains:

- **Deterrence:** Throughout the postwar period we have deterred aggression and coercion against the United States and its allies by persuading potential adversaries that the costs of aggression, either nuclear or conventional, would exceed any possible gain. "Flexible response" demands that we preserve options for direct defense, the threat of escalation, and the threat of retaliation.

- **Strong Alliances:** Shared values and common security interests form the basis of our system of collective security. Collective defense arrangements allow us to combine our economic and military strength, thus lessening the burden on any one country.

- **Forward Defense:** In the postwar era, the defense of these shared values and common interests has required the forward presence of significant American military forces in Europe, in Asia and the Pacific, and at sea. These forces provide the capability, with our allies, for early, direct defense against aggression and serve as a visible reminder of our commitment to the common effort.

- **Force Projection:** Because we have global security interests, we have maintained ready forces in the United States and the means to move them to reinforce our units forward deployed or to project power into areas where we have no permanent presence. For the threat of protracted conflict we have relied on the potential to mobilize the manpower and industrial resources of the country.

These elements have been underwritten by advanced weaponry, timely intelligence, effective and verifiable arms control, highly qualified and trained personnel, and a system for command and control that is effective, survivable, and enduring. Together they have formed the essence of our defense policy and military strategy during the postwar era.

The rebuilding of America's military strength during the past decade was an essential underpinning to the positive change we now see in the international environment. Our challenge now is to adapt this strength to a grand strategy that looks beyond containment, and to ensure that our military power, and that of our allies and friends, is appropriate to the new and more complex opportunities and challenges before us.

Overall Priorities

From the weapons, forces, and technologies that will be available, we will have to pick carefully those that best meet our needs and support our strategy in a new period. Our approach will include the following elements:

- **Deterrence of nuclear attack** remains the cornerstone of U.S. national security. Regardless of improved U.S.-Soviet relations and potential arms control agreements, the Soviets' physical ability to initiate strategic nuclear warfare against the United States will persist and a crisis or political change in the Soviet Union could occur faster than we could rebuild neglected strategic forces. A START agreement will allow us to adjust how we respond to the requirements of deterrence, but tending to those requirements remains the first priority of our defense strategy.

- As we and our allies adjust our military posture, each should emphasize retaining those roles it is uniquely or better able to fulfill. For the United States, these include nuclear and space forces, advanced technologies, strategic mobility, a worldwide presence, power projection, and a secure mobilization base.

- As a country separated from many of its allies and areas of interest by vast distances, we will ensure we have those forces needed to control critical sea and air lines of communication in crisis and war.

- U.S. technological superiority has long been a powerful contributor to deterrence. To retain this edge, we will sustain our investment in research and development as an important hedge against an uncertain future.

- We remain committed to the doctrine of competitive strategies. I reaffirm the wisdom of exploiting American strengths in a systematic way, moving Soviet investment into areas that threaten us less or negating systems that threaten us most.

- Defense investment faces a dual challenge: to maintain sufficient forces to deter general war while also giving us forces that are well suited for the more likely contingencies of the Third World. Many defense programs contribute significantly in both environments but, where necessary, we will develop the weaponry and force structure needed for the special demands of the Third World even if it means that some forces are less optimal for a conflict on the European central front.

- As we make fundamental changes in our military forces, we will preserve a capacity for reversibility. This will affect decisions on a variety of issues and may, in the short run, reduce the amount of savings we might otherwise see. But it is a prudent hedge against future uncertainty, which it is my moral and constitutional duty to provide.

Detering Nuclear War Strategic Offensive Forces

The Soviet Union continues to modernize its strategic forces across the board. Even as START promises to reduce numbers substantially, the qualitative competition has not ended.

Decisions on strategic modernization that I have already made take advantage of the most promising technologies in each leg of our Triad to increase stability. The B-2 bomber will ensure our ability to penetrate Soviet defenses and fulfill the role the bomber force has played so successfully for forty years. The D-5 missile in Trident submarines will exploit the traditionally high survivability of this leg and add a significant ability to attack more hardened targets. In a two-phase program for our ICBM force, the deployment of the Rail Garrison System will enhance stability by removing Peacekeeper missiles from vulnerable silos and providing the mobile capability we need for the near term. In the second phase, deployment of the small ICBM road-mobile system will further strengthen stability and increase force flexibility.

While we will ensure that each leg of the Triad is as survivable as possible, the existence of all three precludes the destruction of more than one by surprise attack and guards against a technological surprise that could undermine a single leg.

Strategic Defenses

Flexible response and deterrence through the threat of retaliation have preserved the security of the United States and its allies for decades. Looking to the future, the Strategic Defense Initiative offers an opportunity to shift deterrence to a safer and more stable basis through greater reliance on strategic defenses. In a new international environment, as ballistic-missile capabilities proliferate, defense against third-country threats also becomes an increasingly important benefit.

The deterrent value of strategic defenses derives from the effect they would have on an adversary's calculations. Even an initial deployment would influence an attacker's calculation by diminishing his confidence in his ability to execute an effective attack. Initial strategic defenses would also offer the United States and its allies some protection should deterrence fail or in the event of an accidental launch. Follow-on deployments incorporating more advanced technologies could provide progressively more capable defenses, even in the face of countermeasures.

We continue to seek with the Soviet Union a cooperative transition to deployed defenses and reductions in strategic offensive arms. Strategic defenses can protect our security against possible violations of agreements to reduce strategic offensive weapons.

The Soviets have stated that they are no longer making completion and implementation of a START treaty contingent on a Defense and Space Agreement restricting SDI. A START Treaty should stand on its own merits and we will preserve our right to conduct SDI activities consistent

with the Anti-Ballistic Missile (ABM) Treaty and our option to deploy SDI when it is ready. And we will use the Defense and Space Talks to explore a cooperative and stable transition to a greater reliance on stability-enhancing, cost-effective strategic defenses.

Theater Nuclear Forces

The Atlantic Alliance has consistently followed the principle of maintaining survivable and credible theater nuclear forces to ensure a robust deterrent, to execute its agreed strategy of flexible response—and to "couple" European defense to the strategic nuclear guarantee of the United States. At the same time, we have always pursued a nuclear force that is as small as is consistent with its tasks and objectives. Indeed, NATO has unilaterally reduced its theater nuclear weapons by over one-third during the past decade—over and above the entire class of U.S. and Soviet nuclear weapons eliminated by the INF Treaty. As requirements change, we will continue to ensure that our posture provides survivability and credibility at the lowest possible levels. The United States believes that for the foreseeable future, even in a new environment of reduced conventional forces and changes in Eastern Europe, we will need to retain modern nuclear forces in-theater.

Command, Control and Communications

Another basic element of deterrence is the security of our command and control, enhancing the certainty of retaliation. In addition, we maintain programs to ensure the continuity of constitutional government—another way of convincing a potential attacker that any attempted "decapitating" strike against our political and military leadership will fail.

Deterring Conventional War

It is clear that the United States must retain the full range of conventional military capabilities, appropriately balanced among combat and support elements, U.S.- and forward-based forces, active and reserve components. We must also maintain properly equipped and well trained general purpose and special operations forces. Within these requirements, as we look to the future, we see our active forces being smaller, more global in their orientation, and having a degree of agility, readiness and sustainability appropriate to the demands of likely conflicts.

Forward Defense through Forward Presence

American leadership in the postwar world and our commitment to the forward defense of our interests and those of our allies have been underwritten by the forward presence of U.S. military forces. We have exerted this presence through forces permanently stationed abroad; through a network of bases, facilities, and logistics arrangements; and through the operational presence provided by periodic patrols, exercises, and visits of U.S. military units. Clearly, the mix of these elements will change as our perception of the threat changes, as technology improves the capabilities and reach of our military forces, and as allies assume greater responsibilities in our common efforts. But our forward presence will remain a critical part of our defense posture for the foreseeable future. Our overseas bases serve as an integral part of our alliances and foster cooperation against common threats. There is no better assurance of a U.S. security commitment than the presence of U.S. forces.

There are growing pressures for change in our global deployments, however. Some are caused by concerns at home over an inequitable sharing of the defense burden, and others in host countries emanate from nationalism, anti-nuclear sentiment, environmental and social concerns and honestly divergent interests. Operational restrictions on our forces overseas are also increasing, some of which we can accommodate with new training and technologies, but others of which may eventually reduce the readiness of our deployed units.

In Europe: the overall level and specific contribution of U.S. forces are not etched in stone, but we will maintain forces in Europe—ground, sea and air, conventional and nuclear—for as long as they are needed and wanted, as I have pledged. Our forces in Europe contribute in many ways to stability and security. They are not tied exclusively to the size of the Soviet presence in Eastern Europe, but to the overall Alliance response to the needs of security. For the foreseeable future, we believe a level of 195,000 U.S. troops in Central Europe is appropriate for maintaining stability after a CFE reduction.

We also recognize that the presence of our forces creates burdens that are part of the overall sharing of effort within the Alliance. Consistent with the demands of readiness, we will work to adjust our training and other activities to ease the burden they impose.

Outside of Europe, we will maintain the ability to respond to regional crises, to support our commitments, and to pursue our security interests. Within that policy, adjustments in our overseas presence will be made. Yet—even as the total number of U.S. forwarddeployed forces is reduced—we will work to preserve a U.S. presence where needed. And, where appropriate, we will work to ensure continued access to facilities that will permit a prompt return of U.S. forces should they be required. As we negotiate for the use of overseas bases, we will also proceed from the realistic premise that no base is irreplaceable. While some are preferred more than others, each makes a limited contribution to our strategy.

Sharing the Responsibilities of Collective Defense

The success of our postwar strategy has enabled allied and friendly nations' economies and societies to flourish. We now look to them to assume a greater share in providing for our common security. Our efforts in this regard will be integrated with our plans for future force structure, weapons modernization, and arms control. Above all, they must not be—nor be perceived to be—a cover for "burden shedding".

Our deliberations will be less about different ways to calculate defense burdens and more about increasing overall capabilities. One promising approach is a greater commitment to national specialization, an improved intra-alliance division of labor based on the comparative advantages of different allies in different defense activities. Such an approach could reduce the impact of budget constraints being felt by us all. Significant adjustments in missions and national force structures may be possible as part of major negotiated force reductions, such as those envisioned by CFE. The overall destruction of equipment and the possibility of "cascading" newer items from one Alliance member to another (while destroying older, less capable models) may give us opportunities for greater efficiencies and new forms of Alliance cooperation. These are complex issues, however, and any steps will have to be sensitive to issues of national sovereignty and based on an Alliance-wide consensus.

As a part of burdensharing, the United States will continue to ask our economically stronger allies to increase aid to other Alliance members and to friendly Third World countries. As another element of burdensharing, the United States will work with allies to broaden the regional role of our forward-deployed forces. This will help us deal with the challenge of maintaining sufficient forces for local defense and the forces for likely contingencies elsewhere—a challenge that will grow as defense resources become more constrained. In support of this objective, we will make forward-deployed forces more mobile and flexible so they can assume broader regional responsibilities in addition to deterring attack in the country in which they are located.

Forces for the Third World

Since World War II, the threat posed by the Soviet Union has dominated much of our planning for the Third World. But we have also worked to preserve peace and build democracy and we have long identified specific interests independent of a Soviet factor. In the future, we expect that non-Soviet threats to these interests will command even greater attention.

To the degree possible, we will support allied and friendly efforts rather than introduce U.S. forces. Nonetheless, we must retain the capability to act either in concert with our allies or, if necessary, unilaterally where our vital interests are threatened.

The growing technological sophistication of Third World conflicts will place serious demands on our forces. They must be able to respond quickly, and appropriately, as the application of even small amounts of power early in a crisis usually pays significant dividends. Some actions may require considerable staying power, but there are likely to be situations where American forces will have to succeed rapidly and with a minimum of casualties. Forces will have to accommodate to the austere environment, immature basing structure, and significant ranges often encountered in the Third World. The logistics "tail" of deployed forces will also have to be kept to a minimum, as an

overly large American presence could be self-defeating. These capabilities will sometimes be different from those of a force optimized for a conflict in Europe, and—as our understanding of the threat there evolves—we will make the necessary adjustments.

We will also try to involve other industrial democracies in preventing and resolving Third World conflicts. Some of our Atlantic allies have strong political, economic, cultural, and military ties with Third World countries, and Japan provides considerable sums of aid. Their role will become even more important in the future.

The Mobilization Base

The United States has never maintained active forces in peacetime adequate for all the possible contingencies we could face in war. We have instead relied on reserve forces and on a pool of manpower and industrial strength that we could mobilize to deal with emergencies beyond the capabilities of our active units.

For almost two decades, our Total Force policy has placed a significant portion of our total military power in a well-equipped, well-trained, and early-mobilizing reserve component. Various elements of that policy—the balance between active and reserve forces, the mix of units in the two components, the nature of missions given reserve forces—are likely to be adjusted as we respond to changes in the security environment. Reserve forces are generally less expensive to maintain than their active counterparts so, as we adjust force structures, retaining reserve units is one alternative for reducing costs while still hedging against uncertainties. It is an alternative we must thoroughly explore, especially as we better understand the amount of warning time we can expect for a major conflict.

A credible industrial mobilization capability contributes to deterrence and alliance solidarity by demonstrating to adversaries and friends alike that we are able to meet our commitments. While important progress has been made in recent years, more can be done to preserve our ability to produce the weapons and equipment we need. Mobilization plans will also have to reflect our changing understanding of warning for a global war and develop graduated responses that will themselves signal U.S. resolve and thus contribute to deterrence.

Chemical Warfare

Our primary goal is to achieve an effective, truly global ban on chemical weapons as soon as possible. Until such a ban is achieved, the United States will retain a small but effective chemical weapons stockpile to deter the use of chemical weapons against us and our allies. We will also continue our initiatives to protect our forces from chemical agents that could be used against them and to minimize the impact of being forced to operate in a chemical environment.

We will never use chemical weapons first, but only in retaliation for their use against us. For as long as we retain a chemical weapons deterrent, we will ensure that it is as safe and effective as possible.

Space

The United States remains committed to the exploration and use of space for peaceful purposes and the benefit of all mankind, but international law and this commitment allow for activities to protect our national security. Our objectives for space mirror those which we have long held for the sea—to ensure free access for all in time of peace, but to be able to deny access to our enemies in time of war.

Our space activities will help deter and, if necessary, defend against enemy attack. We will maintain assured access to space and negate, if necessary, hostile space systems. We will develop, acquire, and deploy systems for communications, navigation, environmental monitoring, early warning, surveillance, and treaty verification.

We will • also pursue scientific, technological, and economic benefit—including encouraging private sector investment. We will promote international cooperative activities and work with others to maintain freedom in space.

We remain dedicated to expanding human presence and activity beyond earth orbit and into the solar system. In July I committed the United States to return to the moon, this time to stay, and

continue with a journey to Mars. The first step in this bold program to strengthen our position of space leadership will be completion of Space Station Freedom in the 1990s.

I chartered the National Space Council, chaired by Vice President Quayle, to develop national space policy, advise me on space matters, and ensure that policy guidance is carried out. I have also asked the Vice President, as Chairman of the Council, to assess the feasibility of international cooperation in human exploration. Equally important, I announced our commitment to use space to address critical environmental problems on earth. The new Mission to Planet Earth program, a major part of a comprehensive research effort, will use space platforms to gather the data we need to determine what changes are taking place in the global environment.

The National Space Council also provides a high-level focus for commercial space issues. Consistent with national security and safety, an expanding private sector role in space can generate economic benefits for the nation.

Low-Intensity Conflict

Even as the threat of East-West conflict may be diminishing in a new era, lower-order threats like terrorism, subversion, insurgency, and drug trafficking are menacing the United States, its citizenry, and its interests in new ways.

Low-intensity conflict involves the struggle of competing principles and ideologies below the level of conventional war. Poverty and the lack of political freedoms contribute to the instability that breeds such conflict. Our response must address these underlying conditions—but we cannot accept violence against our interests, or even less against innocent civilians, as a legitimate instrument of anyone's policy. Nor can the ideals of democracy, freedom, or economic progress be nurtured except in an environment of security.

It is the primary responsibility of friendly nations to protect their own interests. Our security assistance programs are a crucial tool with which we can help them help themselves. In some cases, security assistance ought to assume the same priority as resources devoted to our own forces.

It is not possible to prevent or deter conflict at the lower end of the conflict spectrum in the same way or to the same degree as at the higher. American forces therefore must be capable of dealing effectively with the full range of threats, including insurgency and terrorism. Special Operations Forces have particular utility in this environment, but we will also pursue new and imaginative ways to apply flexible general purpose forces to these problems. We will improve the foreign language skills and cultural orientation of our armed forces and adjust our intelligence activities to better serve our needs. Units with unique capabilities in this environment will receive increased emphasis. Training and research and development will be better attuned to the needs of low-intensity conflict.

Drug Trafficking

The Department of Defense, as noted earlier, has an important role to play in our National Drug Control Strategy in coordination with the Department of State and law enforcement agencies.

The first line of defense against the illegal flow of drugs is at the source—in those countries where illicit drugs are produced and processed before being sent to the United States and other countries. Our policy is to strengthen the political will and institutional capability of host-country military, judicial, and law enforcement agencies. Training and material assistance help improve tactical intelligence and the ability to conduct airmobile and riverine operations. Security assistance also provides host countries with the resources needed to confront the insurgency threats that often are endemic to narcotics-producing regions.

A second line of defense involves the deployment of appropriate elements of the U.S. Armed Forces with the primary role of detecting and monitoring the transportation of drugs to the U.S. border. The Secretary of Defense has directed several regional commanders to support these objectives with their own programs and operations. As a high priority, our military counter-narcotics deployments will focus on the flow of drugs—especially cocaine—across the Caribbean, Central America, and Mexico toward the southern border of the United States. These deployments

will support U.S. law enforcement agencies in their efforts to apprehend traffickers and seize drug shipments.

Our military and foreign intelligence activities must be coordinated with our own and host-country law enforcement agencies to identify air and maritime smuggling vessels as well as the networks that facilitate and manage illicit drug trafficking. This cooperation and coordination must be extended to the operational level to ensure timely and effective interdiction.

Current efforts are already bearing fruit. Our assistance to the Colombian government has aided its courageous campaign to strike back at the drug lords and to reestablish national sovereignty and the rule of law. The cocaine industry in the Andean region has been disrupted, and sustained pressure and cooperation will erode the strength of the drug trafficking organizations. The United States is committed to such a sustained international effort.

Intelligence Programs

The extraordinary changes taking place in the world are posing an almost unprecedented challenge to our intelligence assets and programs.

The changes in East-West relations point to a more peaceful future. But—after four decades of confrontation—achieving mutual trust will be a difficult task of confidence-building and verification. A time of transition can also be a time of turbulence. It will be critical that we be well informed of events and intentions in the Soviet Union, Eastern Europe, and elsewhere.

In a new period, intelligence must also focus on new issues. Within the Communist world, for example, economic questions take on new importance. As economic forces are the impetus for many of the military and political changes taking place there, economic change can be a valuable gauge of how much real change is occurring. The extent to which Soviet leaders actually shift resources from military to civilian uses, for example, will be an important strategic indicator.

In contrast to the hopeful trends in the Soviet Union and Eastern Europe, there are danger signs elsewhere—as this Report has noted. The proliferation of nuclear, chemical, and other military technologies raises the risks of conflict and crisis. Regional conflicts continue to fester. U.S. intelligence must monitor such developments and provide policymakers with the information needed to protect American interests.

The twin scourges of international terrorism and narcotics trafficking also pose very high-priority, but non-traditional, intelligence requirements. We will also have to adapt to a new emphasis on broader global economic and trade issues. We must be more fully aware of such subjects as foreign trade policies, economic trends, and foreign debt.

U.S. counterintelligence must be responsive to a changing hostile intelligence threat. Historically, foreign governments—and to some extent foreign businesses—have tried to obtain our secrets and technologies. Hostile intelligence efforts are not likely to decrease in the near term, and they may actually increase as barriers to contact come down.

U.S. intelligence must still be the "alarm bell" to give us early warning of new developments and new dangers even as requirements grow in number and complexity. Our intelligence capabilities must be ready to meet new challenges, to adapt as necessary, and to support U.S. policy in the 1990s.

Planning for the Future

United States military planning in the postwar era has been dominated by the need to deter and be able to defend against overwhelming Warsaw Pact conventional forces in Europe. As this Report has described, this heretofore dominant reality is undergoing significant change, both through Soviet and other Warsaw Pact unilateral reductions and through negotiated agreements. This prospect is clearly affecting our military planning.

Such planning need not and cannot await the entry into force of arms reduction treaties. We will not act merely on the promise of change in Warsaw Pact forces, but neither will we delay developing our responses to those changes until their implementation is upon us. We will continually review important issues like the future demands of nuclear deterrence, the proper role

and mix of our general purpose forces, and an improved and more effective security assistance program.

VII. A Public Trust

As our defense efforts adapt to changing circumstances, our people must be confident that their defense dollars are efficiently and effectively supporting the cause of peace.

The Defense Management Review

Shortly after I took office, I ordered a review of defense management structures and practices in order to improve defense acquisition, to implement the excellent recommendations of the Packard Commission, and to manage Department of Defense resources more effectively. Secretary Cheney completed a preliminary report and forwarded it to me in July, along with a commitment to implement its findings. I subsequently forwarded the report to the Congressional leadership, giving its recommendations my strong personal endorsement and asking for Congressional support in implementation.

The implementation process now underway provides for continuous improvement in several areas of defense management.

Reducing Overhead Costs While Maintaining Military Strength

The Department of Defense is building a significantly more streamlined acquisition structure with clear lines of responsibility and authority. The Services' systems and materiel commands are being reorganized to focus largely on logistics and support services. Nearly all contract administration services, currently divided among the Military Departments and the Defense Logistics Agency (DLA), are being consolidated under DLA. In addition, a Corporate Information Management initiative is underway to develop more efficient data processing and information systems...

Enhancing Program Performance

The Under Secretary of Defense for Acquisition will have an enhanced role and will discipline programs through a revised and strengthened acquisition process. Programs will have to achieve defined milestones and satisfy specific criteria before moving to the next phase of their development. The military departments will create a corps of officers who will make acquisition a full-time career. These and additional steps will lead to a simplified acquisition structure, run by well-trained, dedicated professionals able to perform their work with a minimum of bureaucratic distraction.

Reinvigorating Planning and Budgeting

The Secretary of Defense now chairs a new Executive Committee to review overall Department policies and permit regular and confidential exchanges on key issues among the Department's senior leadership. In addition, the Deputy Secretary manages a revitalized planning, programming, and budgeting system as Chairman of the Defense Planning and Resources Board. With steps such as these, the senior leadership in the Department is now engaged in a dynamic planning process that will improve the linkage between policy, strategy, programs, and budgets.

Reducing Micromanagement

The Department of Defense has begun to carve away a bewildering maze of self-imposed regulations. A new, streamlined set of directives will be issued this summer in a form that permits action at the working level, with little additional policy guidance. The Secretary of Defense, with my full indorsement, has called on Congress to work with the Administration to review and overhaul the statutory framework for defense acquisition and improve the process by which Congress oversees the Department.

Strengthening the Defense Industrial Base

The defense industrial base must be strong, and include manufacturers that are highly flexible and technologically advanced. This will require that both the Defense Department and industry maintain active research programs in vital technologies. The Department must also create incentives (and eliminate disincentives) to invest in new facilities and equipment as well as in research and

development. This will be especially important in an era when overall procurements are likely to decline.

Improving the Observance of Ethical Standards

Secretary Cheney has chartered a high-level Ethics Council to develop ethics programs for the Department. The Council has met and directed work on a model ethics program, a Department-wide Ethics Conference, and a review of existing compliance programs. The goal is to strengthen ethical standards within government and with industry and to create an environment where official standards of conduct are well understood, broadly observed, and vigorously enforced.

The strength of this effort to improve defense management is that it is largely a product of the Department itself, not something forced on it from outside. The dedicated people—both civilian and military—who have developed the changes described above will be the same people called upon to make these changes work. These are not quick fixes but fundamental shifts, "cultural" changes, that address issues at the core of defense management. While we are proud of the accomplishments to date, fully achieving these ambitious objectives will require several years of significant effort.

Congress and the American People

Under our Constitution, responsibility for national defense is shared between the executive and legislative branches of our federal government. The President, for example, is commander-in-chief, while Congress has the power to raise and support armies and declare war. This system of shared and separated powers is well designed to guard against abuses of power, but it works best in the demanding environment of national security affairs only if there is a spirit of cooperation between the two branches and, indeed, a strong measure of national and bipartisan consensus on basic policy.

I am proud of the successful examples of bipartisan cooperation in the past year—on Central America, on aid to Eastern Europe, on Panama, to name a few. Yet other issues remain contentious, such as various attempts to constrict Presidential discretion and authority in fields ranging from covert actions to the excessive earmarking of assistance funds. If we are to make a successful transition to a new era, we need to work together.

We are now in an era of rapidly changing strategic conditions, new openings for peace, continuing uncertainties, and new varieties of danger. We thus face new opportunities and new problems, both of which demand of us special qualities of leadership—boldness, vision, and constancy. It is my responsibility to meet that challenge, and I am prepared to meet it in a spirit of close cooperation and consultation with Congress. I believe there is a national consensus in support of a strong foreign and defense policy—perhaps broader and deeper than at any time in 25 years. Congress and the President need, more than ever, to reflect that unity in their own cooperation. We owe the American people no less.

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NATIONAL SECURITY STRATEGY OF THE UNITED STATES
THE WHITE HOUSE
AUGUST 1991

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A NEW WORLD ORDER

A new world order is not a fact; it is an aspiration — and an opportunity. We have within our grasp an extraordinary possibility that few generations have enjoyed—to build a new international system in accordance with our own values and ideals, as old patterns and certainties crumble around us.

In the Gulf we caught a glimmer of a better future — a new world community brought together by a growing consensus that force cannot be used to settle disputes and that when that consensus is broken, the world will respond. In the Gulf, we saw the United Nations playing the role dreamed of by its founders, with the world's leading nations orchestrating and sanctioning collective action against aggression. But we remain in a period of transition. The old has been swept away, the new not yet fully in place. The obstacles and uncertainties before us are quite real — the daunting problems confronting the hopes for reform in Eastern Europe and the Soviet Union, trade disputes and burdensharing debates among the industrial democracies, and the turmoil and dangers in the developing world.

Yet, the Gulf crisis showed what the world community is now capable of, and in the very act of meeting that challenge the world community strengthened itself. I hope history will record that the Gulf crisis was the crucible of the new world order.

It is up to us — our generation in America and the world — to bring these extraordinary possibilities to fruition. And in doing this, American leadership is indispensable. That is our challenge.

Our response, outlined in this Report, is shaped by what we are as a people, for our values are the link between our past and our future, between our domestic life and our foreign policy, between our power and our purpose. It is our deepest belief that all nations and peoples seek political and economic freedom; that governments must rest their rightful authority on the consent of the governed, and must live in peace with their neighbors. The collapse of the Communist idea has shown that our vision of individual rights — a vision imbedded in the faith of our Founders — speaks to humanity's enduring hopes and aspirations.

It is this abiding faith in democracy that steels us to deal with a world that, for all our hope, remains a dangerous place — a world of ethnic antagonisms, national rivalries, religious tensions, spreading weaponry, personal ambitions and lingering authoritarianism. For America, there can be no retreat from the world's problems. Within the broader community of nations, we see our own role clearly. We must not only protect our citizens and our interests, but help create a new world in which our fundamental values not only survive but flourish. We must work with others, but we must also be a leader.

George Bush

I. The Foundations of National Strategy: Interests and Goals

NEW ERA

The bitter struggle that divided the world for over two generations has come to an end. The collapse of Soviet domination in Eastern Europe means that the Cold War is over, its core issue resolved. We have entered a new era, one whose outline would have been unimaginable only three years ago.

This new era offers great hope, but this hope must be tempered by the even greater uncertainty we face. Almost immediately new crises and instabilities came upon us. The Gulf War was a forceful reminder that there are still autonomous sources of turbulence in the world. In the Soviet Union, while we have seen a healthy retrenchment in foreign policy, we also see a continuing internal crisis, with a danger of violence overhanging the hopes for internal reform. We face new challenges not only to our security, but to our ways of thinking about security.

For over 40 years, the American grand strategy of containment has reflected an era of expanding Soviet power, Soviet aggression and Soviet Communism. We now find, however, that the Soviet Union is far more inwardly focused as it wrestles with its internal crises. We do not know what path the Soviet Union will ultimately take, but a return to the same superpower adversary we have faced for over 40 years is unlikely.

That said, the Soviet Union remains the only state possessing the physical military capability to destroy American society with a single, cataclysmic attack and, in spite of severe economic strains, the modernization of Soviet strategic forces continues virtually across the board. Even with a START Treaty, the Soviets will retain more than 6,000 strategic weapons. The Soviets will also -- despite the heartening reductions we have seen in their conventional capabilities -- retain some three million men in their armed forces. These enduring realities cannot be ignored.

Shaping a security strategy for a new era will require an understanding of the extraordinary trends at work today -- a clear picture of what has changed and what has not, an accurate sense of the opportunities that history has put before us and a sober appreciation of the dangers that remain.

Politically, a key issue is how America's role of alliance leader -- and indeed our alliances themselves -- will be affected, especially in Europe, by a reduced Soviet threat. The positive common basis of our alliances -- the defense of democratic values -- must be reaffirmed and strengthened. Yet, differences among allies are likely to become more evident as the traditional

concern for security that first brought them together diminishes in intensity. We need to consider how the United States and its allies can best respond to a new agenda of political challenges -- such as the troubled evolution of the Soviet Union or the volatile Middle East -- in the framework of the moral and political values we continue to share.

In the realm of military strategy, we confront dangers more ambiguous than those we previously faced. What type and distribution of forces are needed to combat not a particular, poised enemy but the nascent threats of power vacuums and regional instabilities? How do we reduce our conventional capabilities in ways that ensure we could rebuild them faster than an enemy could build a devastating new threat against us? How does the proliferation of advanced weaponry affect our traditional problem of deterrence? How should we think about these new military challenges and what capabilities and forces should we develop to secure ourselves against them?

America will continue to support an international economic system as open and inclusive as possible, as the best way to strengthen global economic development, political stability and the growth of free societies. But how can these goals best be attained, especially if they are not completely shared by all of our economic competitors? How will the end of the Cold War and the increased economic strength of our major trading partners influence economic, political and even security relationships? In addition to working actively to conclude successfully the Uruguay Round of Multilateral Trade Negotiations, what other market-opening objectives should the United States pursue, and with whom should we pursue them?

In the emerging post-Cold War world, international relations promise to be more complicated, more volatile and less predictable. Indeed, of all the mistakes that could be made about the security challenges of a new era, the most dangerous would be to believe that suddenly the future can be predicted with certainty. The history of the 20th century has been replete with surprises, many unwelcome.

In many ways, if there is a historical analogy for today's strategic environment, it is less the late 1940s than it is the 1920s. In the 1920s, judging that the great threat to our interests had collapsed and that no comparable threat was evident, the Nation turned inward. That course had near disastrous consequences then and it would be even more dangerous now. At a time when the world is far more interdependent -- economically, technologically, environmentally -- any attempt to isolate ourselves militarily and politically would be folly.

Despite the emergence of new power centers, the United States remains the only state with truly global strength, reach and influence in every dimension -- political, economic and military. In these circumstances, our natural desire to share burdens more equitably with newly-strong friends does not relieve us of our own responsibilities.

America's role is rooted not only in power, but also in trust. When, in the aftermath of the invasion of Kuwait, the Saudis invited foreign forces onto their soil, King Fahd observed:

I trust the United States of America. I know that when you say you will be committed, you are, in fact, committed. I know that you will stay as long as necessary to do what has to be done, and I know you will leave when you are asked to leave at the end, and that you have no ulterior motives.

We cannot be the world's policeman with responsibility for solving all the world's security problems. But we remain the country to whom others turn when in distress. This faith in us creates burdens, certainly, and in the Gulf we showed that American leadership must include mobilizing the world community to share the danger and risk. But the failure of others to bear their burden would not excuse us. In the end, we are answerable to our own interests and our own conscience -- to our ideals and to history -- for what we do with the power we have. In the 1990s, as for much of this century, there is no substitute for American leadership. Our responsibility, even in a new era, is pivotal and inescapable.

The Gulf crisis interrupted a time of hope. We saw a new world coming, a world freer from the threat of terror, stronger in the pursuit of justice, more secure in the quest for peace. Democracy was gaining ground as were the principles of human rights and political and economic freedom. This new world is still within reach, perhaps brought closer by the unprecedented international cooperation achieved in the Gulf crisis.

But even after such a success, we face not only the complex security issues outlined above, but a new agenda of new kinds of security issues. Our national power, for example, ultimately rests on the strength and resilience of our economy, and our security would be badly served if we allowed fiscal irresponsibility at home to erode our ability to protect our interests abroad, to aid new democracies or to help find solutions to other global problems. The scourge of illegal drugs saps our vitality as a free people, diverts our energies from more positive pursuits and threatens friendly democratic governments now plagued by drug traffickers. The environmental depredations of Saddam Hussein have underscored that protecting the global ecology is a top priority on the agenda of international cooperation -- from extinguishing oil fires in Kuwait to preserving the rain forests to solving water disputes to assessing climate change. The upheavals of this era are also giving rise to human migrations on an unprecedented scale, raising a host of social, economic, political and moral challenges to the world's nations.

A security strategy that takes the Republic safely into the next century will tend to these as well as to more traditional threats to our safety and well-being.

OUR INTERESTS AND OBJECTIVES IN THE 1990s

We need, then, an approach to security broad enough to preserve the basic sources of our national strength and focused enough to deal with the very real threats that still exist. Such an approach begins with an understanding of our basic interests and objectives, interests and objectives that even in a new era are enduring:

The survival of the United States as a free and independent nation, with its fundamental values intact and its institutions and people secure.

The United States seeks, whenever possible in concert with its allies, to:

- deter any aggression that could threaten the security of the United States and its allies and -- should deterrence fail -- repel or defeat military attack and end conflict on terms favorable to the United States, its interests and its allies;

- effectively counter threats to the security of the United States and its citizens and interests short of armed conflict, including the threat of international terrorism;

- improve stability by pursuing equitable and verifiable arms control agreements, modernizing our strategic deterrent, developing systems capable of defending against limited ballistic-missile strikes, and enhancing appropriate conventional capabilities;

- promote democratic change in the Soviet Union, while maintaining firm policies that discourage any temptation to new quests for military advantage;

- foster restraint in global military spending and discourage military adventurism;

- prevent the transfer of militarily critical technologies and resources to hostile countries or groups, especially the spread of chemical, biological and nuclear weapons and associated high-technology means of delivery; and

- reduce the flow of illegal drugs into the United States by encouraging reduction in foreign production, combatting international traffickers and reducing demand at home.

A healthy and growing U.S. economy to ensure opportunity for individual prosperity and resources for national endeavors at home and abroad.

National security and economic strength are indivisible. We seek to:

- promote a strong, prosperous and competitive U.S. economy;

- ensure access to foreign markets, energy, mineral resources, the oceans and space;

-- promote an open and expanding international economic system, based on market principles, with minimal distortions to trade and investment, stable currencies, and broadly respected rules for managing and resolving economic disputes; and

-- achieve cooperative international solutions to key environmental challenges, assuring the sustainability and environmental security of the planet as well as growth and opportunity for all.

Healthy, cooperative and politically vigorous relations with allies and friendly nations.

To build and sustain such relationships, we seek to:

-- strengthen and enlarge the commonwealth of free nations that share a commitment to democracy and individual rights;

-- establish a more balanced partnership with our allies and a greater sharing of global leadership and responsibilities;

-- strengthen international institutions like the United Nations to make them more effective in promoting peace, world order and political, economic and social progress;

-- support Western Europe's historic march toward greater economic and political unity, including a European security identity within the Atlantic Alliance, and nurture a closer relationship between the United States and the European Community; and

-- work with our North Atlantic allies to help develop the processes of the Conference on Security and Cooperation in Europe to bring about reconciliation, security and democracy in a Europe whole and free.

A stable and secure world, where political and economic freedom, human rights and democratic institutions flourish.

Our interests are best served in a world in which democracy and its ideals are widespread and secure. We seek to:

-- maintain stable regional military balances to deter those powers that might seek regional dominance;

-- promote diplomatic solutions to regional disputes;

-- promote the growth of free, democratic political institutions as the surest guarantors of both human rights and economic and social progress;

-- aid in combatting threats to democratic institutions from aggression, coercion, insurgencies, subversion, terrorism and illicit drug trafficking; and

-- support aid, trade and investment policies that promote economic development and social and political progress.

II. Trends in the World Today: New Opportunities and Concerns

FUNDAMENTAL TRANSFORMATIONS

Despite the uncertainties that remain, we see a fundamental transformation of the global strategic environment in several areas. Our policies and strategy for the decade ahead must be designed to adapt to these changes, and to shape them in ways that benefit the United States and its friends and allies.

The Soviet Future

If Central and Eastern Europe was the scene of the peaceful Revolution of 1989, the dramatic story of 1991 is the deepening crisis within the Soviet Union. The old system of Communist orthodoxy is discredited, yet its die-hard adherents have not given up the struggle against change. Fundamental choices -- of multi-party democracy, national self-determination and market economic reform -- have been postponed too long. The economy is deteriorating. The painful process of establishing new, legitimate political and economic institutions has much farther to go.

If reform is to succeed, Soviet leaders must move decisively to effect institutional change. When invited and where appropriate, we will offer our cooperation. But it is clearly not in our interest to offer assistance in a way that allows the Soviet government to avoid the hard choices that in the longer run are the only hope for the people of that country. At the July 1991 London

Economic Summit, the participants announced their support for special associate status for the Soviet Union in the IMF and World Bank. This will give the Soviets access to the technical advice they need to formulate and implement their reform program.

The processes of reform inside the Soviet Union have already had a revolutionary impact on Soviet foreign policy. With former ideological imperatives giving way to a new pragmatism, areas of cooperation have expanded. The end of Soviet domination of Eastern Europe was a transforming event. Soviet policy toward the unification of Germany was constructive. The reduced role of ideology in Soviet foreign policy has diminished the importance of many developing areas as arenas of conflict with the West. Soviet support in the UN Security Council for the resolutions against Iraqi aggression was an important contribution to the international effort. We are hopeful that such cooperation can be expanded. Of course, the Soviets would pay a severe political price for any return to practices of an earlier era, exploiting regional disputes and instabilities for their presumed advantage.

Today, the threat of a U.S.-Soviet military conflict is lower than at any time since the end of World War II. With the ongoing withdrawal of Soviet forces from Eastern Europe, the unilateral reductions now underway and the recently signed CFE treaty (if faithfully implemented), the threat of a sudden, massive offensive against NATO will have been eliminated. Despite uncertainty over the Soviet internal evolution, any attempt by the Soviets to resolve such a threat would require lengthy preparation and be enormously costly and virtually impossible to conceal. Moreover, the START Treaty signed at the Moscow Summit will significantly reduce US and Soviet strategic nuclear arsenals.

But Soviet military power is hardly becoming irrelevant. The Soviet Union is and will remain a military super-power. Beyond its modernized strategic arsenal, the Soviet Union's conventional forces west of the Urals will dwarf any other national force in Europe. While they no longer pose the threat of a short-warning, theater-wide offensive, they could still pose a potent threat to a single flank or region. The size and orientation of Soviet military forces must therefore remain critical concerns to the United States and the overall health of the European system will still require a counterweight to Soviet military strength.

It is our responsibility as a government to hedge against the uncertainties of the future. Elements of the U.S.- Soviet relationship will remain competitive, and there is always the danger that confrontations will re-emerge. Our evolving relationship is also not immune to Soviet attempts to lay the problems created by decades of domestic tyranny, misrule and mismanagement at the feet of "foreign enemies". Nor is it immune to the implications of the forceful repression of democratic forces, slowing the Soviet Union's progress on a road that must be taken if it is to successfully meet the challenges before it. The internal order of a state is ultimately reflected in its external behavior. We will remain alert to the potential strategic consequences of a return to totalitarian policies.

The Growing Roles of Germany and Japan

One of the most important and far-reaching strategic developments of a new era and a major success of America's postwar policy -- is the emergence of Japan and Germany as economic and political leaders. The United States has long encouraged such a development, and our close ties with these democracies have created the climate of reassurance necessary for their evolution as stable and powerful countries enjoying good relations with their neighbors. As these countries assume a greater political role, the health of American ties with them -- political, military and economic -- will remain crucial to regional and even global stability. These links are not relics of an earlier period. They are all the more needed in a new era as these countries' roles expand.

But we frequently find ourselves competitors -- sometimes even bitter competitors -- in the economic arena. These frictions must be managed if we are to preserve the partnerships that have fostered reconciliation, reassurance, democracy and security in the postwar period. In this sense,

ongoing trade negotiations now share some of the strategic importance we have traditionally attached to arms talks with the Soviet Union.

The Gulf crisis has also reopened, with a new sense of urgency, the question of responsibility-sharing -- not only with respect to sharing the costs and risks of Gulf operations, but also with regard to sharing the costs of U.S. forces defending Europe and Japan. Our allies are doing more, as befits their economic strength, but the issue may grow more acute as we and they adjust to a new era.

The New Europe

It is Europe more than any other area that has held the key to the global balance in this century, and it is this continent more than any other that is experiencing fundamental change. The unification of Germany last October quickened the pace to a new, more promising era and a continent truly whole and free. As Europe is being transformed politically, we are also lifting the military shadows and fears with which we have lived for nearly half a century.

All across the Continent, the barriers that once confined people and ideas are collapsing. East Europeans are determining their own destinies, choosing freedom and economic liberty. One by one, the states of Central and Eastern Europe have begun to reclaim the European cultural and political tradition that is their heritage. All Soviet forces are gone from Czechoslovakia and Hungary and withdrawals from Germany and Poland are underway. The military capability of the Soviet forces still remaining in Eastern Europe is rapidly diminishing and the Warsaw Pact has been dissolved.

Basic to the new structure of peace we seek to build throughout Europe is the continued vitality of the North Atlantic Alliance -- the indispensable foundation of transatlantic cooperation. To keep the Alliance strong and viable in a new environment we must recognize that there are important tasks beyond the changed -- but still important -- requirement to balance and deter Soviet military power. NATO must deter and defend against the threat of aggression from any state against the territory of a NATO member. NATO will also be essential in promoting a stable security environment throughout Europe, an environment based on democratic institutions and the peaceful resolution of disputes, an environment free of intimidation or attempts at hegemony. Finally, NATO still serves as an indispensable transatlantic forum for consultations on issues that affect common political and security interests. As the European Community heads toward the new milestone of a single market by the end of 1992, we enter a revolution of relations in the West, perhaps ultimately as important strategically as the revolution taking place in the East. It is no accident that Europeans are contemplating greater West European cohesion in the security field, even while preserving the vital transatlantic framework. We will work to adapt NATO's structures to encompass European desires for a distinct security identity within the Alliance and we will encourage greater European responsibility for Europe's defense. While European governments will naturally take the lead in developing their own institutions, these efforts will enjoy our full support as long as they strengthen the Alliance. We will also work to adapt Alliance command structures to new realities -- the reassessment of risks, a new NATO strategy, a different force structure -- in ways that sustain the unique contribution of NATO's integrated military command.

The continued freedom, vitality and national independence of the new Eastern European democracies are also critical to the new structure of peace we seek to build throughout Europe. Any reversal of the present positive trend in Soviet policy would have serious implications. As the North Atlantic allies declared in June: "Our own security is inseparably linked to that of all other states in Europe. The consolidation and preservation throughout the continent of democratic societies and their freedom from any form of coercion or intimidation are therefore of direct and material concern to us." We and our NATO allies have established a program of contacts with the militaries of these states to support military establishments that will sustain newly won freedoms and we have

extended our bilateral International Military Education and Training (IMET) program to strengthen military professionalism and to promote the principle of civilian oversight of the armed forces.

It is important that we not let euphoria over the easing of East-West confrontation blind us to the potential security problems within a new Europe. Historical enmities in Western Europe have been largely consigned to the past but disputes between and among some Eastern European states and ethnic groups appear to have been merely frozen in time by decades of Cold War. In the interwar period, the politics of these states were often dominated by economic hardship, competing nationalisms and overlapping territorial claims. We have reason to be more hopeful today, but security problems could emerge in the East in the course of the 1990s. The powerful centrifugal forces in Yugoslavia are particularly worrisome.

The overall structure of peace in Europe must be made solid enough to withstand the turmoil that looms ahead. We need to develop the processes and principles of the Conference on Security and Cooperation in Europe (CSCE) and perhaps other mechanisms to ease ethnic and national tensions and to dampen and resolve conflicts.

Europe also may be about to face a new problem, not new in kind, but in scope: mass migrations and flows of refugees in response to the breakdown of the communist world and the magnetic attraction of Western European prosperity. From the Soviet Union and Eastern Europe, from North Africa and the Near East, we could see thousands fleeing economic hardship and seeking a better life. For Western European countries, there could be enormous economic, social and political strains -- an unprecedented challenge to the new Europe, testing its moral and political character.

REGIONAL TRENDS

While Europe remains a central strategic arena, the Gulf crisis reminded us how much our interests can be affected in other regions as well.

As the effects of the Cold War recede, regional disputes are less likely automatically to be perceived as part of a permanent -- frequently dangerous, sometimes violent -- global competition, thus allowing broader international cooperation in their resolution.

Less happily, in some regions this overall positive trend could unleash local, destructive forces that were formerly kept in check. As we saw in the Gulf, there is the danger of locally dominant powers, armed with modern weaponry and ancient ambitions, threatening the world's hope for a new era of cooperation. We see regimes that have made themselves champions of regional radicalism, states that are all too vulnerable to such pressures, governments that refuse to recognize one another, and countries that have claims on one another's territory -- some with significant military capabilities and a history of recurring war. A key task for the future will be maintaining regional balances and resolving such disputes before they erupt in military conflict.

If the end of the Cold War lives up to its promise and liberates U.S. policy from many of its earlier concerns, we should be able to concentrate more on enhancing security -- in the developing world, particularly through means that are more political, social and economic than military. We must recognize the stark fact that our hopeful new era still has within it dislocations and dangers that threaten the fragile shoots of democracy and progress that have recently emerged. Malnutrition, illiteracy and poverty put dangerous pressures on democratic institutions as hungry, uneducated or poorly housed citizens are ripe for radicalization by movements of the left and the right. Our response to need and turmoil must increasingly emphasize the strengthening of democracy, and a long-term investment in the development of human resources and the structures of free markets and free governments. Such measures are an investment in our own security as well as a response to the demands of simple justice.

The Western Hemisphere

Nowhere is this more true than in our own hemisphere, where our fundamental aims are to deepen the sense of partnership and common interest.

Latin Americans have long argued that U.S. interest has waxed and waned with the rise and fall of extrahemispheric threats to regional security. Our policy has sought to allay these fears, as it is founded on the principle of a common destiny and mutual responsibility. The Western Hemisphere is all the more significant to the United States in light of today's global trends, political and economic.

The resurgence of democracy, the worldwide phenomenon that is such an inspiration to us, is heading toward a dramatic achievement -- a completely democratic hemisphere. This drive gained momentum last year with the election of democratic governments in Nicaragua and Haiti, the restoration of democracy in Panama, and several other democratic elections. The electoral defeat of the Sandinista government in Nicaragua is especially noteworthy as it has led to the end of Soviet and Cuban military assistance, thereby increasing the security of all of Central America. The United States has provided political and economic support for the new government and its program for reconstruction and long-term development. Despite these successes, we realize that democratic institutions in much of Latin

East Asia and the Pacific

East Asia and the Pacific are home to some of the world's most economically and politically dynamic societies. The region also includes some of the last traditional Communist regimes on the face of the globe. Regional hotspots tragically persist on the Korean peninsula and in Cambodia, and there are territorial disputes in which progress is long overdue, including the Soviet Union's continued occupation of Japan's Northern Territories.

In this complex environment, an era of Soviet adventurism is on the ebb, even while its effects linger. This is placing new stresses on Vietnam, Cambodia and North Korea as Soviet military and economic aid declines and Moscow seeks to improve relations with Seoul, Tokyo and other capitals. China is coming to view its neighbors in a new light, and is gradually adjusting to a changing perception of the Soviet threat.

Through a web of bilateral relationships, the United States has pursued throughout the postwar period a policy of engagement in support of the stability and security that are prerequisites to economic and political progress. U.S. power remains welcome in key states in the region, who recognize the pivotal role we continue to play in the regional balance. We remain a key factor of reassurance and stability. By ensuring freedom of the seas through naval and air strength and by offering these capabilities as a counterweight in the region's power equations, we are likely to remain welcome in an era of shifting patterns and possible as new frictions.

Today's basically healthy conditions cannot be taken for granted. We will continue to be a beacon for democracy and human rights. We will meet our responsibilities in the security field. We will also remain actively engaged in promoting free and expanding markets through Asian Pacific Economic Cooperation, recognizing that economic progress is a major ingredient in Asia's political stability and democratic progress.

As noted earlier, our alliance with Japan remains of enormous strategic importance. Our hope is to see the U.S.- Japan global partnership extend beyond its traditional confines and into fields like refugee relief, non- proliferation and the environment. On the Korean peninsula, we and the Republic of Korea seek to persuade North Korea of the benefit of confidence-building measures as a first step to lasting peace and reunification. We firmly believe that true stability can only be achieved through direct North- South talks. At the same time, the United States remains committed to the security of the Republic of Korea as it continues to open its economic and political systems. We are increasingly concerned about North Korea's failure to observe its obligations under the Nuclear Non-Proliferation Treaty, and consider this to be the most pressing security issue on the peninsula.

China, like the Soviet Union, poses a complex challenge as it proceeds inexorably toward major systemic change. China's inward focus and struggle to achieve stability will not preclude

increasing interaction with its neighbors as trade and technology advance. Consultations and contact with China will be central features of our policy, lest we intensify the isolation that shields repression. Change is inevitable in China, and our links with China must endure.

The United States maintains strong, unofficial, substantive relations with Taiwan where rapid economic and political change is underway. One of our goals is to foster an environment in which Taiwan and the Peoples Republic of China can pursue a constructive and peaceful interchange across the Taiwan Strait.

In Southeast Asia, there is renewed hope for a settlement in Cambodia. Only through resolution of the conflict in Cambodia can there be the promise of our restoring normal relations with that beleaguered nation and with Vietnam. Hanoi and Phnom Penh have sadly delayed the day when they can enjoy normal ties with us or their Southeast Asian neighbors. Of course, the pace and scope of our actions will also be directly affected by steps that are taken to resolve the fate of Americans still unaccounted for. The resolution of this issue remains one of our highest priorities.

Even with the loss of Clark Air Base, we remain committed to helping the Philippines make a success of its new democracy and to fulfilling our legitimate defense function there as allies and equals. In the South Pacific, we are demonstrating renewed interest in and assistance for the island states. Australia retains its special position as a steadfast ally and key Pacific partner. We look forward to the day when New Zealand will choose to resume its responsibilities to the ANZUS alliance and rejoin Australia and the United States in this important regional structure.

The Middle East and South Asia

The reversal of Iraq's aggression against Kuwait was a watershed event. Nonetheless, our basic policy toward the region shows powerful continuity. American strategic concerns still include promoting stability and the security of our friends, maintaining a free flow of oil, curbing the proliferation of weapons of mass destruction and ballistic missiles, discouraging destabilizing conventional arms sales, countering terrorism and encouraging a peace process that brings about reconciliation between Israel and the Arab states as well as between Palestinians and Israel in a manner consonant with our enduring commitment to Israel's security.

The regional environment since Desert Storm presents new challenges and new opportunities. Even as we provide badly needed relief and protection to refugees, we will work to bring about greater security and a lasting peace.

-- We will help states in the Middle East to fashion regional security arrangements that bolster deterrence and encourage the peaceful resolution of disputes.

-- We will work with parties inside and outside the region to change the destructive pattern of military competition and proliferation. This will involve confidence-building and arms control measures as well as more global forms of control over the supply of arms, especially weapons of mass destruction and the means to deliver them.

-- We will encourage economic reconstruction and recovery, using the political and economic strengths of the victorious coalition to support economic openness and cooperation. We will also encourage regional states to evolve toward greater political participation and respect for human rights.

-- We will continue the effort to bring about a comprehensive peace and true reconciliation between Israel and the Arab states and between Israel and the Palestinians.

-- We will continue to demand that Iraq comply fully and unconditionally with all relevant UN resolutions, including Security Council Resolution 687 and its stipulation that Iraqi weapons of mass destruction and ballistic missile-related facilities be destroyed.

-- We remain open to an improved relationship with Iran. However, meaningful improvement can only occur after Iran makes clear it is lending no support to hostage-taking or other forms of terrorism.

-- We will also continue to monitor Libyan behavior, including terrorism, proliferation of weapons of mass destruction and attempts to destabilize neighboring governments.

In South Asia, as elsewhere, we strongly believe that security is best served by resolving disputes through negotiations rather than military pressure. The dangers of intermediate-range missile deployments and nuclear proliferation in the sub-continent persist, however, and this year we were unable to certify Pakistan's nuclear program under the Pressler Amendment. We will continue to encourage Indo-Pakistani rapprochement and the adoption of confidence-building measures and other concrete steps to moderate their military competition. We also remain committed to achieving a comprehensive political settlement in Afghanistan.

Africa

The end of the Cold war should benefit Africa in that it will no longer be seen as a battleground for superpower conflict. In a world at peace, more attention and resources should be freed to help the world's poorest. Nonetheless, many Africans now fear that the outside world will lose interest in their troubled continent, just at the moment when many negative trends from economic decline to AIDS to environmental degradation are likely to accelerate.

In a continent as diverse as Africa, democracy -- as it emerges, reemerges, or begins its development -- may take different forms, and its progress will be uneven. But we need not be inhibited in supporting values that have proved universal -- political and human rights, democratic limits on the powers of government, judicial independence, free press and free speech. To those who think these goals are out of reach because of Africa's poverty and disparate cultures, we say that democracy remains the political system most open to cultural diversity and most conducive to economic advance. Freedom, in its universal meaning, is Africa's birthright as much as it is anyone else's.

In the economic realm, hope lies in reducing the burden of statism and encouraging indigenous enterprise and human talent, especially in agriculture. The most important steps are those that must be taken by Africans themselves. Concepts of democracy and market economics must be applied in a continent where initially these concepts were rejected because socialism was fashionable. That failed experiment has now run its course, and political elites across Africa are rediscovering basic truths about political and economic freedom as the source of progress. We need to support this growing realism, which recognizes the failures from the past and which has produced pragmatic new leaders ready to move in new directions. Benign neglect will not suffice.

Africa is not without its beacons of hope. The efforts of white and black leaders in South Africa to move that country into a democratic, constitutional, post-apartheid era merit our active support and we have provided it. We have made clear our firm and enthusiastic support for the brave endeavor on which they have embarked.

Elsewhere in Africa, we can be proud of the role we played in bringing to an end civil wars in Angola and Ethiopia. We continue to play an active role in helping to resolve other conflicts such as those in Liberia and Mozambique.

Africa is now entering an age in which it can benefit from past mistakes and build a realistic, self-sustaining future. It is in our interest, for political as well as humanitarian reasons, to help that process.

III. Relating Means to Ends: A Political Agenda for the 1990s

ALLIANCES, COALITIONS AND A NEW UNITED NATIONS

Our first priority in foreign policy remains solidarity with our allies and friends. The stable foundation of our security will continue to be a common effort with peoples with whom we share fundamental moral and political values and security interests. Those nations with whom we are bound by alliances will continue to be our closest partners in building a new world order.

As our response to the Gulf crisis demonstrated, our leadership in a new era must also include a broader concept of international community and international diplomacy. If tensions with the

Soviet Union continue to ease, we will face more ambiguous -- but still serious -- challenges. It will be difficult to foresee where future crises will arise. In many cases they will involve states not part of one or another bloc. Increasingly we may find ourselves in situations in which our interests are congruent with those of nations not tied to us by formal treaties. As in the Gulf, we may be acting in hybrid coalitions that include not only traditional allies but also nations with whom we do not have a mature history of diplomatic and military cooperation or, indeed, even a common political or moral outlook. This will require flexibility in our diplomacy and military policy, without losing sight of the fundamental values which that diplomacy and policy are designed to protect and on which they are based. To this end, we are well served to strengthen the role of international organizations like the United Nations.

For over 40 years political differences, bloc politics and demagogic rhetoric have kept the UN from reaching the full potential envisioned by its founders. Now we see the UN beginning to act as it was designed, freed from the superpower antagonisms that often frustrated consensus, less hobbled by the ritualistic anti-Americanism that so often weakened its credibility.

The response of the UN to Iraq's unprovoked aggression against a member state has truly vindicated and rejuvenated the institution. But even before that, the UN had distinguished itself in fostering democratic change in Namibia and Nicaragua. In the near future, we hope to see it play a constructive role in Afghanistan, Cambodia, the Western Sahara, El Salvador and elsewhere, assisting with elections and the return of displaced persons, as well as with peace-keeping.

The role of the UN in improving the human condition and ameliorating human suffering -- development, aid to refugees, education, disaster relief -- will continue to attract our leadership and resources. High on our agenda for international cooperation are the global challenges posed by illegal drugs, terrorism and degradation of the environment.

The costs of a world organization that can effectively carry out these missions are already significant and will increase as new tasks are undertaken. We have re-stated our intention to pay in full our annual assessments and are now paying arrearages. We intend to complete arrearages payments no later than 1995 and to pay our share of any new peacekeeping requirements. In voluntary funding, we will pay our fair share and encourage others to do the same.

THE CONTEST OF IDEAS AND THE NURTURING OF DEMOCRACY

Recent history has shown how much ideas count. The Cold War was, in its decisive aspect, a war of ideas. But ideas count only when knowledge spreads. In today's evolving political environment, and in the face of the global explosion of information, we must make clear to our friends and potential adversaries what we stand for.

The need for international understanding among different peoples, cultures, religions and forms of government will only grow. In a world without the clear-cut East-West divisions of the past, the flow of ideas and information will take on larger significance as once-isolated countries seek their way toward the international mainstream. Indeed, information access has already achieved global proportions. A truly global community is being formed, vindicating our democratic values.

Through broadcasts, academic and cultural exchanges, press briefings, publications, speakers and conferences, we engage those abroad in a dialogue about who and what we are -- to inform foreign audiences about our policies, democratic traditions, pluralistic society and rich academic and cultural diversity. We will increase our efforts to clarify what America has to contribute to the solution of global problems -- and to drive home democracy's place in this process.

ARMS CONTROL

Arms control is an important component of a balanced strategy to ameliorate the deadly consequences of global tensions as well as to reduce their fundamental causes. Our goal remains agreements that will enhance the security of the United States and its allies while strengthening international stability by:

- reducing military capabilities that could provide incentives to initiate attack;
- enhancing predictability in the size and structure of forces in order to reduce the fear of aggressive intent;
- ensuring confidence in compliance, through effective verification.

Our pursuit of these goals has profited from the recent, positive changes in East-West relations. With renewed commitment to conscientious implementation and the resolution of remaining issues, we are within reach of completing an arms control agenda that few imagined possible.

Much has already been accomplished. Within the past year we and the Soviets have agreed to cease production of chemical weapons and to destroy, using safe and environmentally- sound procedures, the vast majority of our chemical weapons stocks. We have agreed to new protocols to treaties on limiting underground nuclear weapons tests and nuclear explosions for peaceful purposes, incorporating unprecedented on-site verification of compliance with the limits set by the treaties. At the Paris Summit last November, the United States, the Soviet Union and the other nations of the Conference on Security and Cooperation in Europe (CSCE) endorsed new measures to promote transparency in military dispositions and practices.

Also in Paris, the United States, our North Atlantic allies, the states of Eastern Europe and the Soviet Union signed the Treaty on Conventional Armed Forces in Europe (CFE), a historic agreement that will establish numerical parity in major conventional armaments between East and West from the Atlantic to the Urals. The treaty will require thousands of weapons to be destroyed and includes unprecedented monitoring provisions. Submitting the treaty to the Senate for its advice and consent to ratification was delayed by Soviet claims made after the treaty was signed -- that some of its ground force equipment held by units like naval infantry and coastal defense was not covered by the agreement. The satisfactory resolution of this question has opened the way for us to move forward.

Soviet behavior on CFE complicated the completion of a Strategic Arms Reduction Treaty. However, during the London Economic Summit, Presidents Bush and Gorbachev were able to overcome the last few obstacles on START, ending nine long years of difficult, technical negotiations. Signed in Moscow, this agreement will mark a fundamental milestone in reducing the risk of nuclear war-stabilizing the balance of strategic forces at lower levels, providing for significant reductions in the most threatening weapons and encouraging a shift toward strategic systems better suited for retaliation than for a first strike.

Our efforts to improve strategic stability will not stop here. We and the Soviets have pledged further efforts to enhance strategic stability and reduce the risk of nuclear war. We will seek agreements that improve survivability, remove incentives for a nuclear first strike and implement an appropriate relationship between strategic offenses and defenses. In particular, we will pursue Soviet agreement to permit the deployment of defenses designed to address the threat of limited ballistic missile strikes, a growing mutual concern. We are also consulting with our NATO allies on the framework that will guide the United States in future discussions with the Soviet Union on the reduction of short-range nuclear forces in Europe.

The United States has long supported international agreements designed to promote openness and freedom of navigation on the high seas. Over the past year, however, the Soviet Union has intensified efforts to restrict naval forces in ways contrary to internationally recognized rights of access. We will continue to reject such proposals. As a maritime nation, with our dependence on the sea to preserve legitimate security and commercial ties, freedom of the seas is and will remain a vital interest. We will not agree to measures that would limit the ability of our Navy to protect that interest, nor will we permit a false equation to be drawn between our Navy and regional ground-force imbalances that are inherently destabilizing. Recent events in the Gulf, Liberia, Somalia and

elsewhere show that American seapower, without arbitrary limits on its force structure or operations, makes a strong contribution to global stability and mutual security.

STEMMING PROLIFERATION

As we put the main elements of European and East-West arms control into place, attention will increasingly turn to other regional and global arms control objectives. None is more urgent than stopping the global proliferation of nuclear, chemical and biological weapons, as well as the missiles to deliver them.

The Gulf crisis drove home several lessons about this challenge:

-- International agreements, while essential, cannot cope with the problem alone. Iraq is a party to both the 1925 Geneva Protocol and the 1968 Nuclear Non-Proliferation Treaty (NPT). Notwithstanding its treaty obligations, Iraq has used chemical weapons and pursued nuclear ambitions.

-- Export controls must be strengthened. Chemical weapons facilities in Libya and Iraq received technology and equipment from Western companies. Iraq used the deadly product of its facilities against its own people. Iraqi and several other nations' nuclear efforts and missile programs have also benefited from outside assistance.

-- A successful non-proliferation strategy must address the underlying security concerns that drive the quest to obtain advanced weapons and must encompass contingency planning to deal with these weapons should prevention fail.

We are pursuing a three-tiered non-proliferation strategy: to strengthen existing arrangements; to expand the membership of multilateral regimes directed against proliferation; and to pursue new initiatives -- such as the Chemical Weapons Convention and the initiative the President launched in May for the Middle East.

This latter effort reflects all the elements of our non-proliferation strategy. It includes promising new approaches, such as a proposed set of guidelines for responsible conventional weapons transfers to the region and a proposal to freeze acquisition, production and testing of surface-to-surface missiles. It also seeks to expand the membership of the Non-Proliferation Treaty and the Biological Weapons Convention, and to strengthen the application of these and other agreements where they are already in force.

In other areas, we have already tightened export controls, streamlining export-licensing procedures while taking full account of security needs. New standards will ensure that the export of supercomputers will be subject to stringent safeguards against misuse. Criminal penalties and other sanctions against those who contribute to proliferation will be expanded.

To thwart the export of chemical and biological weapon-related materials and technology, we have expanded our own controls over precursor chemicals and proposed stringent international controls, recognizing that only multilateral measures will be truly effective in a competitive global marketplace. This multilateral approach bore fruit in the twenty-nation Australia Group of major chemical suppliers, which agreed in May to control common lists of chemical weapon precursors and equipment usable in chemical weapons manufacture. The best non-proliferation measure, of course, would be a completed Chemical Weapons Convention.

Our efforts to stem the proliferation of threatening missiles center on the multinational Missile Technology Control Regime (MTCR), strengthened last year by the inclusion of several new members. Since missile proliferation efforts will surely persist, we and our MTCR partners must improve controls, broaden membership further and reinforce the emerging international consensus against the spread of missile technology.

In the nuclear sphere, last year's review conference of the Nuclear Non-Proliferation Treaty produced a large measure of consensus that the NPT remains essential to global stability, although intransigence by a few delegations blocked unanimous agreement to a final conference declaration. The United States remains steadfast in support of the NPT and the International Atomic Energy

Agency (IAEA), which provides technical assistance for civilian uses of nuclear energy while safeguarding materials essential for the development of nuclear weapons. Although trouble spots remain, progress has been made. Iraqi nuclear efforts have been set back substantially, while the UN Special Commission implementing Security Council Resolution 687 seeks dismantlement of all nuclear weapon-related activities in Iraq. Argentina and Brazil have agreed to accept IAEA safeguards on all their nuclear facilities and to take steps toward bringing into force the Treaty of Tlatelolco, which creates a Latin American nuclear-weapons-free zone. Agreement by India and Pakistan to ban attacks on each other's nuclear facilities also helped ease the tense nuclear rivalry in that part of the world.

The proliferation of advanced weapons poses an ominous challenge to global peace and stability. To meet it, we will work with our allies to address the causes of strife while curbing exports to builders of weapons of mass destruction.

INTELLIGENCE PROGRAMS

The unprecedented scope and pace of change in today's world -- and the increasing number of actors now able to threaten global peace -- highlight the need for reliable information and a sophisticated understanding of events and trends. The global reach of American intelligence capabilities is a unique national asset, crucial not only to our own security, but also to our leadership role in responding to international challenges.

The Soviet Union necessarily remains a major concern of U.S. policy. While changes in the Soviet Union promise hope, the turbulence of change itself demands that we monitor events and assess prospects for the future. Our monitoring of Soviet military capabilities and the effective verification of arms control treaties will remain the bedrock of any effort to build confidence and a safer world.

In a new era there are also new tasks and new priorities. Regional turmoil will place growing burdens on intelligence collection, processing and analysis. At the same time, we must track the threats posed by narcotics trafficking, terrorism and the proliferation of advanced weapons. We must also be more fully aware of international financial, trade and technology trends that could affect the security of the United States, including its economic well-being.

Sweeping political and economic changes also make for a more challenging counterintelligence environment. Warmer relations between the United States and former adversaries will open new opportunities for the intelligence services of those countries. Growing international economic competition and potential regional instabilities vastly broaden the scope of the potential intelligence threat. Our traditional openness, combined with recent changes in immigration laws and the sheer volume of information flow in the United States, affords great access to sensitive information and facilities as well as to individuals who may be targets for intelligence collection.

ECONOMIC AND SECURITY ASSISTANCE

Foreign assistance is a vital instrument of American foreign policy. Now as we look forward to expanded cooperation with our prosperous fellow democracies, with a growing number of regional organizations and with a revitalized United Nations -- we are revisiting the direction and priorities of our foreign assistance program. We will focus our efforts and resources on five major challenges:

- Promoting and consolidating democratic values: Our programs will be an increasingly valuable instrument for fostering political choice, human rights and self-determination. From Central America to South Africa to Eastern Europe, we have used our influence to advance these universal goals.

- Promoting market principles: U.S. assistance must encourage economic reform and sustainable development. Multilaterally -- through institutions like the International Monetary Fund,

the World Bank, and the General Agreement on Tariffs and Trade -- we foster policies that break down statist barriers to enterprise and unleash the productive forces within every society.

-- Promoting peace: The bonds of collective defense can be strengthened through economic and security assistance. Such programs allow friendly states to achieve the security and stability essential for political freedom and economic growth. They are also an indispensable tool in cementing our alliance relationships enhancing interoperability, promoting needed access and reaping goodwill.

-- Protecting against transnational threats: International terrorism, narcotics, AIDS and environmental degradation threaten all peaceful nations. Our aid helps combat these dangers.

-- Meeting urgent human needs. We will respond quickly and substantially to the suffering caused by natural or man-made disasters.

Managed wisely, our aid programs can play a key role in fostering a world order that comports with our fundamental values. But we must ensure that our resources are adequate, that our programs pursue well-defined goals, and that we retain the flexibility to respond to change and unforeseen requirements and opportunities. The changes we have recently proposed to the Foreign Assistance Act will eliminate obsolete and inconsistent provisions and set a solid foundation for cooperation with the Congress on a program that can respond to fast-moving events in the world as quickly as they occur. Such reform is urgently needed if our aid program is to be relevant to today's necessities.

ILLICIT DRUGS

The international trade in drugs is a major threat to our national security. No threat does more damage to our national values and institutions, and the domestic violence generated by the trade in drugs is all too familiar. Trafficking organizations undermine the sovereign governments of our friends and weaken and distort national economies with a vast, debilitating black market and large funding requirements for enforcement, criminal justice, prevention and treatment systems. Demand reduction at home and an aggressive attack on the international drug trade are the main elements in our strategy. They must be pursued together.

During the 1990s, cocaine traffickers will likely try to develop new markets in Europe -- particularly in light of the impending relaxation of border controls between EC countries -- and in those nations of East Asia experiencing rapid economic growth. We can also expect increasingly energetic efforts to import cocaine and heroin into the United States, including the use of longer-range aircraft entering U.S. airspace via Canada and of drug-laden cargo containers transshipped to the United States via Europe and the Pacific. Renewed assaults on the U.S. market by increasingly sophisticated traffickers remind us of the need to also attack the drug trade at the source -- its home country base of operations.

Such an effort begins with bolstering the political commitment of drug producer and transit countries to strengthen their laws, legal institutions and programs to prosecute, punish, and -- where appropriate -- extradite drug traffickers and money launderers. In the Andean region, where most of the world's cocaine is cultivated and refined, we seek to enhance the effectiveness of host-nation law enforcement and military activities against powerful and well entrenched trafficking organizations, and to increase public and leadership awareness of the drug threat. Our trade, aid and investment programs aim to strengthen and diversify the legitimate economies of the drug-producing Andean nations to enable them to overcome the destabilizing effects of eliminating coca and its derivatives, major sources of income. Our heroin strategy will foster cooperation with other countries, to engage their resources to dismantle their own cultivation and refining industries, and reduce demand for drugs. We will solicit the assistance of others in influencing producers to whom we have limited access.

IMMIGRANTS AND REFUGEES

As a nation founded by immigrants and refugees, the United States has a strong tradition of taking in those who flee persecution and seek a better life. We open our doors annually to tens of thousands of refugees and hundreds of thousands of immigrants, welcoming both for the diversity and strength they bring the Nation. We also have a commitment to help the uprooted who are in danger or in need, a commitment demonstrated in the past several months by our role in the international effort to assist Iraqi refugees and our reaching out to Africans and others.

In 1990 the United States welcomed refugees from all regions of the world. As in the past several years, the majority came from the Soviet Union and Asia. In Vietnam, we are dismayed by continued human rights abuses. Hanoi is, however, allowing former political prisoners to emigrate. The United States resettled 14,000 former political prisoners and their family members from Vietnam in 1990 and the number will increase this year. But we cannot take in everyone. We must look to other countries to be more receptive to those in need. Nor can the United States Government fund and provide for every refugee in this country. As in the past, our private sector has an important role to play.

As noted earlier, economic hardship, political uncertainty and ethnic strife may generate large numbers of refugees in Europe. Some will be true refugees and others will be economic migrants, those who move to escape economic misery. Though international responses must differ between these two categories -- to be able to protect those who flee persecution and may be in physical danger -- the world's nations must be ready to respond quickly and humanely to both. For 16 million refugees worldwide, the United States offers assistance through international programs and recognizes the critical role of nongovernmental organizations in providing care. Our budgeted refugee assistance levels have increased, and we will do our fair share. We will also meet our responsibility to search for diplomatic solutions to the problems that spawn refugee flows.

A period of turmoil and transition is often a period of dislocation. If our diplomatic efforts and our aid programs prove inadequate, the volume of refugees and migrants will be an index of our failure. The world community will need to be prepared.

IV. Relating Means to Ends: An Economic Agenda for the 1990s

Events of the past year have reaffirmed the critical link between the strength and flexibility of the U.S. economy and our ability to achieve national objectives. Indeed, strong macroeconomic performance on the part of the United States is not only an economic objective but a prerequisite for maintaining a position of global political leadership.

ECONOMIC CHALLENGES

Even as we now see a transformation of the global economy along lines consistent with policies we have pursued for many years, new challenges -- the crisis in the Gulf and its aftermath, the political and economic transformation in Eastern Europe and potentially in the Soviet Union, the resurgence of democracy and market economies in Central and South America -- have placed new demands on our management of economic policy. We must ensure that our domestic economy and our economic involvement abroad are responsive to a changing economic landscape.

Iraq's invasion of Kuwait, and actions taken by the international coalition to resist Iraqi aggression, especially tested our economic strength and our ability to help manage international economic forces. Economies around the world were affected by the volatility of oil prices and the disruption of economic ties to countries in the Gulf. Egypt, Turkey and Jordan were particularly hurt. We must continue to work to ensure the economic health of these countries as well as others that have suffered markedly from this crisis. The United States will provide leadership, but in close collaboration with major donors and creditors and with international financial institutions, particularly the International Monetary Fund and the World Bank.

As always, a dynamic domestic economy plays a critical role in helping us achieve national objectives in all spheres. Policies to control inflation, reduce the Federal deficit, promote savings, improve the labor force and encourage competitiveness and entrepreneurial initiative remain critical

to our overall well-being and security. As economies expand worldwide, the economic strength of others will, of course, grow in relative terms. This is not a threat to us, but rather a success of Western policies. That said, Americans must realize that the economic strength vital to our national interests comes from investing for the future, thus putting a premium on domestic saving. Today's labor force and management, and those of tomorrow, must also be committed to quality and innovation. These are the fruits of hard work -- and a prerequisite for continued global leadership.

We continue to pursue a strategy that expands and strengthens market economies around the world. This will require international efforts to open markets and expand trade; to strengthen cooperation among major industrial countries and with international financial institutions; and to apply imaginative solutions to the problems of developing countries.

MAINTAINING ECONOMIC GROWTH

Clear signs are emerging that the U.S. economy is pulling out of its brief recession but uncertainty remains over economic performance in much of the rest of the world. Therefore, macroeconomic policies in all the major countries must be designed to sustain global economic recovery with price stability. Global growth is needed in order to create a favorable economic and trade environment for reform and reconstruction in Eastern Europe and the USSR, and ensure as well the success of the democratic, market-oriented measures that have been adopted worldwide. The major countries must continue to strengthen global coordination of economic policies to achieve these aims.

GLOBAL IMBALANCES

While the U.S. trade deficit has continued to decline, trade imbalances with Japan and many other countries remain substantial. Reducing these imbalances remains a priority. For the United States this requires a sustained effort to reduce and ultimately eliminate budget deficits while also encouraging private savings and investment in order to preserve U.S. competitiveness. Countries with large trade surpluses bear a special responsibility for maintaining adequate growth in domestic demand and opening their markets further to imports.

DEBT

The aggregate debt of developing countries was projected to reach \$1.3 trillion in 1990, according to the World Bank. Inappropriate domestic policies in debtor countries -- overvalued exchange rates, large budget deficits, investment in inefficient public enterprises and restrictions on trade and investment -- were major causes of this debt accumulation and contributed to capital flight. External shocks, high international interest rates and recession in the 1980s also hurt. Recently this burden has been exacerbated by the economic dislocations and fluctuations in energy prices resulting from the Gulf crisis.

In March 1989, the United States proposed a new international debt strategy that advanced voluntary reduction of commercial bank debt and debt service to help restore debtor financial health and pave the way for new commercial bank lending. Implementation of a strong economic reform program supported by the IMF and World Bank is a prerequisite. So far, Mexico, Costa Rica, Nigeria, the Philippines, Venezuela, Morocco, Uruguay and Chile have negotiated agreements under these proposals. Others are undertaking reforms to obtain such support.

Creditor governments have also made substantial contributions to relief through rescheduling of official bilateral debt and have recently offered new treatment for the official debt of lower middle income countries, as mandated by last year's Houston Economic Summit, and for Poland and Egypt. The Enterprise for the Americas Initiative also promotes growth in Latin America by emphasizing official debt reduction and investment reform.

TRADE

Countries accept as natural that trade and investment should flow freely within national boundaries or within special regional groupings in order to improve economic and social welfare.

Internationally, this concept has met varying degrees of acceptance. Countries have protected certain sectors for national security, economic, industrial or social reasons.

For the last 50 years, significant efforts have been undertaken, primarily through the General Agreement on Tariffs and Trade (GATT), to expand trade among all nations by opening markets and resolving trade disputes. The latest and most ambitious effort has been the Uruguay Round of Multilateral Trade Negotiations, begun in 1986. The Uruguay Round is distinguished from previous efforts by the intention of GATT members to extend GATT rules to areas such as agriculture, services, investment, the protection of intellectual property and textiles. At the Houston Economic Summit in 1990, the United States, Canada, Japan, France, Germany, Italy, the United Kingdom, and the European Community committed to removing trade barriers in these politically difficult areas. The wise action of Congress in extending "fast track" procedures for trade agreements is evidence of America's commitment to responsible leadership.

The promise of the Uruguay Round has yet to be fulfilled, however, primarily because of strong differences over the scope and pace of efforts to dismantle the enormous barriers to trade in agricultural goods. Given the interdependence of modern economies, and the need to expand trading opportunities for emerging democracies and other developing countries, it is important that the Round be brought to a successful conclusion. This is a test of the ability and willingness of all countries to rise to the challenges of a new world order and will require compromise on all sides. The United States will do its part. A successful Round will not end bilateral trade disputes but it will enable countries to resolve them in a multilateral context and on the basis of internationally agreed rules.

The United States will continue its efforts to expand trade further. We are working with Japan under the Structural Impediments Initiative to lower trade barriers. As noted earlier, we are building on the successful U.S.-Canada Free Trade Agreement by undertaking discussions with Mexico and Canada which we expect will lead to a trilateral free trade agreement linking all three economies. The Enterprise for the Americas Initiative and preferential trade programs for the Caribbean basin and the Andean region will also foster trade liberalization.

TECHNOLOGY

The interrelationship of economic and military strength has never been stronger. Both are affected by the way technology transfer is handled, particularly with respect to export controls. Balances must be struck. Loss of technological leadership can undermine military readiness and strength. Not participating freely in worldwide markets constrains economic growth. Recent changes to our strategic trade policies reflect a new balance between these competing factors.

In cooperation with our Western partners in the Coordinating Committee for Multilateral Export Controls (COCOM), we have completely overhauled export controls, reducing them to a core list of only the most strategically significant goods and technologies. This action reflects the emergence of democratic governments in Eastern Europe as well as a reduced military threat to the United States and our allies from a dissolved Warsaw Pact and a Soviet army that is withdrawing. The result has been a two-thirds reduction in the licenses that industry is required to obtain prior to exporting.

Treating the new democracies of Central and Eastern Europe differently from the Soviet Union, we and our COCOM partners have adopted a wide-ranging special procedure for Poland, Hungary and Czechoslovakia that ensures that controlled technology imports are used for purely civilian applications. We look forward to the day when we can remove these countries completely from the list of proscribed destinations. We have a strong interest in promoting the growth of free markets in democratic societies. At the same time we must be sure that the easing of COCOM controls does not result in the proliferation of dangerous technologies to other areas like the Middle East. For that reason, we have -- in close cooperation with other supplier nations -- significantly

improved controls on technologies useful in developing nuclear, chemical and biological weapons and the missiles to deliver them.

ENERGY

Secure, ample, diversified and clean supplies of energy are essential to our national economic prosperity and security. For the foreseeable future, oil will remain a vital element in our energy mix. For geological and economic reasons, U.S. oil imports are likely to increase in coming years. The rate of increase, however, could be reduced by improving the efficiency with which oil is used in the economy and by substituting alternative fuels.

Security of oil supplies is enhanced by a supportive foreign policy and appropriate military capabilities. We will work to improve understanding among key participants in the oil industry of the basic fundamentals of the oil market. We will also maintain our capability to respond to requests to protect vital oil facilities, on land or at sea, while working to resolve the underlying political, social and economic tensions that could threaten the free flow of oil.

The stability of the Gulf region, which contains two-thirds of the world's known oil reserves, is of fundamental concern to us. Political and military turbulence in the region has a direct impact on our economy, largely through higher oil prices and potential supply disruptions. Diversification of both productive and spare capacity is important to providing a cushion to the oil market. Increased production, in an environmentally sound manner, from other areas would also contribute to the security of oil supplies.

Because energy markets particularly the oil market are global, our energy security requires close cooperation among energy consumers. The aftermath of Iraq's invasion of Kuwait demonstrates the need to improve strategic stock levels within oil-consuming countries and the value of international cooperation to help mitigate damage brought about by sudden, serious disruptions of supply. The United States should develop creative mechanisms to fill its Strategic Petroleum Reserve to the statutorily required one billion barrels, consistent with sound budgetary practices and avoiding an unnecessary burden on the oil market.

Our use of oil is the key source of our vulnerability to world oil supply disruption. To reduce this vulnerability, we must work to both reduce oil consumption and to use oil more efficiently. The efficient use of energy in all sectors of our economy is of particular importance. We must intensify the development of alternative sources of energy (nuclear, natural gas, coal and renewables) and support aggressive research and development of advanced energy technologies to provide the clean, affordable, reliable energy supplies we will need in the mid-21 st century.

To meet pressing environmental concerns, we must limit the harmful effects of energy production, transportation and use. The increased, safe use of nuclear power, for example, can significantly reduce green-house gas emissions.

THE ENVIRONMENT

We must manage the Earth's natural resources in ways that protect the potential for growth and opportunity for present and future generations. The experience of the past half-century has taught that democratic political institutions and free market economies enhance human well-being. But even as we experience political and economic success, we cannot ignore the costs that growth, unguided by wisdom, can impose on our natural environment. A healthy economy and a healthy environment go hand-in hand. Solutions must be found that protect our environment while allowing for the economic development needed to improve the living standards of a growing world population.

Global environmental concerns include such diverse but interrelated issues as stratospheric ozone depletion, climate change, food security, water supply, deforestation, biodiversity and treatment of wastes. A common ingredient in each is that they respect no international boundaries. The stress from these environmental challenges is already contributing to political conflict.

Recognizing a shared responsibility for global stewardship is a necessary step for global progress. Our partners will find the United States a ready and active participant in this effort.

SPACE

The time has come to look beyond brief space encounters and to commit to a future in which Americans and citizens of all nations live and work in space. We have developed a plan to make this vision a reality and the National Space Council, under Vice President Quayle, is charged with bringing coherence, continuity and commitment to our efforts. We have made solid progress in the five key elements of our space strategy:

- Developing our space launch capability as a national resource: This infrastructure will be to the 21st century what the great highway and dam projects were to the 20th. Reliable space launchers will provide the "highway" to space and the solar system in the next century.

- Expanding human presence and activity beyond earth orbit and into the Solar System: We are well underway with unmanned exploration of the Solar System. Magellan, Viking and Voyager have been spectacular successes, Galileo is on its way to Jupiter, Ulysses has launched on its wide-ranging orbit of the sun and soon we will begin missions to Saturn and the Asteroid Belt. The Space Exploration Initiative will build on the successes and expertise developed in the Apollo, Skylab, Space Shuttle and eventually the Space Station Freedom programs, ultimately establishing permanent human settlements on the Moon and putting humans on Mars.

- Obtaining scientific, technological and economic benefits and improving the quality of life on earth: Communications satellites already link people around the globe; their contribution to the free flow of information and ideas played a part in the Revolution of '89. We also use space systems to verify arms control treaties. But the potential of space to improve life on earth has barely been tapped. A very promising application is in the area of the environment — monitoring and helping to understand the process of ecological change, and holding significant promise for new sources of energy, material and products.

- Capitalizing on the unique environment of space to foster economic well-being: Private investment in space will create jobs, boost the economy and strengthen our scientific, engineering and industrial base. New commercial markets will be created, and existing industries will become stronger and more competitive in the world marketplace. The recently approved commercial launch policy is a first step in this process.

- Ensuring the freedom of space for exploration and development: There are now some ten significant spacefaring nations, with others on the way. Space will become in the future what oceans have always been -- highways to discovery and commerce. But as with sea lanes, space lanes can be closed and can even be used as springboards for attack. We must ensure the freedom to use space for exploration and development, for ourselves and all nations. Assured access to space requires a healthy military space program. We must be able to monitor events in space, warn of threats and intervene to protect important space assets. This protection may take the form of passive measures to enhance the survivability of critical systems. We must also have the option of active defense systems, including an anti-satellite system, to stop an aggressor before he can use a space system to threaten objects or people in or from space.

V. Relating Means to Ends: A Defense Agenda for the 1990s

As the war to liberate Kuwait clearly showed, the essential demands on our military forces to deter conflict whenever possible but to prevail in those that do arise -- are certain to endure. Nonetheless, the specific challenges facing our military in the 1990s and beyond will be different from those that have dominated our thinking for the past 40 years.

In a world less driven by an immediate, massive threat to Europe or the danger of global war, the need to support a smaller but still crucial forward presence and to deal with regional contingencies -- including possibly a limited, conventional threat to Europe -- will shape how we

organize, equip, train, deploy and employ our active and reserve forces. We must also have the ability to reconstitute forces, if necessary, to counter any resurgent global threat.

As the war in the Gulf made clear, the easing of the Soviet threat does not mean an end to all hazards. As we seek to build a new world order in the aftermath of the Cold War, we will likely discover that the enemy we face is less an expansionist communism than it is instability itself. And, in the face of multiple and varied threats to stability, we will increasingly find our military strength a source of reassurance and a foundation for security, regionally and globally.

In the face of competing fiscal demands and a changing but still dangerous world, we have developed a new defense strategy that provides the conceptual framework for our future forces. This new strategy will guide our deliberate reductions to no more than the forces we need to defend our interests and meet our global responsibilities. It will also guide our restructuring so that our remaining forces are appropriate to the challenges of a new era. The four fundamental demands of a new era are already clear: to ensure strategic deterrence, to exercise forward presence in key areas, to respond effectively to crises and to retain the national capacity to reconstitute forces should this ever be needed.

NUCLEAR DETERRENCE

Deterrence will indeed be enhanced as a result of the START Treaty and U.S. force modernization efforts can go forward with greater knowledge and predictability about future Soviet forces. Nevertheless, even with the Treaty, Soviet nuclear capabilities will remain substantial. Despite economic and political difficulties, the Soviet Union continues its modernization of strategic forces. Even in a new era, deterring nuclear attack remains the number one defense priority of the United States.

Strategic Nuclear Forces

The modernization of our Triad of land-based missiles, strategic bombers and submarine-launched missiles will be vital to the effectiveness of our deterrent in the next century. We need to complete the Trident submarine program with the eighteen boats and modern missiles necessary to ensure a survivable force. The B-2 strategic bomber must be deployed so that the flexibility traditionally provided by the bomber force will be available in the future. The B-2 will also firmly plant our aerospace industry in a new era of low-observable technology and the bomber itself will have unique value across the spectrum of conflict. Finally, we must continue the development of land-based, mobile ICBMs in order to keep our deployment options open.

Our command, control and communications capabilities are critical to nuclear deterrence and to ensuring the survivability of our constitutional government under all circumstances of attack. Our civil defense program is still needed to deal with the consequences of an attack, while also providing important capabilities to respond to natural and man-made catastrophes.

The safety, security, control and effectiveness of United States nuclear weapon systems are also of paramount importance. We are incorporating the most modern safety and control features into our deterrent stockpile as rapidly as practicable and developing new safety technologies for future weapons. Older weapons that lack the most modern safety features are being replaced or retired.

Testing of nuclear weapons plays a key part in assuring the safety and effectiveness of our deterrent forces. While we test only as much as is required for national security purposes, testing is essential to ensure the reliability and effectiveness of our weapons, to identify any safety issues and to prove any corrective measures. A halt to nuclear testing would not eliminate weapons or increase security, but it would erode confidence in our deterrent and severely restrict our ability to make improvements, especially in nuclear safety.

Just as our weapons must be safe, the facilities that produce them must be safe, efficient, economical, and environmentally sound. Our current facilities are being renovated and brought up to modern standards. At the same time we are moving forward to consolidate and reconfigure the

current large and older complex, looking toward one that will be smaller, more flexible and more efficient. Our production complex must be able to respond to potential needs ranging from accelerated production to accelerated retirement of weapons, depending on the security environment in the years ahead.

We must also recognize that the deterrence issues of a new era are now at hand. Despite the threat still posed by the existence of Soviet nuclear weapons, the likelihood of their deliberate use by the Soviet state is declining and the scenario which we frequently projected as the precursor of their use -- massive war in Europe -- is less likely than at any other time since World War II. These developments affect questions of nuclear targeting, the alert status and operational procedures of our forces and ultimately the type and number of weapons sufficient to ensure our safety and that of our allies. We have already begun to make adjustments to our nuclear forces and to the policies that guide them in recognition of the disintegration of the Warsaw Pact and changes in the Soviet Union itself. Beyond this, while we have traditionally focused on deterring a unitary, rational actor applying a relatively knowable calculus of potential costs and gains, our thinking must now encompass potential instabilities within states as well as the potential threat from states or leaders who might perceive they have little to lose in employing weapons of mass destruction.

Non-Strategic Nuclear Forces

Below the level of strategic forces, we have traditionally maintained other nuclear forces for a variety of purposes. They have highlighted our resolve and have helped to link conventional defense to the broader strategic nuclear guarantee of the United States. This has helped remove incentives that otherwise might have accelerated nuclear proliferation. These systems have also served to deter an enemy's use of such weapons and they have contributed to the deterrence of conventional attack. These needs persist.

In Europe, we and our allies have always sought the lowest number and most stable types of weapons needed to prevent war. Indeed, NATO has unilaterally reduced thousands of nuclear weapons over the past decade, in addition to the elimination of an entire class of U.S. and Soviet weapons as called for in the Treaty on Intermediate Range Nuclear Forces. Changes in Europe have now allowed us to forgo plans to modernize our LANCE missiles and nuclear artillery shells and we will work to implement the commitments of the London Declaration with respect to short-range nuclear weapons currently deployed in Europe.

Even with the dramatic changes we see in Europe, however, non strategic nuclear weapons remain integral to our strategy of deterrence. They make NATO's resolve unmistakably clear and help prevent war by ensuring that there are no circumstances in which a nuclear response to military action might be discounted. In practical terms, this means greater reliance on aircraft armed with modern weapons. As the principal means by which Alliance members share nuclear risks and burdens, these aircraft and their weapons must be based in Europe. Such a posture is not designed to threaten any European state but to provide a secure deterrent in the face of unforeseen circumstances.

Missile Defenses

Flexible response and deterrence through the threat of retaliation have preserved the security of the United States and its allies for decades. In the early 1980s, we began the Strategic Defense Initiative in the face of an unconstrained Soviet ballistic-missile program and a significant Soviet commitment to strategic defenses. SDI was intended to shift deterrence to a safer, more stable basis as effective strategic defenses would diminish the confidence of an adversary in his ability to execute a successful attack.

Notwithstanding the continued modernization of Soviet offensive forces and the pursuit of more effective strategic defenses, the positive changes in our relationship with the Soviet Union and the fundamental changes in Eastern Europe have markedly reduced the danger of a war in Europe that could escalate to the strategic nuclear level. At the same time, the threat posed by global

ballistic-missile proliferation and by an accidental or unauthorized launch resulting from political turmoil has grown considerably. Thus, the United States, our forces, and our allies and friends face a continued and even growing threat from ballistic missiles.

In response to these trends, we have redirected SDI to pursue a system providing Global Protection Against Limited Strikes (GPALS). With adequate funding, it will be possible to begin to deploy systems that will better protect our troops in the field from ballistic-missile attack by the mid-1990s and that will protect the United States itself from such attacks by the turn of the century. GPALS is designed to provide protection against a ballistic missile launched from anywhere against a target anywhere in the world. The system will be based on technologies which SDI has pioneered, but would be both smaller and less expensive than the initial deployment originally projected for SDI.

GPALS offers many potential advantages: the United States would be protected against limited strikes by ballistic missiles; our forward-deployed forces would be better defended against missile attacks; and our allies, many of whom lie on the edge of troubled areas, could also be better protected. The record of the PATRIOT against Iraqi SCUDs highlights the great potential for defenses against ballistic missiles, the critical role of missile defenses and the need to improve such defenses further.

GPALS could also provide incentives against further proliferation of ballistic missiles. If these missiles did not hold the potential to cause certain and immediate damage, nations might be less likely to go to such great lengths to acquire them. Access to U.S. assistance in defenses may also provide an incentive for countries not to seek ballistic missiles or weapons of mass destruction.

FORWARD PRESENCE

Maintaining a positive influence in distant regions requires that we demonstrate our engagement. The forward presence of our military forces often provides the essential glue in important alliance relationships and signals that our commitments are backed by tangible actions. Our presence can deter aggression, preserve regional balances, deflect arms races and prevent the power vacuums that invite conflict. While our forward deployments will be reduced in the future, the prudent forward basing of forces and the propositioning of equipment reduce the burden of projecting power from the continental United States. Indeed, certain regions -- like Europe and East Asia -- represent such compelling interests to the United States that they will demand the permanent deployment of some U.S. forces for as long as they are needed and welcomed by our allies as part of a common effort. But even in these regions, the site of our forward deployments can be smaller as the threat diminishes and the defense capabilities of our allies improve. In other regions our presence, while important, can take less permanent forms.

Across the Atlantic: Europe and the Middle East

In Europe, Soviet reductions and the dissolution of the Warsaw Pact allow us to scale back our presence to a smaller, but still significant, contribution to NATO's overall force levels. This presence will include the equivalent of a robust army corps, with a corps headquarters, associated corps units, and two ground force divisions supplemented by several air wings, appropriate naval forces, and sufficient infrastructure to support a return of additional forces. Such a force will preserve the operational, not just symbolic, significance of our presence.

As called for in July at the London NATO Summit, we will work with our allies to make our forces in Europe more flexible and mobile and more fully integrated into multinational formations. NATO will establish a multinational Rapid Reaction Corps to respond to crises and we expect Alliance forces, including those of the United States, to be organized into multinational corps that would function in peacetime, and not just be contingent structures activated in a crisis. We will also exploit the prospect of longer warning time in the event of a major crisis by backing up our deployed forces with the ability to reinforce them with active and reserve units from the United States, supported by the ability to reconstitute larger forces over time should the need arise.

The aftermath of the crisis in the Gulf portends a need for some measure of continuing presence in that region consistent with the desires and needs of our friends. While the United States will not maintain a permanent ground presence, we are committed to the region's security. We will work with our friends to bolster their confidence and security through such measures as exercises, propositioning of heavy equipment and an enhanced naval presence. Our vital national interests depend on a stable and secure Gulf.

Across the Pacific

Our enduring interests in East Asia and the Pacific also demand forces sufficient to meet our responsibilities and to sustain our long-term relationships with friends and allies. While East Asia has been considerably less affected by the Revolution of '89 than Europe, the growing strength and self-reliance of our friends in the region permit some reduction in our presence.

A phased approach, responding to global and regional events, is the soundest. We have announced our intent to adjust military personnel levels in the Philippines, the Republic of Korea and Japan. This phase is designed to thin out existing force structure and reshape our security relationships. Before this phase ends in December 1992, over 15,000 U.S. personnel will be withdrawn. Later phases will reduce and reorganize our force structure further, as circumstances permit.

Korea represents the area of greatest potential danger, and reductions there must be carefully measured against North Korean actions. However, we have judged that the growing strength of our Korean allies permits us to reduce our presence and begin to move toward a security partnership in which the Korean armed forces assume the leading role. We are also encouraged by the progress of the Japanese Government in rounding out its own self-defense capabilities.

The Rest of the World

In other regions, as the need for our presence persists, we will increasingly rely on periodic visits, training missions, access agreements, propositioned equipment, exercises, combined planning and security and humanitarian assistance to sustain the sense of common interest and cooperation on which we would rely in deploying and employing our military forces. As the Gulf crisis clearly showed, our strategy is increasingly dependent on the support of regional friends and allies. In fact - - during crises -- the cooperation and support of those local states most directly threatened will be critical factors in determining our own course of action.

CRISIS RESPONSE

Despite our best efforts to deter conflict, we must be prepared for our interests to be challenged with force, often with little or no warning. The Gulf crisis was ample evidence that such challenges will not always be small or easily resolved. Because regional crises are the predominant military threat we will face in the future, their demands -- along with our forward presence requirements -- will be the primary determinant of the size and structure of our future forces.

The regional contingencies we could face are many and varied. We must be prepared for differences in terrain, climate and the nature of threatening forces, as well as for differing levels of support from host nations or others. We must also be able to respond quickly and effectively to adversaries who may possess cruise missiles, modern air defenses, chemical weapons, ballistic missiles and even large armor formations. Although our forward deployed forces speed our ability to respond to threats in areas like the Pacific or Europe, there are other regions where threats, while likely to be less formidable, may prove no less urgent.

Mobility

In this new era, therefore, the ability to project our power will underpin our strategy more than ever. We must be able to deploy substantial forces and sustain them in parts of the world where propositioning of equipment will not always be feasible, where adequate bases may not be available (at least before a crisis) and where there is a less developed industrial base and infrastructure to support our forces once they have arrived. Our strategy demands we be able to move men and

materiel to the scene of a crisis at a pace and in numbers sufficient to field an overwhelming force. The 100-hour success of our ground forces in the war to liberate Kuwait was stunning, but we should not allow it to obscure the fact that we required six months to deploy these forces. As our overall force levels draw down and our forward-deployed forces shrink, we must sustain and expand our investment in airlift, sealift and where possible -- propositioning. We must also ensure unimpeded transit of the air and sea lanes and access to space through maritime and aerospace superiority. Our security assistance must, among other things, enhance the ability of other nations to facilitate our deployments. And, over the longer term, we must challenge our technology to develop forces that are lethal but more readily deployable and more easily sustained than today's.

Readiness and Our Guard and Reserve Forces

For almost two decades, our Total Force Policy has placed a substantial portion of our military manpower in high- quality, well-trained, well-equipped and early-mobilizing Guard and Reserve units. Compared to maintaining such a force in the active component, this was a cost-effective strategy, a prudent response to an international security environment where the predominant threat was major conflict in Europe or global war with the Soviets, with warning of such a conflict measured in weeks or even days.

That environment has been transformed. Today we must reshape our Guard and Reserve forces so that they can continue their important contributions in new circumstances. While we still face the possibility of sudden conflict in many of the regional contingencies that could concern us, these threats -- despite their danger -- will be on a smaller scale than the threat formerly posed by the Soviets and their Warsaw Pact allies. This will allow a smaller force overall, but those units oriented towards short-warning, regional contingencies must be kept at high readiness.

Over time we will move to a Total Force that permits us to respond initially to any regional contingency with units -- combat and support -- drawn wholly from the active component, except for a limited number of support and mobility assets. Since many support functions can be more economically maintained in the reserve component, we will still rely on reserve support units in any extended confrontation. The primary focus of reserve combat units will be to supplement active units in any especially large or protracted deployment. To hedge against a future need for expanded forces to deal with a renewed global confrontation, which -- though possible -- is less likely and clearly less immediate than previously calculated, some reserve combat units will be retained in cadre status.

This approach will allow us to maintain a Total Force appropriate for the strategic and fiscal demands of a new era: a smaller, more self-contained and very ready active force able to respond quickly to emerging threats; and a reduced but still essential reserve component with emphasis on supporting and sustaining active combat forces, and -- in particularly large or prolonged regional contingencies -- providing latent combat capability that can be made ready when needed.

Even as we restructure for a new era, we will continue to place a premium on the quality of our military personnel, the backbone of any effective fighting force. True military power is measured by the professional skills and dedication of our young men and women. In six weeks and 100 decisive hours, today's military proved it is the most skilled and effective fighting force this Nation has ever possessed. As we make the adjustments appropriate to a new environment, we will preserve this precious resource.

RECONSTITUTION

Beyond the crisis response capabilities provided by active and reserve forces, we must have the ability to generate wholly new forces should the need arise. Although we are hopeful for the future, history teaches us caution. The 20th century has seen rapid shifts in the geopolitical climate, and technology has repeatedly transformed the battlefield. The ability to reconstitute is what allows us safely and selectively to scale back and restructure our forces in-being.

This difficult task will require us to invest in hedging options whose future dividends may not always be measurable now. It will require careful attention to the vital elements of our military potential: the industrial base, science and technology, and manpower. These elements were easily accommodated in an era when we had to maintain large standing forces, when we routinely invested heavily in defense R&D and when new items of equipment were broadly and extensively produced. We will now have to work much more deliberately to preserve them.

The standard by which we should measure our efforts is the response time that our warning processes would provide us of a return to previous levels of confrontation in Europe or in the world at large. We and our allies must be able to reconstitute a credible defense faster than any potential opponent can generate an overwhelming offense.

Manpower

Reconstitution obviously includes manpower. Relatively large numbers of personnel, trained in basic military skills, can be raised in one to two years. But skilled, seasoned leaders -- high-quality senior NCOs and officers -- require many years to develop and we must preserve this critical nucleus to lead an expanding military force. This must be reflected in how we man active, reserve and cadre units over the long term.

Defense Technology

Another challenge will be to maintain our edge in defense technology, even as we reduce our forces. Technology has historically been a comparative advantage for American forces, and we have often relied on it to overcome numerical disparities and to reduce the risk to American lives.

Our technological edge in key areas of warfare will be even more important at lower levels of forces and funding, and in the complex political and military environment in which our forces will operate. But maintaining this margin will become increasingly difficult as access to advanced weaponry spreads and as our defense industry shrinks. Even in regional contingencies it will not be uncommon for our forces to face high-technology weapons in the hands of adversaries. This spread of advanced systems will surely erode the deterrent value of our own -- and our competitive edge in warfare -- unless we act decisively to maintain technological superiority.

We will, of course, have to decide which technologies we want to advance and how we will pursue them. Our focus should be on promising, high-leverage areas, especially those that play to our comparative advantages and exploit the weaknesses of potential adversaries, whoever and wherever they may be. Stealth, space-based systems, sensors, precision weapons, advanced training technologies all these proved themselves in the Gulf, yet when these programs (and others) were begun, no one foresaw their use against Iraq. Our investment strategies must hedge against the unknown, giving future Presidents the flexibility that such capabilities provide.

We must be able to move promising research through development to rapid fielding when changes in the international environment so require. The "generation leaps" in technology and fielded systems that some have suggested may not be possible. We will have to build some systems, as the early production effort is a vital component of technology development.

Production, even in limited numbers, will also facilitate the development of innovative doctrine and organizational structures to make full use of the new technologies we field. In an era of tight fiscal constraints, our development efforts must also strive to make our weapons less expensive as well as more effective.

In the competition for scarce resources, emphasis on technology development -- to pursue those new capabilities that may be most decisive in the longer term -- may mean accepting some continued risk in the near term. But accepting such risk may well be prudent in a period of reduced East-West tensions.

The Industrial Base

Providing and sustaining modern equipment to support a rapid expansion of the armed forces is an equally difficult proposition. We will need a production base to produce new systems and a

maintenance and repair base to support them. These requirements pose unique problems, as reduced defense budgets are shrinking the defense industrial sector overall. As we make procurement and investment decisions, we will have to place a value on the assured supply and timely delivery of defense materials in time of crisis.

In the near term, some of these problems can be ameliorated by retaining and storing equipment from units being deactivated. Over the longer term, however, as stored equipment becomes obsolete, the issue becomes our capability to expand production or use alternative sources of supply. We will need the capacity for industrial surge, accelerating orders that are already in the pipeline. We will also have to plan for production from new or alternative industrial capacity. It may also be possible to reduce unneeded military specifications to make greater use of items that can be created by the commercial production base. Above all, we must continue to involve the creative resources of our national economy and ensure that corporations continue to have incentives to engage in innovative defense work.

A SMALLER AND RESTRUCTURED FORCE

Our future military will be smaller. Assuming there are no unforeseen, worrisome trends in the security environment, by mid-decade our force can be some 25 percent smaller than the force we maintained in the last days of the Cold War. The changes we have seen in the overall international environment have made this smaller force possible, and the increasing demands on our resources to preserve the other elements of our national strength have made it necessary.

Minimum Essential Military Forces The Base Force

Yet these planned reductions will cut our forces to a minimally acceptable level -- to a Base Force below which further reductions would not be prudent. These minimum forces represent our national security insurance policy and consist of four basic force packages: Strategic Forces, Atlantic Forces, Pacific Forces and Contingency Forces.

Our Strategic Forces must continue to meet the enduring demands of nuclear deterrence and defense. The conventional force packages provide forces for forward presence as well as the ability to respond to crises. Our Atlantic Forces will be postured and trained for the heavy threats characteristic of Europe and Southwest Asia and must be modern and lethal enough to deal with these threats. Pacific Forces will be structured for an essentially maritime theater, placing a premium on naval capabilities, backed by the essential air and ground forces for enduring deterrence and immediate crisis response. U.S.-based reinforcements will be lighter than those we envisage for the Atlantic, as befits the potential contingencies in the Pacific. Contingency Forces will include the Army's light and airborne units, Marine expeditionary brigades, special operations forces and selected air and naval assets. They will be largely based in the United States and -- since they must be able to respond to spontaneous and unpredictable crises -- they will largely be in the active component. At times, the quick deployment of such a force in itself may be enough to head off confrontation. At other times, we may need actually to employ this force to deal with insurgencies, conduct anti-drug or anti-terrorist operations, evacuate non-combatants or as we did in Desert Shield -- be the first into action while heavier forces are alerted and moved.

The reductions projected by the mid-1990s are dramatic. It will be important to manage their pace rationally and responsibly. We must accommodate the actions taken in support of Desert Storm and Desert Shield and we must be attentive to the professional skills of the armed forces that have been built up over the past decade -- and which, as the war made clear, remain vital to our national security. But now that the war has been won, and as long as no unanticipated ominous trends emerge, we will get back on the spending path agreed to before hostilities began. Highly effective military forces can be supported within the levels agreed to by Congress in the 1990 Budget Agreement if we can end unneeded programs, consolidate bases, streamline procedures and adjust overall manpower levels without arbitrary restrictions.

VI. Toward the 21st Century

The 20th century has taught us that security is indivisible. The safety, freedom and well-being of one people cannot be separated from the safety, freedom and well-being of all. Recently, the Gulf crisis strengthened this sense of international community. Many of the underlying forces now at work in the world are tending to draw that global community even closer together. Technology, especially the explosion of communication and information, has accelerated the pace of human contact. The growing acceptance of the democratic ideal -- evidenced in the erosion of totalitarianism and the expansion of basic human freedoms -- has also brought the world closer together. The expansion of commerce and the growing acceptance of market principles have accelerated the movement toward interdependence and the integration of economies. Even the threats posed by the proliferation of weapons of enormous destructiveness have begun to draw the community of nations together in common concern.

As we move toward the 21st century, this interdependence of peoples will grow and will continue to demand responsible American leadership. Guided by the values that have inspired and nurtured our democracy at home, we will work for a new world in which peace, security and cooperation finally replace the confrontation of the Cold War, and overcome the kind of threat represented by Iraq's aggression.

Developments in the Soviet Union and elsewhere have set in motion a change in the strategic landscape as dramatic as that which the Nation experienced when Soviet policy first forced the Cold War upon us. The great threat to global peace has ebbed and we now see a Soviet state and society struggling to overcome severe internal crisis. Notwithstanding the uncertainties about the future course of the Soviet Union, that state's willingness -- indeed, in many ways, its ability -- to project power beyond its borders has been dramatically reduced for the foreseeable future. Our strategy for this new era recognizes the opportunities and challenges before us, and includes among its principles:

- reinforcing the moral ties that hold our alliances together, even as perceptions of a common security threat change;
- encouraging the constructive evolution of the Soviet Union, recognizing the limits of our influence and the continuing power of Soviet military forces;
- supporting the independence and vitality of the new Eastern European democracies even as we deal with the uncertainties of the Soviet future;
- championing the principles of political and economic freedom as the surest guarantors of human progress and happiness, as well as global peace;
- working with others in the global community to resolve regional disputes and stem the proliferation of advanced weapons;
- cooperating with the Soviet Union and others in achieving arms control agreements that promote security and stability;
- reducing our defense burden as appropriate, while restructuring our forces for new challenges;
- tending more carefully to our own economic competitiveness as the foundation of our long-term strength; and
- addressing the new global agenda of refugee flows, drug abuse and environmental degradation.

We are a rich and powerful nation, and the elements of our power will remain formidable. But our wealth and our strength are not without limits. We must balance our commitments with our means and, above all, we must wisely choose now which elements of our strength will best serve our needs in the future. This is the challenge of strategy.

In this country we make such choices for peace just as we make the awful choices of war -- as a democracy. When President and Congress work together to build an effective security posture and policy -- as was done in the 1980s -- we are successful. In the Gulf, our armed forces benefited

from the legacy of investment decisions, technological innovations, and strategic planning that came in the decade before. Today's planning decisions will determine whether we are well or ill prepared for the contingencies that will confront us in the future.

This is a heavy responsibility, shared between the President and Congress. We owe our servicemen and women not only the best equipment, but also a coherent strategy and posture geared to new realities. This coherence can only come from a partnership between the Branches. Divided, we will invite disasters. United, we can overcome any challenge.

In the Gulf, the dictator guessed wrong when he doubted America's unity and will. The extraordinary unity we showed as a Nation in the Gulf assured that we would prevail. It also sent the message loud and clear that America is prepared for the challenges of the future, committed and engaged in the world, as a reliable ally, friend and leader.

1993

**Стратегия национальной безопасности
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NATIONAL SECURITY STRATEGY OF THE UNITED STATES
THE WHITE HOUSE
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Preface

American Leadership for Peaceful Change

Our great Nation stands at a crossroads in history. We have entered a world radically transformed in the last four years. We have only to consider the following to understand the fact that we have moved, in that short time span, from one historical period into another:

- People and nations are introducing democratic and free market institutions and values.
- Only a few years ago, Central America, Southeast Asia, Southern Africa, and the Middle East were trapped in a cycle of intractable violence and human misery. Today, with the help of America, all are on the road to peace.
- The barbed wire fences and minefields that once divided Europe are no more. Millions of people on the other side of the Iron Curtain have been liberated from tyranny. With American help, the nations of Central and Eastern Europe have begun to taste political and economic freedom.
- Our former nemesis, the Soviet Union, so long an enemy bristling with tanks pointed at Western Europe and nuclear missiles aimed at us, is gone. The threat of thermonuclear war has been radically reduced and the danger that Soviet expansionism posed for forty years has disappeared as well.
- The Communist ideology that reigned supreme from the Brandenburg Gate to the Bering Strait is today, in most of the world, discredited, despised, and discarded.
- The flow of oil vital to the economic well-being of the United States and the industrialized world is secured.

Few of these achievements would have been possible without the leadership of the United States of America. They are testament to our enduring political, moral, economic, and military strength. They are testament to our strategy of containment and deterrence, to the dedication and sacrifice of the brave men and women of our armed forces, to our foreign assistance programs and our diplomacy, and to the support and spirit of the American people. More than anything else, our achievements are testament to the values that define us as a Nation — freedom, compassion, justice, opportunity, the rule of law, and hope. The impoverished, the oppressed, and the weak have always looked to the United States to be strong, to be capable, and to care. Perhaps more than anything else, they have depended on us to lead. And lead we have.

We are indeed moving into a new era. It is an era that holds great opportunities but also great dangers. America has a fateful choice to make. We can choose to lead the world into this most historic of transformations, or we can choose, as we have earlier in this century, to turn inward, abandon our leadership role, and accept whatever results may follow. If we choose leadership, America can seize the opportunities that will be offered, and reduce the dangers that will surely confront us. Although we will work with other nations, our status as the preeminent world power with unique capabilities places great responsibilities upon us. And, if we are to learn anything from the often tragic history of this century, it is first that the future is uncertain, and second, that the world needs the leadership that only America can provide.

As the continuing turmoil in virtually every region of the world underscores, we have not achieved a permanent peace. Although the forces of integration are stronger than ever, new and in some cases dormant forces of fragmentation have also been unleashed. Even as the danger of global war recedes, the potential for smaller but still highly destructive conflicts between nations and within nations is growing. We simply do not and cannot know all the challenges that will arise in the future. What we do know is that our citizens and our interests will be challenged again. We must remain strong enough to protect and defend them.

We live in an interdependent world in which our hopes for peace and prosperity at home are increasingly linked to the success of our policies abroad. Looking to the future, our success at home will depend more — not less — on the same kind of global leadership we exercised throughout the second half of the 20th century. It is equally clear that America cannot hope to achieve its foreign policy goals nor maintain its credibility abroad if it does not sustain its economic dynamism and

competitiveness at home. Thus, renewing our domestic vitality — in economic productivity, investment, technology, education, and energy — is an absolute prerequisite for our future.

Our policy has one overriding goal: real peace — not the illusory and fragile peace maintained by a balance of terror, but an enduring democratic peace based on shared values. Such a peace can only exist if it is based on the rule of law. This is the peace we have enjoyed for decades with former enemies such as Germany and Japan. It is the peace we hope to forge with more recent adversaries of the Warsaw Pact. It is the peace and liberty we wish upon every region of the world, enabling free peoples and free economies everywhere to flourish and to prosper. Building such a peace is an historic challenge. In a few short years, we have come farther than many would have imagined possible. But we still have far to go if historians are to look back on the end of the 20th Century as the beginning of an "Age of Democratic Peace."

This is no less than a summons to national greatness. But meeting renewed and nearly impossible challenges is what America is all about. I, for one, am fully confident in our success. Let us enter this challenging period of transition to a new era determined by our leadership and our commitment that we, our children and grandchildren will live in prosperity and security.

George Bush

I. The World As It Is... Our National Security Challenges and Opportunities

The collapse of the Soviet Union and our collective victory in the Cold War have fundamentally changed the strategic environment. That victory would have been impossible without long-term American political, economic, and military strength, without commitment and leadership, and without strong, capable, and reliable allies. The new international environment has also been shaped by the victory of the United States and its coalition allies in Iraq — the first major post-Cold War conflict. Our experience in the Gulf War demonstrated that we cannot be sure when or where the next conflict will arise; that regions critical to our interests must be defended; that the world must respond to straightforward aggression; that international coalitions can be forged, though they often will require American leadership; that the proliferation of advanced weaponry represents a dear, present, and widespread danger; and that the United States remains the nation whose strength and leadership are essential to a stable and democratic world order.

The Challenges

Despite both these successes, the world remains a dangerous place. While we no longer face the single defining threat which dominated our policy, budgets, force structures, and indeed our fears for forty years, multiple threats to our security still remain. Today's challenges are more complex, ambiguous and diffuse than ever before. They are political, economic, and military; unilateral and multilateral; short-and long-term.

Politically, we are challenged to help ensure the successful transition of newly emerged and emerging democracies in Eastern and Central Europe and the former Soviet Union. Success in these efforts is vital to world stability. Fragile democracies elsewhere must be nurtured to ensure that there are no reversals in the process. Together with our allies and friends, the United States must continue to foster the Middle East peace process and to encourage democratic reform in China, North Korea, Vietnam, Laos, and Cuba, where one quarter of the earth's population still lives under Communist rule. We must also help shape our alliances as well as regional and international structures to deal with today's realities and anticipate tomorrow's challenges. Every effort must be made to overcome chaos, and create and sustain stability in a democratic international order. Fundamentally, we must make clear America's steadfastness and eliminate any perception that we will turn inward once again and renounce our mandate for global leadership.

Economically, in the international marketplace, we face the continuing challenge of protecting and broadening open markets and of formidable economic competitors such as Japan and Germany. The challenges of change and the transition to a more open competitive trading system

demand a more flexible and skilled workforce, a dedication to quality and cost-efficient production, and a commitment to expand open and free trade. We need to save and invest more. We need to inhibit environmental degradation which, if left unchecked, will have an adverse, longterm economic impact.

Militarily, global security is threatened by regional instabilities which we may have to confront either to protect our own citizens and interests or at the request of our allies or the United Nations. We are threatened by the continued proliferation of advanced conventional arms, ballistic missiles of increasing range, and weapons of mass destruction; by terrorism; and by the international drug trade. Longstanding missions, such as humanitarian assistance, must now be undertaken in the midst of civil war and anarchy. Peacekeeping and peace enforcement are more complex than ever. Finally, we must continue to support the concept of democratic civilian authority over national military institutions. Without civilian control, democracy cannot exist.

The Opportunities

There is a peace dividend. The United States is no longer burdened by the enormous military requirements of global containment. We have an unprecedented opportunity to promote our interests rather than simply defend them, to address simultaneously our domestic needs, and indeed to shape our future both at home and abroad. Our international opportunities and our domestic imperatives are, in fact, interdependent.

For the first time in more than forty years, we are no longer faced with the constant threat of World War III. Democracy has been embraced by a majority of countries around the world and our former adversaries are now our partners. We face the future enjoying not only great credibility in the eyes of the world, but also with more, and in many cases stronger, friends and allies than ever before to help shoulder the responsibilities and burdens. Multilateral institutions such as the United Nations, the Conference on Security and Cooperation in Europe, NATO, the Organization of American States, the Asia-Pacific Economic Cooperation forum and others are energized and ready to confront new challenges. In combat and humanitarian operations, we have proven our ability to build coalitions to achieve common objectives. Our economic future lies more than ever in the global marketplace, our economic well-being guaranteed by expanded trade through such historic initiatives as the North American Free Trade Agreement and the Uruguay Round of multilateral trade talks.

We must seize our opportunities, both for the benefits that will accrue to us, and to further the prospects for peace, stability, and prosperity that can and should be shared by others around the globe. We must lead because we cannot otherwise hope to achieve a more democratic and peaceful future in a world still rife with turmoil and conflict. If we shun this role, our own future will be shaped by others.

The Domestic Imperative

In the final analysis, our national security requirements must be viewed in the context of our overall national wellbeing. While our underlying economic dynamism is undoubted, we are challenged at home by government budget deficits and a need to increase savings and investment. We need a tax and legal system that facilitates, not burdens, economic progress. Our public infrastructure requires substantial investment. We must overcome the challenges of crime and drugs. We must ensure social peace and racial harmony as national imperatives. We must have an education system that makes our children the equal of their international peers; we must promote job training, improved health care, and welfare reform. Ageold principles of personal responsibility, individual initiative, and commitment to helping others must be strengthened.

Meeting the challenges of renewal at home only reaffirms the need for continued American strength. At the same time, the economic and social basis of our national strength will be more important than ever before in determining our ability to be a force for good in the world.

II. What We Seek ... Our National Security Interests And Objectives

The vision of the world to which the United States aspires is one of freedom, respect for human rights, free markets, and the rule of law. Defining a new strategy to achieve such a vision must begin with our national interests and objectives, for these constitute the fundamental rationale for all our domestic and international undertakings.

Foremost, the United States must ensure its security as a free and independent nation, and the protection of its fundamental values, institutions, and people. This is a sovereign responsibility which we will not abdicate to any other nation or collective organization.

Through a strategy of engagement and leadership, we seek:

- Global and regional stability which encourages peaceful change and progress. To this end, we have four mutually supportive goals that guide our overall national security efforts. These are protecting the United States and its citizens from attack; honoring, strengthening, and extending our historic, treaty and collective defense arrangements; ensuring that no hostile power is able to dominate or control a region critical to our interests; and, working to avoid conflict by reducing sources of regional instability and violence, limiting the proliferation of advanced military technology and weapons of mass destruction, and strengthening civil-military institutions while reducing the economic burdens of military spending.

- Open, democratic and representative political systems worldwide. In our own actions and in concert with others, we should foster open and democratic systems that secure human rights and respect for every citizen, and work to strengthen respect for international norms of conduct. The active promotion of increased political participation, especially now in Eastern Europe and the former Soviet Union, is in our national interest — history teaches that representative governments responsive to their people are least likely to turn to aggression against their neighbors. Democracies also ensure individual civil and human rights, support economic freedom, and promote stability.

- An open international trading and economic system which benefits all participants. A global economic system which encourages the free movement of goods, capital and labor is also one which best contributes to our prosperity and to that of others. Steady, non-inflationary economic growth will help reduce social and political tensions, thus contributing to global peace, and will also provide a means for ensuring the health of our environment.

- An enduring global faith in America — that it can and will lead in a collective response to the world's crises. This does not mean that the United States must tackle every international problem as its own, or that we must postpone addressing our own domestic imperatives while we devote attention and resources to international demands. But new democracies need our help to survive and flourish. That does not mean that we can solve their problems or that our solutions should be theirs, but rather that we cannot shirk our responsibility to help. There are limits to what we can or should do — we will have to be selective and discriminate in our global undertakings. But others have responsibilities as well. We also need to encourage the active engagement of our allies and friends. But often these collective efforts will not prove possible unless we take the lead. We cannot ever allow our stated preference for multilateral action to become simply an excuse for American inaction.

III. The Promotion Of Peace And Democracy ... Our Policy Agenda

America has been blessed with an abundance of natural and human resources and a people committed to freedom and democracy. Because of our strength, others have been able to lift themselves up from the ravages of war, improve their economies, free themselves from totalitarianism, and take the first hopeful steps toward a better way of life. In today's world, we face new and diverse international and domestic challenges that will require flexibility in the commitment of the various resources of national power and influence. We must focus anew on meeting economic challenges and on fostering democracy worldwide. Our influence will increasingly be defined more by the quality of our ideas, values, and leadership, and by our

competitiveness in the international marketplace, than by the predominance of our military capabilities.

What We Have Achieved

As we look back on more than four decades of Cold War, the United States can be proud of many accomplishments.

Perhaps most important, by providing the stability that allowed for peaceful change, we nurtured a democratic community of nations — a "zone of peace" among the Western Hemisphere, Western Europe, and Japan, Australia and the newly industrializing economies of East Asia. In Latin America, we have come very close to our goal of a democratic hemisphere, with elected heads of government in every country except Cuba, and the principle of the consent of the governed now firmly established. Europe is whole and free. Our continued presence in Asia centered on our alliance with Japan has ensured unprecedented stability in the region.

In crafting a post-war foreign policy based on containment, we defended the Free World against Communist expansion and aggression. We provided an environment of deterrence in which the Communist system succumbed to its internal contradictions. We provided an inspiring political and economic alternative which demonstrated the bankruptcy of that system. We forged the strong military alliances which helped maintain peace, manage crises, settle conflicts and made containment work.

Remembering how in the 1930s economic conflicts exacerbated political conflict, the United States took the lead in laying the foundation for a global economic system based on multilateral cooperation, liberalized trade, international institutions for financial cooperation and development assistance, and other mechanisms. These institutions are proving their worth today in responding to the new challenges of aiding the former Communist countries.

The United States has taken the lead both to defeat aggression, notably in the Persian Gulf, and to promote peaceful resolution of longstanding conflicts, such as in the Middle East, which threaten international peace and our vital interests.

And finally, for forty years, the United States served as both symbol and spokesman for democracy world-wide. The United States has promoted democracy and political pluralism in Eastern and Central Europe, and in the former Soviet Union where our former adversaries seek advice as they make the transition from totalitarianism to democracy. Our efforts in Africa have been extensive as well. We have encouraged independence in Namibia; presidential elections in Benin; steps toward a multiparty system in Ethiopia; elections in Zambia, Gabon, the Ivory Coast, and the Congo; and movement toward democracy in Angola and free, democratic, and representative government in South Africa. Democracy was the ideology on which our victory in the Cold War was based, and it continues to be the only system which guarantees individual civil and human rights.

How We Can Lead In Collective Engagement In The Near Term

Despite these successes, there are peoples who do not yet enjoy freedom or who are still in the process of transition — peoples looking for guidance and who need our help. Democracies can be fragile and must be nurtured. Elections by themselves are no panacea. Representative institutions must be built with persistence and democratic principles fostered widely so that undemocratic forces cannot manipulate the process. It is in our national interest to help the democratic community of nations continue to grow while ensuring stability. Our global leadership in this endeavor must adapt, however, in the context of new international trends: the renewed effectiveness of multinational organizations, particularly the United Nations and the Conference on Security and Cooperation in Europe; the greater diffusion of power that has accompanied the end of the Cold War; and the increasing necessity to build coalitions to advance common interests.

For the United States to lead effectively in the political arena, there are several steps we must take.

• The key to our success has been — and will continue to be — our partnerships with the industrial and other major democracies. In concert, we must support stability and economic and political reform in Eastern Europe and the former Soviet Union — our numberone foreign policy priority today. We should do so through firm political support for reform movements and through the extension of broad-based government and non-government assistance. This includes macro-economic support to enhance the prospects for long-term institutional reform, technical economic assistance, and humanitarian and medical assistance to promote shortterm stability. More than anything else, our encouragement of private trade and investment will help these countries integrate themselves into the free market economic system. In addition, we are implementing a wide variety of exchange programs and other initiatives designed to promote closer political relationships between our countries. Nothing would more profoundly enhance our security than to have our former adversaries succeed in establishing stable democratic, freemarket systems. Nothing would so cloud our future security than to see them fail. After sacrificing so much to contain and defeat Communism, we must act to assure its replacement by democracy, freedom, and human rights.

• We must also work to support, encourage, and consolidate democracy elsewhere around the world, both multilaterally and bilaterally. Our tools include a vigorous public diplomacy conducted by the USIA, the Voice of America, and Radio Free Europe/Radio Liberty, and successful assistance programs focused on democratic institution-building such as the National Endowment for Democracy and the International Military Education and Training program. These efforts should continue. We should strive to bring stable democracy and free markets to lands that have little knowledge of them, strengthen democratic institutions where they are fragile and threatened. Where authoritarianism still dominates, we should continue to explain ourselves and to provide factual information and hope. Maintaining our own high standard of democratic practice and the rule of law is vital to our ability to lead by example.

• We must continue to champion a fair, politically sustainable international refugee and immigration regime for the post-Cold War era. Our efforts to promote democracy and free-market prosperity should help reduce the flow of refugees and emigrants. The United States should continue to assist governments, regional organizations, and international institutions such as the United Nations in providing humanitarian assistance to refugees and displaced persons and in establishing processes for free and orderly movement of peoples. At the same time, we must expect others in the world community to work to provide economic opportunity for their peoples.

As we provide American leadership to extend the "zone of peace" and enhance the forces of integration that are evident in the new world, we must also provide American leadership to inhibit the forces of fragmentation that threaten order, peace and stability.

How We Can Influence The Future

At the United Nations...

The most desirable and efficient security strategy is to address the root causes of instability and to ease tensions before they result in conflict. With the paralyzing divisions of the Cold War now over, the United Nations has been given a new lease on life, emerging as a central instrument for the prevention and resolution of conflicts and the preservation of peace. But the requirement for U.N. action has increased dramatically and now includes everything from election monitoring, preventive diplomacy and traditional peacekeeping to humanitarian relief, facilitating the stable transition of previously belligerent states back into the community of Nations, and monitoring compliance with Security Council resolutions. The U.N. has undertaken fifteen new operations in the last four years alone, from Angola, El Salvador, the Western Sahara, Cambodia and Yugoslavia, to Iraq/Kuwait, Somalia, Mozambique, and Afghanistan.

In concert with others, the United States must renew its efforts to improve the recent effectiveness of the United Nations. As was demonstrated in the Gulf War and in subsequent crises, we now have the opportunity to make the United Nations a key instrument of collective security.

The United States should do its part to strengthen U.N. conflict prevention, peacekeeping and peacemaking capabilities by:

- participating in, supporting and contributing to long overdue reform of the U.N. system to increase the organization's capability to perform these and other important roles;
- creating a new Fund for Peace to help pay America's share of the greater demands for United Nations peacekeeping. We should pay all arrearages to the U.N. as planned and ensure timely payment of future assessments;
- taking an active role in the full spectrum of U.N. peacekeeping and humanitarian relief planning and support; and
- helping to strengthen international efforts to combat the proliferation of weapons of mass destruction by making the U.N. Security Council a key forum for nonproliferation activities.

Regionally ...

While the United States emerged from the Cold War as the world's preeminent power, we have neither the desire nor the ability to be the world's "policeman." Regional solutions to regional problems are the most enduring path to peace. We should support those efforts, helping to facilitate the regional process whenever possible. Regional organizations should be utilized to contribute to building a broader consensus behind international endeavors. The international coalition's victory in the Gulf War created conditions favorable to the Middle East peace process, bringing adversaries together to resolve their differences peacefully. We should continue to be a catalyst, an honest broker and a full partner in that process.

Each region of the world has its own unique set of political, economic and military challenges.

- In Europe, the North Atlantic Alliance remains central to our security, and the Conference on Security and Cooperation in Europe (CSCE) is taking on important new roles in the resolution of conflict and the promotion of democracy. We should work to strengthen the NATO alliance and adapt it to new tasks; help enhance the CSCE in its new role; and promote dialogue, cooperation, and mutual security for all nations of NATO, Central and Eastern Europe. We should continue to participate in the evolution of a European security identity.

- In the former Soviet Union, we will provide expertise, including implementation of the Freedom Support Act, to assist the new states in building representative political systems and market economies, and foster cooperative regional and international relations. We will work with them to promote peaceful solutions to the ethnic crises on their borders which threaten stability in Eurasia. We will also work toward the peaceful solution of ethnic and nationalistic tensions and crises in Eastern Europe and the Balkans.

- In Asia, our agenda is five-fold. First, the United States must maintain a strategic framework which reflects its status as a Pacific power and promotes its engagement in Asia. The key to the United States' strategic framework has been, and will continue to be, its alliance with Japan. Second, we must continue to expand markets through bilateral, regional, and multilateral arrangements. Third, we must carefully watch the emergence of China onto the world stage and support, contain, or balance this emergence as necessary to protect U.S. interests. Fourth, we must continue to play a critical role in the peaceful unification process on the Korean peninsula. Finally, we should encourage the normalization of Indochina and the expansion and development of the Association of East Asian Nations.

- In Latin America, the Organization of American States (OAS) was involved in the highly complex effort to bring an end to the war in Nicaragua and to defend democracy

in Peru and Haiti. We should work to enhance the OAS as an instrument for the promotion and defense of democracy. But without economic growth, little progress is possible. The principles underlying the Enterprise for the Americas Initiative are basic to economic development and the

achievement of democratic goals. Both Haiti's and Cuba's peaceful return to democracy remains an unwavering objective.

- In Africa, the Organization of African Unity, along with a number of international organizations, is actively working to address the continent's needs and problems. The United States supports these and other efforts such as the Economic Community of West Africa, foresees the expansion of their importance, and should provide appropriate assistance. Our leadership in Operation RESTORE HOPE is designed to encourage other nations to contribute to the amelioration of the human condition there, laying the foundation for continued economic and political progress.

- In the Middle East, the U.S.-initiated peace process has brought together regional and extra-regional governments in bilateral and multilateral negotiations aimed at resolving conflicts, fostering arms control and regional stability, and promoting economic and technical cooperation. We will continue to support these efforts as well as those of the Gulf Cooperation Council to enhance stability in that vital area.

IV. Economic Progress At Home And Opportunities Abroad ... Our Economic Agenda

National prosperity and national security are mutually-supportive goals. Indeed, in the most tangible ways — economic prosperity and freedom from foreign dangers — all Americans have gained enormously from the success of our global leadership. Our commitment to an open world trading system, especially, has helped America, a trading nation since its birth, to grow and prosper. And today we depend on the global economy more than at anytime in our history — a dependence that will certainly increase in the future.

What We Have Achieved

Maintaining a strong domestic economy and helping our friends and allies grow and prosper have been core elements in our national security strategy since 1945. U.S. policies which aided the economic rebirth of Europe and Japan after World War II enabled them to play major roles in containing the spread of Communism. Indeed, one of the clearest lessons of the collapse of Communism is that without an economic system that allows for personal freedom and initiative, there can be no lasting political or military strength.

America's postwar policies have provided leadership so that the industrial democracies have chosen to work together, rather than pursue the destructive economic nationalism of the inter-war period. The progressive reduction of trade barriers has raised living standards significantly. Ideas, capital, goods and services now move around the world with increasing speed, expanding economic opportunity. Efforts to help developing nations are now well established in the international financial institutions and national policies of developed countries. Major progress in democracy, economic reform and development, human rights and security in the Western Hemisphere has been achieved through the new cooperation embodied in our Enterprise for the Americas Initiative. New governments committed to democratic ideals and market-based economics have now replaced our former Communist adversaries in Eastern Europe and the Soviet Union.

Our Economic Challenge

A top national security priority today must be to strengthen economic performance at home and economic leadership abroad. Effective participation in the global economy will be a key factor in our future prosperity and security. In 1991, U.S. foreign trade exceeded \$1.2 trillion, twenty-one percent of our gross national product. The United States is the world's largest exporter of goods and services, with 1991 sales totaling \$591 billion. Over seven and one-half million jobs are linked directly to our exports.

The distinction between domestic economic policy and international economic policy is disappearing. While successful international businesses already operate largely on such a basis, governments have been slow to respond to this reality. United States' economic strategy must be global rather than national. It must include increased attention to the range of new issues on our

agenda: environmental degradation, population pressures in developing countries, migration and refugees, disease and other health problems.

What We Need To Do

America's longer term economic position in the world will be determined by how well we succeed in:

- strengthening economic competitiveness through sound monetary and fiscal policies, greater savings and investment;
- improving our infrastructure and our education system;
- ensuring our lead in the crucial technologies of a new era;
- convincing others that free trade offers greater prosperity than managed trade or protected markets;
- supporting market economies in all regions of the world; and
- enhancing the effectiveness of the institutions, national and international, needed to sustain a global market economy.

This is a long-term mission which will require the active participation of all Americans. Only a consistent growth strategy for the next ten to fifteen years can make significant progress in reforming our economy and sustaining U.S. economic leadership in the world.

At home, our long-term growth strategy must include:

- sustained measures to bring federal spending more into line with available resources and to lower the federal deficit significantly;
- prudent monetary policy to support economic growth while ensuring continued low inflation and stable prices;
- greater national savings to reduce the cost of capital for productive sectors of the economy;
- increased investment, particularly in research and development;
- reducing the burden of taxation, regulation, and litigation on our economy;
- raising educational performance, particularly pre-school through high school, and implementing reforms to enhance parental control and choice;
- improved infrastructure, particularly in transportation and communication; and
- new approaches to dealing with societal ills which sap our economic strength.

Updating Our International Economic Policy

As we revitalize the domestic economy, we must also rethink our foreign economic policy. Most important, we need to recognize that only through joint action with our economic partners will we be able to achieve our international economic objectives. Thanks to our economic strength and genuine commitment to an open international economic system, we can play a unique guiding role. But increasingly, the United States is viewed as first among equals, not dominant, in international economic fora. We cannot dictate to others, but we can encourage them to cooperate.

Our priorities for the next decade should include action to:

- Improve economic policies and performance among the major industrial countries to promote sustained global economic growth. Macroeconomic policy coordination, particularly among the G-7, needs to be strengthened.
- Continue promoting global and regional trade liberalization. Globally, we need to bring the Uruguay Round to a successful conclusion and lay the groundwork in the General Agreement on Tariffs and Trade (GATT) for further multilateral trade liberalization and more effective adjudication of trade disputes. Regionally, now that we have concluded the North American Free Trade Agreement, we should press ahead with the Enterprise for the Americas Initiative, building the foundation for free trade agreements with other Latin American countries. We should also explore the possibility of arrangements leading to free trade agreements with countries in other regions, such as Asia and Europe, where we have important interests.

- Ensure that relations with the European Community remain on a sound footing through regular high-level political and economic consultations. Building on more What We Need To Do • greater efficiency in the use of energy, particularly oil, through market mechanisms, not regulation; than a decade of trade negotiations, we need an improved understanding with Japan on resolving trade differences and increasing market access for foreign goods. The Asia Pacific Economic Cooperation forum should be used to strengthen trade relations and promote further liberalization in Asia.

- Fundamentally rethink national and international strategies to assist development in poorer countries. With a few exceptions, the results of foreign aid have not been commensurate with the resources expended. Significantly greater emphasis must be placed on market-oriented structural reforms.

- Continue the cooperative effort with our allies and the international financial institutions to support the successful transformation of Eastern Europe and the former Soviet Union to market-based economies integrated into the global market place. In addition to providing adequate financial aid and technical assistance, we need to ensure that these countries have access to markets abroad to encourage trade and private-sector growth.

- Strengthen the international financial and economic institutions — the World Bank, the IMF, the OECD, the GATT and the regional development banks — so they can effectively meet the challenges posed by a dramatically evolving world economy. International financial institutions must give greater emphasis to supporting the private sector and developing sound market-based policies.

- Likewise, reassess and realign as necessary the economic mandate of various United Nations bodies. Particular attention should be given to the Food and Agriculture Organization (FAO), the U.N. Industrial Development Organization (UNIDO), the U.N. Committee on Trade and Development (UNCTAD), the Economic and Social Council (ECOSOC), and the five regional U.N. economic commissions.

Building Government Institutions to Serve the Future

We must complete the process of streamlining and restructuring U.S. government institutions. Most of our institutions dealing with economic issues either date from before 1940 or were created during the Cold War. Coordination within the government can be improved; duplication of activities should be eliminated. We need to re-examine the entire government apparatus — agency structure, personnel and practices — to ensure the most efficient policymaking under new conditions.

We need also emphasize the importance of an active U.S. international role. Many of our overseas diplomatic activities directly support U.S. jobs and create opportunities for business to expand. We should restructure the various agencies of the U.S. government engaged in export promotion to ensure a coherent, coordinated approach. In reevaluating our approaches to trade promotion, we should focus on key areas of trade competitiveness and work with the private sector to tailor programs to meet specific needs.

Bilateral Development Assistance

Just as the United States saw that it was in its national interest to help Europe and Japan overcome the devastation of World War II, so too is it in our interest to help former Communist countries overcome the ravages of central planning and excessive state control. But the Executive and Congress must join these countries in casting aside old thinking, especially in deciding how to use and when to provide foreign assistance. U.S. foreign assistance programs and management both must be thoroughly reoriented in support of our economic policy. Numerous commissions and experts have advocated fundamental reform of our foreign assistance structure and priorities. The end of the Cold War provides an excellent opportunity for undertaking needed reform.

Our foreign aid program should focus to the maximum extent on sound economic policies in recipient countries and the promotion of the private sector. The goal of foreign assistance should be to reduce dependency, not prolong it. The most effective use of foreign aid occurs when recipient countries follow free market principles and build pluralistic democratic institutions. Adherence to such principles stimulates international trade and investment, which are vastly more important than the relatively small flows of official international assistance.

The Environment

Environmental degradation is one of the most pressing global problems. Deforestation, climate change, air and water pollution, and depletion of water supplies have farreaching effects on the capacity of countries to sustain economic growth and ensure a healthy environment for their citizens. Environmental problems transcend national boundaries. Air and water pollution in one country can affect far distant countries as well as those nearby. Some problems, such as ozone depletion and climate change, can have a global impact. In many developing countries, environmental degradation is already causing serious health problems and limiting economic development.

Addressing these environmental issues requires a global effort. The United States has established some of the strictest environmental standards in the world, and we need to live up to them. However, we are not immune to the effects of environmental degradation elsewhere. The United States is already playing an active role in supporting multinational environmental programs, population control initiatives, and research on global problems. We will continue to advance international cooperation on environmental issues and support this effort with adequate funding. We especially need to ensure that environmental concerns are integrated fully into our overall economic and trade policies. Economic growth and environmental protection can be made complementary objectives to be pursued together.

Space

We need to continue to use the unique environment of space to investigate new materials and medicines, develop new sources of energy, and find solutions to environmental problems on earth. This will require an invigorated and better integrated defense and commercial space effort. We must encourage multinational efforts as well. Significant success has been achieved in conjunction with the European Space Agency, the former Soviet Union, and other nations supporting Space Station Freedom, a mission focused on improving life on earth. In addition, we should promote policies which encourage private investment in space. This will help create jobs, boost the economy and strengthen our science, engineering, and industrial base.

V. Security Through Strength: Legacy and Mandate... Our Defense Agenda

Our strategy has shifted from a focus on a global threat to one on regional challenges and opportunities, from containment to a new regional defense strategy. The demise of the global threat posed by Soviet Communism leaves America and its allies with an unprecedented opportunity to preserve with greater ease a security environment within which our democratic ideals can prosper. Where once a European-wide war, potentially leading to nuclear exchange, was theoretically only weeks and yards away, today such a threat has receded and would take years to rekindle. With the end of the Cold War, there are no significant hostile alliances. We have a substantial lead in critical areas of warfare. The combination of these trends has given our Nation and our alliances great depth for our strategic position.

Indeed these alliances, built during our struggle of containment, are one of the great sources of our strength in this new era. They represent a community of democratic nations bound together by a web of political, economic, and security ties and offer a framework for security not through competitive rivalries in arms, but through cooperative approaches and collective security institutions. Yet, even as we hope to rely increasingly on collective approaches to solve

international problems, we recognize that a collective response will not always be timely, and, in the absence of American leadership, may not be feasible.

Simply put, we should strive to shape an uncertain future to preserve strategic depth — won at great sacrifice — and to enhance it in ways that would help preclude hostile nondemocratic powers from dominating regions critical to our interests. During the global struggle of the Cold War, developments in even remote areas could affect the United States' relative position in the world, and therefore often required a U.S. response. Today, the United States remains a nation with global interests, but we must reexamine whether and how particular challenges threaten our interests. A clear understanding of our interests and responsibilities along with the growing strength of our friends and allies will allow us to be more selective in determining whether U.S. forces must be committed.

Guided by this new regional defense strategy, we are reducing our forces significantly by almost a quarter — to their lowest level in terms of manpower since before the Korean war. Yet, even as we reduce the size of our forces, we must not destroy their quality or their technological superiority. Along with alliances, high-quality personnel and technological superiority represent capabilities that would take decades to restore if foolishly lost in this time of reductions.

While we no longer face the possibility of a Soviet-led Warsaw Pact attack on Europe, regional instabilities continue to threaten our interests and our security. The world remains unpredictable and over-armed, and nations have not eliminated the age-old temptation to use force or intimidation to achieve their ends. The end of the Cold War has coincided with a virtual explosion of long-dormant ethnic and aggressive nationalistic tensions around the world, many of which have degenerated into international crises. Proliferation, terrorism, and the international drug trade still threaten stability.

The United States must continue to provide the leadership necessary to encourage and sustain cooperation among our allies, friends, and new partners in meeting the challenges that we will inevitably encounter in the future. We must continue to stay engaged, thereby preventing the emergence either of a new global threat or a vacuum in a region critical to our interests. Nations will depend on America's strength, readiness and leadership in the years to come as much as they did during the Cold War and the Gulf crisis. Neither for their sake nor for our own can we afford anything less than the most capable, best equipped, and best led military in the world.

What We Have Achieved

During the Cold War, our refusal to be intimidated by expansionist Soviet policies or massive military build-up, our willingness to counter that build-up, and our deployment of forces overseas all helped provide a shield against Soviet aggression. That allowed democracy to develop and flourish around the world. The Cold War is over — not because America passively waited, but because we led the way. We led by maintaining our own highly-capable military and through continued engagement in both Europe and Asia. On the whole, our policies deterred conflict and kept pressure on the Soviet Union which ultimately collapsed from within. We helped our democratic allies in Europe and Asia not only to counter the Communist threat, but also to become strong enough politically and economically to help bear the burden of the common defense. Finally, the transformation of the Soviet Union has enabled us to achieve unprecedented new reductions in the strategic nuclear arsenals of both sides and a series of agreements on conventional and chemical weapons.

Most recently, our commitment and leadership in the Gulf

War sustained the confidence and respect of the world. More than half a million men and women of our armed forces helped carry out an historic campaign to liberate Kuwait and stop Saddam Hussein from dominating the region and essentially controlling global energy resources. The quality, training, technological sophistication, and logistics expertise of our Armed Forces, together with superb military planning and leadership, produced a swift victory.

The United States has assisted many nations around the globe in building their own self-defense capabilities, thus countering the sense of vulnerability that tends to spur arms races and weapons proliferation. We have also assisted in humanitarian efforts following natural disasters, in peacekeeping operations, in infrastructure development, and through military-to-military programs, in helping numerous countries make the transition to democratic systems.

Beginning in 1990, the United States embarked on a wholesale reconfiguring of our armed forces for the post- Cold War era, consistent with a new vision of the strategic environment. We have struck an effective balance by downsizing and restructuring significantly and quickly without making precipitous cuts which could tempt aggressors or cause allies to doubt our resolve and capabilities.

How We Can Lead In Collective Engagement In The Near Term

The Defense Program The fundamental elements of our national defense strategy — strategic deterrence and defense; forward presence; crisis response; and reconstitution — are clearly defined and will remain valid for the foreseeable future.

- **Strategic Deterrence and Defense.** Deterring nuclear attack remains our top priority. We must still possess modern strategic nuclear forces and a reliable warning system. We must develop a system for global protection against limited ballistic-missile attack. We must maintain responsive, highly trained, technologically sophisticated, and broadly capable conventional and unconventional forces. We must maintain and improve space systems integral to strategic and tactical operations worldwide.

- **Forward Presence.** While reducing our forwarddeployed forces, we are redefining our presence abroad with combined exercises, new access and storage agreements, security and humanitarian assistance, port visits, military-to-military contacts, and periodic and rotational deployments. Our forward presence forces and operations lend credibility to our alliances and ensure the perception that a collective response awaits any threat to our interests or to those of our allies.

- **Crisis Response.** We must maintain an adequate capability to project power in response to crises should our efforts to deter conflict fail. The very existence of a robust crisis response capability strengthens deterrence. Our force structure must be flexible enough to ensure we can fulfill both traditional and non-traditional requirements. In addition, the capability to generate decisive combat power, if and when needed, strengthens our ability to terminate a given conflict swiftly on terms favorable to us and with minimum loss of life. The precise nature of our response to a crisis will, of course, depend on the interests at stake, our commitments to the nations involved, the level and sophistication of the threat, and on the capabilities of U.S. and allied forces.

- **Reconstitution.** As we reduce the size of our military forces in response to the demise of the global threat, we must ensure that we continue to deter potential adversaries from militarizing and, if deterrence fails, retain the capability to recreate a global warfighting capability. This "reconstitution" capability involves forming, training, and fielding new fighting units from cadres; mobilizing previously trained or new manpower; and activating the industrial base on a large scale. Reconstitution also involves maintaining technology, doctrine, training, experienced military personnel, and innovation necessary to retain the competitive edge in decisive areas of potential military competition.

We must capitalize on our traditional strengths, learn from our experience in DESERT STORM, and , plan for future contingencies in which our challengers will have learned some of the same lessons. We must maintain land, maritime, and aerospace as well as technological superiority. We must improve our ability to conduct coalition operations, project power by expanding our air and sealift capabilities as well as by enhancing the inter-theater strategic agility of our forces. We must look for new and innovative ways for our armed forces to make a long-term contribution to peace and stability through assisting the militaries of Eastern and Central Europe, the former Soviet

Union, and elsewhere around the globe in the transition to democracy. The new George C. Marshall European Center for Security Studies is an excellent example of such an initiative.

In the final analysis, our armed forces must be prepared to respond rapidly, to deter, and, if necessary, to fight and win unilaterally or as part of a coalition.

The Defense Industrial Base

The defense industrial base is a critical element of our national security. It is a complicated network of contracting, subcontracting, and vendor firms, as well as Defense Department maintenance depots. We rely upon the industrial base for the cost efficient manufacture, maintenance and modernization of technologically superior weapon systems and munitions over the long term in peacetime and for the timely delivery of the goods and services required by our armed forces in times of crisis or conflict. In peacetime, the industrial base must provide an advanced research and development capability, ready access to civilian technology, and a continuous design and prototyping capability. Increased focus must be placed on innovative manufacturing techniques that provide the capability to incorporate rapidly and cost effectively the most advanced technological improvements into our armed forces.

In conflict, the industrial base must be capable of surging production of essential warfighting items prior to and during a contingency operation. In addition, the industrial base must have the capacity to restore, in a reasonable period, the war reserve stockpiles of items that were consumed. Finally, the industrial base must be able to reconstitute forces in order to respond to the reemergence of a global threat.

As the national defense budget declines over the near- to mid-term, we must ensure that the industrial base providers of unique, critical peacetime, conflict and reconstitution-related capabilities are available when needed. In order to do this, we need to examine such things as:

- Recent and projected trends in our ability to surge military production in crises or wartime.
- Unique critical industrial capabilities affected by changes in current and projected defense acquisition programs.
- Allied potential to provide these critical capabilities, and how much we should rely on outside sources.
- Technologies that are likely to emerge which could offset the loss of critical-component suppliers for current and near-to mid-term weapon systems and platforms.
- Other major factors which could ensure a viable defense industrial base capable of supporting modernization or reconstitution of forces over the long-term.

Important initiatives are already underway. National Technology Initiatives will provide opportunities to rely more heavily upon new technological advances with significant commercial applications. The Defense Conversion Commission is another example. It will provide better understanding of the opportunities for industries to diversify and to convert from defense production while preserving critical defense-related skills and to commercialize new technology advances. We must, however, remain committed to the fundamental principle that a robust free market, and not government intervention and regulation, is the key to an effective defense industrial base.

Nonproliferation

In the post-Cold War era, one of our most threatening national security challenges is the spread of weapons of mass destruction and the means to deliver them. As the threat of nuclear confrontation with the former Soviet Union recedes, the danger that a nuclear, chemical, or biological weapon will be launched from some other quarter by an aggressor is growing. Covert procurement networks continue their energetic global efforts to acquire the means to build these weapons. While the disintegration of the Soviet bloc has led to relaxation of the forty-year-old East-West controls of the allied Coordinating Committee for Multilateral Export Controls (COCOM), dual-use technologies with military applications are becoming increasingly available throughout

world markets. Inevitably, an increasing number of supplier nations will become able to contribute to the proliferation of ballistic missiles and weapons of mass destruction.

U.S. nonproliferation policy is guided by four principles:

- Build on existing global norms against proliferation and, where possible, strengthen and broaden them.
- Focus special efforts on those areas where the dangers of proliferation remain acute, notably the Middle East, Southwest Asia, South Asia, and the Korean Peninsula.
- Seek the broadest possible multilateral support, while reserving the capability for unilateral action.
- Address the underlying security concerns that motivate the acquisition of weapons of mass destruction, relying on the entire range of political, diplomatic, economic, intelligence, military, security assistance, and other available tools.

These principles have been reflected in a number of actions within the past year. At U.S. urging, multilateral export control regimes — the Missile Technology Control Regime (MTCR) and the Australia Group (which covers chemical and biological technologies) — updated and expanded their control lists. Completion of negotiations on the Chemical Weapons Convention brought the world nearer to a verifiable global ban on chemical weapons. The 27 nations of the Nuclear Suppliers Group reconvened for the first time in a dozen years and in 1992 reached agreement to control 65 categories of dual-use equipment. At U.S. initiative, COCOM created a Cooperative Forum to enlist the cooperation of the newly independent states of the former Soviet Union and other East European states in controlling the export of sensitive technology. Japan and the United States have agreed to strengthen their existing understandings on supercomputer export controls. The United Nations Special Commission and the International Atomic Energy Agency (IAEA) have continued their efforts to dismantle Saddam Hussein's nonconventional weapons programs. North Korea at last accepted IAEA inspections in accordance with its international obligations, although full compliance is not yet assured.

In addition, the United States encouraged broader participation in nonproliferation regimes. The Non-Proliferation Treaty (NPT) roster has grown to over 150 states including China, France, and South Africa. The Treaty of Tlatelolco may soon bring a nuclear weapon-free zone into force throughout Latin America. The U.S. Enhanced Proliferation Control Initiative has strengthened our own regulatory barriers against missile, chemical, and biological weapons technology proliferation, including proscriptions against U.S. citizens contributing to proliferation. Through the Middle East Arms Control Initiative, we will continue to pursue the post-Gulf War opportunities for arms restraint. Under the June 1992 nonproliferation initiative, we will accelerate and intensify our nonproliferation efforts. In addition, the United States will not produce plutonium or highly-enriched uranium for nuclear explosive purposes — a step intended to encourage countries in regions of tension such as the Middle East and South Asia to take similar actions.

Though many of our efforts will continue through governmental channels — including our Arms Control and Disarmament Agency refocused to support nonproliferation in addition to its tradition agenda — the private sector can and must play an active role. The International Science and Technology Center in Moscow and the Science Technology Center in Kiev should provide promising civilian opportunities for former weapon designers and engineers. More creative approaches to this problem will be required in the years ahead.

Arms Control

For most of the Cold War era, arms control efforts were aimed primarily at dampening the effects of superpower competition. Though noteworthy, the successes registered were limited: for example, banning above-ground nuclear tests; prohibiting biological weapons; placing ceilings on permitted growth in strategic nuclear forces.

In the last few years, with the extraordinary changes in the international security environment, that picture has changed dramatically. Over a very short time, we have achieved remarkable success in reducing nuclear and conventional arsenals, in the effort to ban chemical weapons, in establishing an extensive network of confidence-building measures and communications facilities among former adversaries.

Instead of merely dampening competition, arms control now plays a major role in creating the framework for cooperation. In keeping with that change, the process of arms control has also altered dramatically. In some areas, particularly with the independent states of the former Soviet Union, we can now afford to take unilateral steps, often based on anticipated reciprocity. In others, we continue to require formal agreements, but those can be arrived at far more quickly than before.

Before July 1991, the United States and the Soviet Union had never agreed to reduce their strategic nuclear forces. Now the combination of the July 1991 START Treaty, the President's nuclear initiatives of September 1991 and January 1992, and the June 1992 Bush-Yeltsin agreement on further strategic arms reductions will lower the number of our strategic nuclear forces to less than one-third their 1990 level. Moreover, each side will eliminate all of its multiple-warhead ICBMs, leaving strategic nuclear forces that are true deterrent forces.

The 1990 Treaty on Conventional Armed Forces in Europe (CFE) significantly reduces conventional military equipment in Europe. CFE and the Helsinki Summit Agreement placing politically binding limits on military manpower in Europe, establish comprehensive and stable levels of conventional military forces on a continent that for centuries was a major focus of conflict. The Open Skies Treaty will help in this regard. We are also working closely with our partners in the Conference on Security and Cooperation in Europe (CSCE) to develop greater stability and openness in military activities on the continent.

A major unfinished item on the arms control agenda, to which the United States attaches the highest priority, is the banning of chemical weapons. The best hope of achieving the worldwide elimination of chemical weapons and of stemming proliferation at the same time is to bring into force the Chemical Weapons Convention. The United States will be an original signatory to the Convention. To spur others to commit themselves to the completion and implementation of the Convention and to accelerate the negotiations, the United States has formally forsworn the use of chemical weapons for any purposes, including retaliation, against any state, effective when the Convention enters into force. In addition, we are unconditionally committed to the complete destruction of all U.S. chemical weapons stocks within ten years of its entry into force. We did not wait for entry into force of the Convention and have already begun the destruction of our chemical weapons. The United States has also concluded agreements with Russia concerning the destruction of chemical weapons, along with agreements on the safety, security, and dismantlement of nuclear warheads, as part of our overall efforts to aid the former Soviet Union in defense conversion.

Ballistic-Missile Defenses

Ballistic-missile defense remains a critical element of our strategic posture, but given the current strategic conditions, we have shifted our focus. The United States is now committed to the development of a system to provide Global Protection Against Limited Strikes (GPALS). The receding Soviet threat and the continued proliferation of ballistic-missile capabilities encouraged us to redirect our SDI program to meet an enduring requirement to protect our territory, our allies, and our forces abroad from accidental, unauthorized or rogue-nation ballistic-missile attacks.

As the Patriot demonstrated during the Gulf War, ballistic missile defenses are crucial to protect our troops and allies against madmen or rogue nations. But we can and must do better than Patriot to meet the growing threat from proliferation. Ballistic-missile defenses will reinforce our other security and regional policies and can be a force for stability in troubled regions, removing the need for hair-trigger responses to aggression, and possibly underwriting ballistic-missile arms control measures.

At the June 1992 Summit, Presidents Bush and Yeltsin agreed to work together, with allies and other interested states, in developing a concept for a Global Protection System (GPS) against limited ballistic missile attack. Since then, we have discussed GPS in detail with friends, NATO allies, and with high-level representatives of Russia and other former Soviet republics. We will continue our unilateral, bilateral and multilateral efforts in an effort to develop a mutually agreed GPS. This commitment to cooperation on a Global Protection System is a landmark in U.S.-Russian relations and will ensure that missile defenses can be deployed in a stabilizing manner for the benefit of the community of nations.

Intelligence

Our intelligence services continue to provide insights not available from diplomatic exchanges or open sources — insights that can give us a critical advantage in responding to dangers or opportunities. Accurate and timely information about conditions, motives, and actions of foreign powers is all the more essential in a radically changed world. Clearly the main topics of interest have changed from a few short years ago, but there is no diminution in the value of accurate, timely information for policy formulation and implementation.

Additionally, there is no lessening of the value of accurate, timely information in support of military planning and operations, particularly as U.S. force structure levels are drawn down. We must know the basis for other nations' policies and actions, their motives and their limits. U.S. intelligence assets, technical and human, must remain strong and responsive. They must remain flexible and adaptable to changing policy objectives and priorities.

In recognition of a radically changed world, every effort is being made to organize our intelligence institutions more effectively and to enhance sharing and support between their civil and military components. Intelligence priorities have changed significantly. Some old intelligence targets such as state-sponsored terrorism remain, but new challenges — the proliferation of weapons of mass destruction, narcotics trafficking and sanctions monitoring — demand concentrated collection.

To the extent prudent, U.S. intelligence today is also being used in dramatically new ways, such as assisting international organizations like the United Nations when called upon in support of crucial peacekeeping, humanitarian assistance and arms control efforts. We will share information and assets that strengthen peaceful relationships and aid in building confidence. Finally, despite significant and unprecedented progress in our intelligence exchange with friendly and formerly hostile governments abroad, the hostile intelligence threat still exists and continued priority attention must be given to counterintelligence.

Terrorism

Despite having secured the release of all American hostages in Lebanon and a welcome decline in major terrorist events, terrorism remains a potential threat to our national security — a threat we will oppose by all legal means available. To accede to terrorist demands only places more American citizens at risk. But terrorism is not merely the seizing of hostages. We will pay no ransoms nor agree to other conditions that could serve to encourage additional terrorism. This no-concessions policy is the most effective way of protecting the greatest number of people and ensuring their safety. At the same time, every available resource will be used to gain the safe return of American citizens who are taken hostage by terrorists. Enhanced security and counterterrorism measures have helped thwart other terrorist acts such as arson, bombings, and armed assaults.

States that practice or actively support terrorism will suffer international isolation and economic repercussions. The United States will reserve the right to act unilaterally, and will continue to work cooperatively with other nations to prevent and respond to terrorist acts. The number of nations with which we have assurances of cooperation continues to grow.

Combatting Illegal Drugs

The flow of illicit narcotics into the United States undermines our national security in many ways. It harms our society and degrades our economy, our competitiveness, and our international leadership as a champion of the rule of law. Progress has been made in terms of record seizures, substantial disruption of trafficking routes, improved international cooperation and the passage of legislation to help stimulate legitimate economic activity as an alternative to the drug trade. But more is required.

To choke off supply, our principal strategic goal is to identify, disrupt, dismantle, and ultimately destroy the trafficking organizations that produce or smuggle illicit drugs for the U.S. market. The U.S. will continue to mobilize the international community to combat drug trafficking through multilateral conventions, bilateral task forces, domestic and international legal reforms, information programs, and when needed, new institutions. We have also focused on strengthening enforcement and interdiction efforts in specific regions. For example, our Andean, Caribbean, Central American and Mexican initiatives and programs in other regions are aimed at potential sources and transit countries.

On the demand side, our National Drug Control Strategy unites the entire Federal effort and joins state, local and private sector efforts into a more effective national partnership. We are now committing unprecedented resources for education, prevention, treatment, and law enforcement. Yet, no matter how much money the government commits, no matter how widespread the implementation programs, government alone cannot solve the problem of illicit drugs. We will do all we can, but in the end, it is our families, neighborhoods, and communities that must nurture critical values like self-discipline, personal responsibility, and service to others.

How We Can Influence The Future

As we look toward the future in the defense arena, we see an agenda of new issues and opportunities.

- The restructuring and reshaping of the entire Department of Defense must continue, along with the development of new strategies and doctrines. In addition, we must continue to exploit technological opportunities, taking full advantage of the military-technical revolution in weapons, electronics, and organization. We need advanced sensor and other surveillance and reconnaissance systems, communications, as well as precision lethal and non-lethal weapons, and we need to integrate them more effectively. In peacetime, they will be a deterrent. In wartime, they will be essential to survival and success on the battlefield. We need to continue to restructure our defense technology and industrial base to shift resources to long-term military potential and reconstitution, recognizing the need to field modernized equipment and to develop operational concepts to employ new technology effectively.

- The United States should significantly increase its efforts to improve regional and United Nations conflict prevention efforts, humanitarian assistance, and peacekeeping capabilities. This would contribute to the early attenuation of conflict, rather than allowing it to expand into a serious national threat. Together with our allies and friends, the United States must develop multinational capabilities necessary for enforcing peace, and enhance our capability to contribute to monitoring, verification and reconnaissance, as well as peace rebuilding after conflict. These will demand innovative thinking and creative leadership.

- The United States must continue to play an active role in the evolution of the European security architecture, seeking to maintain peace and security at the lowest necessary level of forces. We must work to strengthen the viability of NATO, and actively participate in the development of a credible peacekeeping capability. We must actively seek the contributions of the members of the North Atlantic Cooperation Council in these endeavors, and assist them in their transition to democratic systems.

- In Asia, we should strengthen the U.S.-Japan relationship which remains key to regional stability. We must nurture existing defense relationships, work to expand access to facilities

throughout the region, and encourage security dialogue and cooperation. We will support regional stability by maintaining military forces in the region and through such fora as the ASEAN post-ministerial conference; encourage appropriate confidence building measures; support North and South Korean bilateral treaties and normalization of relations; continue to advocate positive change in China; and, consistent with our top priority of the fullest possible accounting for our POWs and MIAs, improved relations with Vietnam.

- In the former Soviet Union, we will continue to encourage and support positive, centralized control of nuclear weapons, press for rapid arms control treaty implementation and help reduce their nuclear arsenals. We will continue to press for a full accounting of former Soviet biological warfare programs. We seek to establish new relationships with Ukraine, Belarus and Kazakhstan, all of which have agreed to adhere to the NPT as nonnuclear states. We will help promote effective civilian control over the military, and assist the military forces of the former Soviet republics in assuming their legitimate role in civil society.

- In the Middle East and South Asia, we will maintain forces deployed in the region, expand our bilateral defense arrangements, preposition materiel and equipment, and conduct joint and combined exercises to defend the sovereignty, independence and territorial integrity of our partners in the region. We will continue to work to assure access to oil, deter recourse to war, terrorism and subversion, and enforce U.N. Security Council resolutions.

- In Latin America, we will advocate multinational responses to aggression, seek to strengthen civilian authority over the military, encourage wider participation in U.N. peacekeeping operations, promote regional efforts to implement the arms control agenda adopted by the OAS, and continue to undertake major counterdrug, counter-terrorism and nation assistance missions in the region.

- In Africa, we will continue to participate in United Nations peacekeeping and humanitarian assistance operations. We will promote the peaceful settlement of disputes and the rule of law, support friends and allies to improve their self-defense capabilities in order to deter and defend against regional aggressors, and continue to maintain and improve our crisis response capabilities.

- The United States will continue its worldwide efforts to constrain the proliferation of weapons of mass destruction. To reduce the danger of the spread of militarily useful technologies, weapons of mass destruction, and the missiles to deliver them from the former Soviet Union, the United States is working closely with the new independent states. We will continue to assist their authorities to implement all relevant international agreements, and help develop effective internal accounting of dangerous materials and equipment and methods for protecting them from theft or diversion. The United States will also help establish and implement effective export controls, and assist in the safe and secure dismantling of their nuclear warheads. We will also help create opportunities for weapons scientists and engineers to redirect their talents to peaceful endeavors.

- Finally, it is time to refashion our security assistance budget, and review how we fund peacekeeping and explore adequate American financial support for U.N. peacekeeping and humanitarian activities. We need to increase funding for military and defense contact programs and other activities designed to facilitate the successful transition of foreign militaries to democratic systems, as well as ensuring their ability to defend themselves against aggression.

VI. The World As It Can Be... If We Lead And Attempt To Shape It As Only America Can

As we approach the 21st Century, the fundamental values that have guided this Nation for over two centuries have not changed. Our basic national interests and objectives and the requirement for American leadership are still the same. But our strategy has changed to position us better to lead in a world which has changed as well.

While we no longer confront a single, defining threat, the challenges that face America today, and that will confront us in the future, are more complex than ever before. But just as these challenges are broad, so too are the opportunities for America. No other nation has the same

combination of moral, cultural, political, economic, and military credibility. No other has won such confidence, respect, and trust. No other has the same potential and indeed responsibility for world leadership.

America has always stood for much more than the sum of its economic wants and needs. We do care about the world around us; each successive generation of Americans has written its own chapter of contributions to the annals of history. We have inspired many because of what we have achieved and because of what we represent. We live in a country resplendent in freedom, where people of all religions, races, creeds, and colors can hope to live in peace and harmony; where success and achievement are determined by one's initiative, ingenuity, and imagination; where there is an unbounded belief in human dignity and faith in human potential; where there is always hope for a better tomorrow. We must continue to share our hopes and dreams with the world.

We have a vision for the future. We seek a world of cooperation and progress, not confrontation; a world no longer divided, but a community of independent and interdependent nations joined together by shared values; a world in which the United States role is defined by what we stand for — freedom, human rights, economic prosperity, the rule of law, peace — rather than what we stand against. To succeed, our strategy will have to be more than words on a piece of paper. It will take faith, courage, hard work, and inspiration. It will also take dialogue and debate, for that too is what democracy is 'all about. It will take the very best we have to offer — as individuals, as institutions, as a Nation. Let us work together to lead the world toward the 21st Century, the Age of Democratic Peace. There is no more important goal to which we could aspire.

1994

Стратегия Национальной Безопасности: вовлечённость и расширение (Вашингтон, июль 1994 г.)

A NATIONAL SECURITY STRATEGY OF ENGAGEMENT AND ENLARGEMENT
THE WHITE HOUSE
JULY 1994

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Preface

Protecting our nation's security - our people, our territory and our way of life - is my Administration's foremost mission and constitutional duty. The end of the Cold War fundamentally changed America's security imperatives. The central security challenge of the past half century the threat of communist expansion - is gone. The dangers we face today are more diverse. Ethnic conflict is spreading and rogue states pose a serious danger to regional stability in many corners of the globe. The proliferation of weapons of mass destruction represents a major challenge to our security. Large scale environmental degradation, exacerbated by rapid population growth, threatens to undermine political stability in many countries and regions.

At the same time, we have unparalleled opportunities to make our nation safer and more prosperous. Our military might is unparalleled. We now have a truly global economy linked by an instantaneous communications network, which offers growing scope for American jobs and American investment. The community of democratic nations is growing, enhancing the prospects for political stability, peaceful conflict resolution and greater dignity and hope for the people of the world. The international community is beginning to act together to address pressing global environmental needs.

Never has American leadership been more essential- to navigate the shoals of the world's new dangers and to capitalize on its opportunities. American assets are unique: our military strength, our dynamic economy, our powerful ideals and, above all, our people. We can and must make the difference through our engagement; but our involvement must be carefully tailored to serve our interests and priorities.

This report, submitted in accordance with Section 603 of the Goldwater-Nichols Defense Department Reorganization Act of 1986, elaborates a new national security strategy for this new era. Focussing on new threats and new opportunities, its central goals are:

- To credibly sustain our security with military forces that are ready to fight.
- To bolster America's economic revitalization.
- To promote democracy abroad.

Over the past seventeen months, my Administration has worked to pursue these goals. This national security strategy report presents the strategy that has guided this effort. It is premised on a belief that the line between our domestic and foreign policies has increasingly disappeared - that we must revitalize our economy if we are to sustain our military forces, foreign initiatives and global influence, and that we must engage actively abroad if we are to open foreign markets and create jobs for our people.

We believe that our goals of enhancing our security, bolstering our economic prosperity, and promoting democracy are mutually supportive. Secure nations are more likely to support free trade and maintain democratic structures. Nations with growing economies and strong trade ties are more likely to feel secure and to work toward freedom. And democratic states are less likely to threaten our interests and more likely to cooperate with the U.S. to meet security threats and promote sustainable development.

Since my Administration began, we have taken actions to meet these goals. To enhance global security, for example, we have pursued peace initiatives in the Middle East, established NATO's Partnership for Peace, reached a denuclearization agreement with Ukraine and Russia and implemented a firm strategy for a non-nuclear Korean peninsula. To bolster prosperity at home and around the world, we have passed the North American Free Trade Agreement, worked to open Asian-Pacific markets through the first-ever summit meeting of the Organization for Asian Pacific Economic Cooperation, lowered export controls and - having successfully completed the seventh GATT round - will now work with Congress to pass it this year. Our actions to promote democracy include our support for South Africa's recent transformation, aid to a new democratic Russia and Central and Eastern European nations, and our work with our Western Hemisphere neighbors, which will culminate at December's Summit of the Americas.

Even with the Cold War over, our nation must maintain military forces that are sufficient to deter diverse threats and, when necessary, to fight and win against our adversaries. While many factors ultimately contribute to our nation's safety and well-being, no single component is more important than the men and women who wear America's uniform and stand sentry over our security. Their skill, service and dedication constitute the core of our defenses. Today our military is the best-equipped, best-trained and best-prepared fighting force in the world, and I am committed to ensure that it remains so.

Our national security strategy reflects both America's interests and our values. Our commitment to freedom, equality and human dignity continues to serve as a beacon of hope to peoples around the world. The vitality, creativity and diversity of American society are important sources of national strength in a global economy that is dynamic, multi-cultural and increasingly driven by ideas and information.

Our prospects in this new era are promising. The specter of nuclear annihilation has dramatically receded. The historic events of the past year - including the handshake between Israel and the PLO and the breakthroughs by Nelson Mandela and F.W. DeKlerk that culminated in the election of a multi-racial parliament and a government headed by President Mandela - suggest this era's possibilities for progress toward security, prosperity and democracy.

Our nation can only address this era's dangers and opportunities if we remain actively engaged in global affairs. We are the world's greatest power, and we have global interests as well as responsibilities. As our nation learned after World War I, we can find no security for America in isolationism, nor prosperity in protectionism. For the American people to be safer and enjoy expanding opportunities, our nation must work to deter would-be aggressors, open foreign markets, promote the spread of democracy abroad, encourage sustainable development and pursue new opportunities for peace.

Our national security requires the patient application of American will and resources. We can only sustain that necessary investment with the broad, bi-partisan support of the American people and their representatives in Congress. The full participation of Congress is essential to the success of our new engagement, and I will consult with Congress at every step of the policy making and implementation process. The Cold War may be over, but the need for American leadership abroad remains as strong as ever. I am committed to building a new public consensus to sustain our active engagement abroad. This document is a part of that commitment.

William Clinton

I. Introduction

A new era is upon us. The Cold War is over. The dissolution of the Soviet empire has radically transformed the security environment facing the United States and our allies. The primary security imperative of the past half century - containing communist expansion while preventing nuclear war - is gone. We no longer face massive Soviet forces across an East-West divide nor Soviet missiles targeted on the United States and ready to fire. Yet there remains a complex array of new and old security challenges America must meet as we approach a new century.

This national security strategy assesses America's role in this new international context and describes the Administration's strategy to advance our interests at home and abroad.

This is a period of great promise but also great uncertainty. We stand as the world's preeminent power. America's core value of freedom, as embodied in democratic governance and market economics, has gained ground around the world. Hundreds of millions of people have thrown off communism, dictatorship or apartheid. Former adversaries now cooperate with us in diplomacy and global problem solving. The threat of a war among great powers and the specter of nuclear annihilation both have receded dramatically. The dynamism of the global economy is transforming commerce, culture and global politics, promising greater prosperity for America and greater cooperation among nations.

At the same time, troubling uncertainties and clear threats remain. The new, independent states that replaced the Soviet Union are experiencing wrenching economic and political transitions, as are many new democracies of Central and Eastern Europe. While our relations with the other great powers are as constructive as at any point in this century, Russia's future is uncertain, and China maintains a repressive regime even as that country assumes a more important economic and political role in global affairs. The spread of weapons of mass destruction poses serious threats. Violent extremists threaten fragile peace processes, from the Mideast to South Africa. Worldwide, there is a resurgence of militant nationalism as well as ethnic and religious conflict. This has been demonstrated by upheavals in Bosnia, Rwanda and Somalia, where the United States has participated in peacekeeping and humanitarian missions.

Not all security risks are military in nature. Transnational phenomena such as terrorism, narcotics trafficking, environmental degradation, rapid population growth and refugee flows also have security implications for both present and long term American policy. In addition, an emerging class of transnational environmental issues are increasingly affecting international stability and consequently will present new challenges to U.S. strategy.

American leadership in the world has never been more important. If we exert our leadership abroad, we can make America safer and more prosperous - by deterring aggression, by fostering the peaceful resolution of dangerous conflicts, by opening foreign markets, by helping democratic regimes and by tackling global problems. Without our active leadership and engagement abroad, threats will fester and our opportunities will narrow.

We can only engage actively abroad if the American people and the Congress are willing to bear the costs of that leadership - in dollars, political energy and, at times, American lives. In a democracy, the foreign policy of the nation must serve the needs of the people. The preamble of the Constitution sets out the basic objectives:

to provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

The end of the Cold War does not alter these fundamental purposes. Nor does it reduce the need for active American efforts, here and abroad, to pursue those goals. One purpose of this report is to help foster the broad, bipartisan understanding and support necessary to sustain our international engagement. Congressional participation is critical to this commitment.

Our national security strategy is based on enlarging the community of market democracies while deterring and containing a range of threats to our nation, our allies and our interests. The more that democracy and political and economic liberalization take hold in the world, particularly

In countries of geostrategic importance to us, the safer our nation is likely to be and the more our people are likely to prosper.

To that broad end, the report explains the three central components of our strategy of engagement and enlargement: our efforts to enhance our security by maintaining a strong defense capability and promoting cooperative security measures; our work to open foreign markets and spur global economic growth; and our promotion of democracy abroad. It also explains how we are pursuing the three elements of our strategy in specific regions.

During this Administration's first seventeen months, this strategy already has begun to produce tangible results with respect to our security requirements:

- At the President's direction, the Pentagon completed the Bottom Up Review, a full-scale assessment of what defense forces and systems our nation needs for this new security era. The President has also set forth a five-year defense budget that funds the force structure recommended by the Review, and he repeatedly stressed that he will draw the line against further cuts that would undermine that force structure or erode U.S. military readiness.

- The President convened a NATO Summit in January 1994. The Summit approved the Partnership For Peace and other major new initiatives, to ensure that NATO is prepared to meet the European and transatlantic security challenges of this era, and to provide the security relationships that will bind former communist states to the rest of Europe. Since then, 21 countries, including Russia, have joined the Partnership for Peace.

- The President launched a comprehensive policy to combat the proliferation of weapons of mass destruction and the missiles that deliver them. The U.S. opened formal negotiations on a Comprehensive Test Ban Treaty and secured landmark commitments to eliminate all nuclear weapons in Ukraine, Belarus and Kazakhstan.

- On May 3, 1994, President Clinton signed a Presidential Decision Directive establishing "U.S. Policy on Reforming Multilateral Peace Operations." This policy represents the first, comprehensive framework for U.S. decision-making on issues of peacekeeping and peace enforcement suited to the realities of the post Cold War period.

On the economic front, Administration policies have reaped dramatic successes:

- The President worked with the Congress on effective measures to reduce the federal budget deficit and restore economic growth. These measures help increase our competitiveness and strengthen our position in negotiations with other nations.

- The President secured approval of the North American Free Trade Agreement which creates the world's largest free trade zone and will create hundreds of thousands of American jobs. The vote for NAFTA marked a decisive U.S. affirmation of its international engagement. Through its environmental and labor side agreements, we are working actively to protect the rights of workers and to reduce air and water pollution that crosses national boundaries.

- The Administration stood at the forefront of a multilateral effort to achieve history's most extensive market-opening agreements in the GATT Uruguayround negotiations on world trade. The President is committed to working with Congress to secure U.S. accession this year to this pathbreaking agreement and the resulting World Trade Organization.

- The President convened the first meeting of leaders of the Organization for Asian Pacific Economic Cooperation (APEC) - and took steps to expand our ties with the economies of the Asia-Pacific region, the fastest growing area in the world.

- We have committed the United States to reduce its greenhouse gas emissions to 1990 levels by the year 2000, and we have developed a National Climate Plan to achieve that goal. The United States has also taken a leading role at the international level towards phasing out the production of most ozone-depleting substances. Under the Montreal Protocol for the protection of the ozone layer, the U.S. is contributing to developing countries' efforts to reduce their emissions of ozone-depleting chemicals. In June 1993, the U.S. signed the Biodiversity Treaty.

- The Administration has asserted world leadership on population issues, focussing in the context of the upcoming Conference on Population and Development on a plan to promote family planning, primary health and related development strategies that allow families to choose the number and spacing of their children.

Finally, the President has demonstrated a firm commitment to expanding the global realm of democracy:

- The Administration substantially expanded u.s. support for democratic and market reform in Russia and the other newly independent states of the former Soviet Union.

- The United States launched a series of initiatives to bolster the new democracies of Central and Eastern Europe. We affirmed our concern for their security, recognizing that such assurances would play a key role in promoting democratic developments.

- The U.S., working with the Organization of American States, helped reverse an anti-democratic coup in Guatemala.

- The Administration led efforts to strengthen UN sanctions on the military rulers of Haiti towards the end of restoring democracy and Haiti's democratically elected president.

- The President invited the democratic nations of the Hemisphere to an unprecedented summit to discuss cooperation in support of democracy in the hemisphere, as well as mutual prosperity and sustainable development.

- The u.s. has increased support for South Africa as it conducted elections and became a multiracial democracy.

- The Administration initiated policies aimed at crisis prevention, including a new peacekeeping policy and a proposed revision of the Foreign Assistance Act.

This report has two major sections. The first part of the report explains our strategy of engagement and enlargement. The second part describes briefly how the Administration is applying this strategy to the world's major regions.

II. Advancing our Interests Through

Engagement and Enlargement

The dawn of the post-Cold War era presents the United States with many distinct dangers, but also with a generally improved security environment and a range of opportunities to improve it further. The unitary threat that dominated our engagement during the Cold War has been replaced by a complex set of challenges, and our nation's strategy for defining and addressing those challenges is still evolving. In this time of global change, it is clear we cannot police the world; but it is equally clear we must exercise global leadership. As the world's premier economic and military power, and its premier practitioner of democratic values, the U.S. is indispensable to the forging of stable political relations and open trade.

Our leadership must stress preventive diplomacy through such means as support for democracy, economic assistance, overseas military presence, military-to-military contacts and involvement in multilateral negotiations in the Middle East and elsewhere - in order to help resolve problems, reduce tensions and defuse conflicts before they become crises. These measures are a wise investment in our national security because they offer the prospect of resolving problems with the least human and material cost.

Our engagement must be selective, focussing on the challenges that are most relevant to our own interests and focussing our resources where we can make the most difference. We must also use the right tools - being willing to act unilaterally when our direct national interests are most at stake; in alliance and partnership when our interests are shared by others; and multilaterally when our interests are more general and the problems are best addressed by the international community. In all cases, the nature of our response must depend on what best serves our own long-term national interests. Those interests are ultimately defined by our security requirements. Such requirements start with our physical defense and economic well-being. They also include environmental security

as well as the security of values achieved through expansion of the community of democratic nations.

Our national security strategy draws upon a range of political, military and economic instruments, and focuses on the primary objectives that President Clinton has stressed throughout his campaign and his Administration:

- **Enhancing Our Security.** Taking account of the realities of the post-Cold War era and the new threats, a military capability appropriately sized and postured to meet the diverse needs of our strategy, including the ability, in concert with regional allies, to win two nearly simultaneous major regional conflicts. We will continue to pursue arms control agreements to reduce the danger of nuclear conflict and promote stability.

- **Promoting Prosperity at Home.** A vigorous and integrated economic policy designed to stimulate global environmentally sound economic growth and free trade and to press for open and equal U.S. access to foreign markets.

- **Promoting Democracy.** A framework of democratic enlargement that increases our security by protecting, consolidating and enlarging the community of free market democracies. Our efforts focus on preserving democratic processes in key emerging democratic states including Russia, Ukraine and other new states of the former Soviet Union.

These basic objectives of our national security strategy will guide the allocation of our scarce national security resources. Because deficit reduction is also central to the long-term health and competitiveness of the American economy, we are striving for the most efficient and environmentally sound use of our resources. We have already begun the difficult process of making these adjustments by undertaking a fundamental review of our national defense requirements and of the means for promoting democracy. We have also submitted to the Congress major reform legislation to update and streamline our international programs.

Enhancing our Security

The U.S. government is responsible for protecting the lives and personal safety of Americans, maintaining our political freedom and independence as a nation and providing for the well-being and prosperity of our nation. No matter how powerful we are as a nation, we cannot secure these basic goals unilaterally. Whether the problem is nuclear proliferation, regional instability, the reversal of reform in the former Soviet empire, or unfair trade practices, the threats and challenges we face demand cooperative, multinational solutions. Therefore, the only responsible U.S. strategy is one that seeks to ensure U.S. influence over and participation in collective decisionmaking in a wide and growing range of circumstances.

An important element of our security preparedness depends on durable relationships with allies and other friendly nations. Accordingly, a central thrust of our strategy of engagement is to sustain and adapt the security relationships we have with key nations around the world. These ties constitute an important part of an international framework that will be essential to ensuring cooperation across a broad range of issues. Within the realm of security issues, our cooperation with allies includes such activities as: conducting combined training and exercises, coordinating military plans and preparations, sharing intelligence, jointly developing new systems, and controlling exports of sensitive technologies according to common standards.

The post-Cold War era presents a different set of threats to our security. In this new period, enhancing American security requires, first and foremost, developing and maintaining a strong defense capability of forces ready to fight. We are developing integrated approaches for dealing with threats arising from the development of nuclear and other weapons of mass destruction by other nations. Our security requires a vigorous arms control effort and a strong intelligence capability. We have implemented a strategy for multilateral peace operations. We need to rigorously apply clear guidelines for when to use military force in this era.

We also face security risks that are not military in nature. Transnational phenomena such as terrorism, narcotics trafficking, and refugee flows also have security implications both for present

and long term American policy. An emerging class of transnational environmental issues are increasingly affecting international stability and consequently will present new challenges to u.s. strategy.

Maintaining a Strong Defense Capability

U.S. military capabilities are critical to the success of our strategy. This nation has unparalleled military capabilities: the United States is the only nation capable of conducting large-scale and effective military operations far beyond its borders. This fact, coupled with our unique position as the security partner of choice in many regions, provides a foundation for regional stability through mutually beneficial security partnerships. Our willingness and ability to play a leading role in defending common interests also help ensure that the United States will remain an influential voice in international affairs - political, military and economic - that affect our well-being, so long as we retain the military wherewithal to underwrite our commitments credibly.

To protect and advance U.S. interests in the face of the dangers and opportunities outlined earlier, the United States must deploy robust and flexible military forces that can accomplish a variety of tasks:

- **Dealing with Major Regional Contingencies.** Our forces must be able to help offset the military power of regional states with interests opposed to those of the United States and its allies. To do this, we must be able to credibly deter and defeat aggression, by projecting and sustaining U.S. power in more than one region if necessary.

- **Providing a Credible Overseas Presence.** u.s. forces must also be forward deployed or stationed in key overseas regions in peacetime to deter aggression. Such overseas presence demonstrates our commitment to allies and friends, underwrites regional stability, gains us familiarity with overseas operating environments, promotes combined training among the forces of friendly countries, and provides timely initial response capabilities.

- **Countering Weapons of Mass Destruction.** We are devoting greater efforts to stemming the proliferation of weapons of mass destruction and their delivery means, but at the same time we must improve our capabilities to deter and prevent the use of such weapons and protect ourselves against their effects. (Our integrated program to deal with threats to our security from weapons of mass destruction is discussed below.)

- **Contributing to Multilateral Peace Operations.** When our interests call for it, the United States must also be prepared to participate in multilateral efforts to broker settlements of internal conflicts and bolster new democratic governments. Thus, our forces must prepare to participate in peacekeeping, peace enforcement and other operations in support of these objectives. (Our strategy for peace operations and the contribution of u.s. forces is discussed below.)

- **Supporting Counterterrorism Efforts and Other National Security Objectives.** A number of other tasks remain that u.s. forces have typically carried out with both general purpose and specialized units. These missions include: counterterrorism and punitive attacks, noncombatant evacuation, counternarcotics operations, nation assistance, and humanitarian and disaster relief operations.

To meet all of these requirements successfully, our forces must be capable of responding quickly and operating effectively. That is, they must be ready to fight and win. This imperative demands highly qualified and motivated people; modern, well-maintained equipment; realistic training; strategic mobility; and sufficient support and sustainment capabilities.

Major Regional Contingencies

The focus of our planning for major theater conflict is on deterring and, if necessary, fighting and defeating aggression by potentially hostile regional powers, such as North Korea, Iran or Iraq. Such states are capable of fielding sizable military forces that can cause serious imbalances in military power within regions important to the United States, with allied or friendly states often finding it difficult to match the power of a potentially aggressive neighbor. To deter aggression, prevent coercion of allied or friendly governments and, ultimately, defeat aggression should it

occur, we must prepare our forces to confront this scale of threat, preferably in concert with our allies and friends, but unilaterally if necessary. To do this, we must have forces that can deploy quickly and supplement U.S. forward based and forward deployed forces, along with regional allies, in halting an invasion and defeating the aggressor.

With programmed enhancements, the forces the Administration is fielding will be sufficient to help defeat aggression in two nearly simultaneous major regional conflicts. As a nation with global interests, it is important that the United States maintain forces with aggregate capabilities on this scale. Obviously, we seek to avoid a situation in which an aggressor in one region might be tempted to take advantage when U.S. forces are heavily committed elsewhere. More basically, maintaining a "two war" force helps ensure that the United States will have sufficient military capabilities to deter or defeat aggression by a coalition of hostile powers or by a larger, more capable adversary than we foresee today.

We will never know with certainty how an enemy might fight or precisely what demands might be placed on our own forces in the future. The contributions of allies or coalition partners will vary from place to place and over time. Thus, balanced U.S. forces are needed in order to provide a wide range of complementary capabilities and to cope with the unpredictable and unexpected.

Overseas Presence

The need to deploy U.S. military forces abroad in peacetime is also an important factor in determining our overall force structure. We will maintain robust overseas presence in several forms, such as permanently stationed forces, deployments and combined exercises, port calls and other force visits, as well as military-to-military contacts. These activities provide several benefits. Specifically they:

- Give form and substance to our bilateral and multilateral security commitments.
- Demonstrate our determination to defend U.S. and allied interests in critical regions, deterring hostile nations from acting contrary to those interests.
- Provide forward elements for rapid response in crises as well as the bases, ports and other infrastructure essential for deployment of U.S.-based forces by air, sea and land.
- Enhance the effectiveness of coalition operations, including peace operations, by improving our ability to operate with other nations.
- Allow the United States to use its position of trust to prevent the development of power vacuums and dangerous arms races, thereby underwriting regional stability by precluding threats to regional security.
- Facilitate regional integration, since nations that may not be willing to work together in our absence may be willing to coalesce around us in a crisis.
- Promote an international security environment of trust, cooperation, peace and stability, which is fundamental to the vitality of developing democracies and free market economies for America's own economic well-being and security.

Through training programs, combined exercises, military contacts, interoperability and shared defense with potential coalition partners, as well as security assistance programs that include judicious foreign military sales, we can strengthen the local self-defense capabilities of our friends and allies. Through active participation in regional security dialogues, we can reduce regional tensions, increase transparency in armaments and improve our bilateral and multilateral cooperation.

By improving the defense capabilities of our friends and demonstrating our commitment to defend common interests, these activities enhance deterrence, encourage responsibility-sharing on the part of friends and allies, decrease the likelihood that U.S. forces will be necessary if conflict arises and raise the odds that U.S. forces will find a relatively favorable situation should a U.S. response be required.

Counterterrorism, Fighting Drug Trafficking and Other Missions

While the missions outlined above will remain the primary determinants of our general purpose and nuclear force structure, U.S. military forces and assets will also be called upon to perform a wide range of other important missions as well. Some of these can be accomplished by conventional forces fielded primarily for theater operations. Often, however, these missions call for specialized units and capabilities.

Combating Terrorism

As long as terrorist groups continue to target American citizens and interests, the United States will need to have specialized units available to defeat such groups. From time to time, we might also find it necessary to strike terrorists at their bases abroad or to attack assets valued by the governments that support them.

Our policy in countering international terrorists is? To make no concessions to terrorists, continue to pressure state sponsors of terrorism, fully exploit all available legal mechanisms to punish international terrorists and help other governments improve their capabilities to combat terrorism.

Countering terrorism effectively requires close day-to-day coordination among Executive Branch agencies. The Departments of State, Justice and Defense, the FBI and CIA continue to cooperate closely in an ongoing effort against international terrorists. Positive results will come from integration of intelligence, diplomatic and rule-of-law activities, and through close cooperation with other governments and international counterterrorist organizations.

Improving U.S. intelligence capacities is a significant part of the U.S. response. Terrorists, whether from well-organized groups or the kind of more loosely organized group responsible for the World Trade Center bombing, have the advantage of being able to take the initiative in the timing and choice of targets. Terrorism involving weapons of mass destruction represents a particularly dangerous potential threat that must be countered.

The United States has made concerted efforts this past year to punish and deter terrorists. On June 26, 1993, following a determination that Iraq had plotted an assassination attempt against former President Bush, President Clinton ordered a cruise missile attack against the headquarters of Iraq's intelligence service in order to send a firm response and deter further threats. Similarly, on March 4, 1994, the United States obtained convictions against the four defendants in the bombing of the World Trade Center.

U.S. leadership and close coordination with other governments and international bodies will continue, as demonstrated by the UN Security Council sanctions against Libya for the Pan Am 103 and UTA 772 bombings, a new international convention dealing with detecting and controlling plastic explosives, and two important counterterrorism treaties - the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Aviation and the Convention for the Suppression of Unlawful Attacks Against the Safety of Maritime Navigation.

Fighting Drug Trafficking

The Administration has undertaken a new approach to the global scourge of drug abuse and trafficking that will better integrate domestic and international activities to reduce both the demand and the supply of drugs. Ultimate success will depend on concerted efforts and partnerships by the public, all levels of government and the American private sector with other governments, private groups and international bodies.

The U.S. will shift its strategy from the past emphasis on transit interdiction to a more evenly balanced effort with source countries to build institutions, destroy trafficking organizations and stop supplies. We will support and strengthen democratic institutions abroad, denying narcotics traffickers a fragile political infrastructure in which to operate. We will also cooperate with governments that demonstrate the political will to confront the narcotics threat.

A new comprehensive strategy has been developed to deal with the problem of cocaine and another is being developed to address the growing threat from high-purity heroin entering this

country. We will engage more aggressively with international organizations, financial institutions and nongovernmental organizations in counternarcotics cooperation.

At home and in the international arena, prevention, treatment and economic alternatives must work hand-in-hand with law enforcement and interdiction activities. Longterm efforts will be maintained to help nations develop healthy economies with fewer market incentives for producing narcotics. U.S. efforts will increase efforts abroad to foster public awareness and support for governmental cooperation on a broad range of activities to reduce the incidence of drug abuse. Public awareness of a demand problem in producing or trafficking countries can be converted into public support and increased governmental law enforcement to reduce trafficking and production. There has been a significant attitudinal change and awareness in Latin America and the Caribbean, particularly as producer and transit nations themselves become plagued with the ill effects of consumption. .

Other Missions

The United States government is also responsible for protecting the lives and safety of Americans abroad. In order to carry out this responsibility, selected U.S. military forces are trained and equipped to evacuate Americans from such situations as the outbreak of civil or international conflict and natural or man-made disasters. For example, U.S. Marines evacuated Americans from Monrovia, Liberia in August of 1990, and from Mogadishu, Somalia, in December of that year. In 1991, U.S. forces evacuated nearly 20,000 Americans from the Philippines over a three-week period following the eruption of Mount Pinatubo. This year, U.S. Marines coupled with U.S. airlift, helped ensure the safe evacuation of U.S. citizens from ethnic fighting in Rwanda.

U.S. forces also provide invaluable training and advice to friendly governments threatened by subversion, lawlessness or insurgency. At any given time, we have small teams of military experts deployed in roughly 25 countries helping host governments cope with such challenges.

U.S. military forces and assets are frequently called upon to provide assistance to victims of floods, storms, drought and other disasters. Both at home and abroad, U.S. forces provide emergency food, shelter, medical care and security to those in need.

Finally, the U.S. will continue as a world leader in space through its technical expertise and innovation. Over the past 30 years, as more and more nations have ventured into space, the U.S. has steadfastly recognized space as an international region. Since all nations are immediately accessible from space, the maintenance of an international legal regime for space, similar to the concept of freedom of the high seas, is especially important. Numerous attempts have been made in the past to legally limit access to space by countries that are unable, either technologically or economically, to join space-faring nations. As the commercial importance of space is developed, the U.S. can expect further pressure from non-participants to redefine the status of space, similar to what has been attempted with exclusive economic zones constraining the high seas.

Retaining the current international character of space will remain critical to achieving U.S. national security goals. Our main objectives in this area include:

- Continued freedom of access to and use of space;
- Maintaining the U.S. position as the major economic, political, military and technological power in space;
- Deterring threats to U.S. interests in space and defeating aggression if deterrence fails;
- Preventing the spread of weapons of mass destruction to space;
- Enhancing global partnerships with other spacefaring nations across the spectrum of economic, political and security issues.

Deciding When and How to Employ U.S. Forces

Our strategy calls for the development and deployment of American military forces in the United States and abroad to respond to key dangers - those posed by weapons of mass destruction, regional aggression and threats to the stability of states.

Although there may be many demands for u.s. involvement, the need to husband scarce resources suggests that we must carefully select the means and level of our participation in particular military operations. It is unwise to specify in advance all the limitations we will place on our use of force, but it is appropriate to identify several basic principles that will guide our decisions on when to use force.

First, and foremost, our national interests will dictate the pace and extent of our engagement. In all cases, the costs and risks of u.s. military involvement must be judged to be commensurate with the stakes involved. In those specific areas where our vital or survival interests – those of broad, overriding importance to the survival, security and vitality of our national entity – are at stake, our use of force will be decisive and, if necessary, unilateral. In other situations posing a less immediate threat, our military engagement must be targeted selectively on those areas that most affect our national interests – for instance, areas where we have a sizable economic stake or commitments to allies, and areas where there is a potential to generate substantial refugee flows into our nation or our allies.

Second, as much as possible, we will seek the help of our allies or of relevant multilateral institutions. If our most important national interests are at stake, we are prepared to act alone. But especially on those matters touching directly the interests of our allies, there should be a proportional commitment from them.

Third, in every case, we will consider several critical questions before committing military force. Have we considered nonmilitary means that offer a reasonable chance of success? What types of U.S. military capabilities should be brought to bear, and is the use of military force carefully matched to our political objectives? Do we have reasonable assurance of support from the American people and their elected representatives? Do we have timelines and milestones that will reveal the extent of success or failure, and, in either case, do we have an exit strategy?

Fourth, our engagement must meet reasonable cost and feasibility thresholds. We will be more inclined to act where there is reason to believe that our action will bring lasting improvement. On the other hand, our involvement will be more circumscribed when other regional or multilateral actors are better positioned to act than we are. Even in these cases, however, the United States will be actively engaged at the diplomatic level.

Combating the Spread and Use of Weapons of Mass Destruction and Missiles

Weapons of mass destruction – nuclear, biological, and chemical – along with the missiles that deliver them, pose a major threat to our security and that of our allies and other friendly nations. Thus, a key part of our strategy is to seek to stem the proliferation of such weapons and to develop an effective capability to deal with these threats. We also need to maintain robust strategic nuclear forces while seeking to implement existing strategic arms agreements.

Nonproliferation and Counterproliferation

A critical priority for the United States is to stem the proliferation of nuclear weapons and other weapons of mass destruction and their missile delivery systems. Countries' weapons programs, and their levels of cooperation with our nonproliferation efforts, will be among our most important criteria in judging the nature of our bilateral relations.

As a key part of our effort to control nuclear proliferation, we seek the indefinite extension of the Nonproliferation Treaty (NPT) beyond 1995 and its universal application. Achieving a Comprehensive Test Ban Treaty as soon as possible, ending the unsafeguarded production of fissile materials for nuclear weapons purposes and strengthening the Nuclear Suppliers Group and the International Atomic Energy Agency (IAEA) are important goals. They complement our comprehensive efforts to discourage the accumulation of fissile materials, to seek to strengthen controls and constraints on those materials, and over time, to reduce world-wide stocks.

To combat missile proliferation, the United States seeks prudently to broaden membership of the Missile Technology Control Regime (MTCR). The Administration supports the prompt ratification and earliest possible entry in force of the Chemical Weapons Convention (CWC) as well

as new measures to deter violations of and enhance compliance with the Biological Weapons Convention (BWC). We also support improved export controls for nonproliferation purposes both domestically and multilaterally.

The proliferation problem is global, but we must tailor our approaches to specific regional contexts. We are leading international efforts to bring North Korea into compliance with its nonproliferation obligations, including the NPT, IAEA safeguards, and the North-South denuclearization accord. We will continue efforts to prevent Iran from advancing its weapons of mass destruction objectives and to thwart Iraq from reconstituting its previous programs. The United States seeks to cap, reduce and, ultimately, eliminate the nuclear and missile capabilities of India and Pakistan. In the Middle East and elsewhere, we encourage regional arms control agreements that address the legitimate security concerns of all parties. These tasks are being pursued with other states that share our concern for the enormous challenge of stemming the proliferation of such weapons.

The United States has signed bilateral agreements with Russia and Ukraine, which commit both these countries to adhere to the guidelines of the MTCR. Russia has agreed not to transfer space-launch vehicle technology with potential military applications to India. South Africa has joined the NPT and accepted full-scope safeguards. Argentina has joined the MTCR and Brazil has committed itself publicly to adhere to the MTCR guidelines. Argentina, Brazil and Chile have brought the Treaty of Tlatelolco into force. We continue to push for the dismantlement of intercontinental ballistic missiles located in Ukraine and Kazakhstan and to press China to formalize its earlier MTCR undertakings. With the United States and Russia, Ukraine is pressing forward on implementation of the Trilateral Accord, which provides for the transfer of warheads from Ukraine to Russia in return for fair compensation for their value.

Thus, the United States seeks to prevent additional countries from acquiring chemical, biological and nuclear weapons and the means to deliver them. However, should such efforts fail, u.s. forces must be prepared to deter, prevent and defend against their use.

The United States will retain the capacity to retaliate against those who might contemplate the use of weapons of mass destruction, so that the costs of such use will be seen as outweighing the gains. However, to minimize the impact of proliferation of weapons of mass destruction on our interests, we will need the capability not only to deter their use against either ourselves or our allies and friends, but also, where necessary and feasible, to prevent it.

This will require improved defensive capabilities. To minimize the vulnerability of our forces abroad to weapons of mass destruction, we are placing a high priority on improving our ability to locate, identify, and disable arsenals of weapons of mass destruction, production and storage facilities for such weapons, and their delivery systems.

Strategic Nuclear Forces.

We will retain strategic nuclear forces sufficient to deter any future hostile foreign leadership with access to strategic nuclear forces from acting against our vital interests and to convince it that seeking a nuclear advantage would be futile. Therefore we will continue to maintain nuclear forces of sufficient size and capability to hold at risk a broad range of assets valued by such political and military leaders. We are engaged in a review to determine what nuclear posture is required in the current world situation.

The strategic arms control process, with its prescribed reductions in strategic offensive arms and steady shift toward less destabilizing systems, remains indispensable. The U.S. is committed to the ratification and entry into force of the START I and II Treaties. Although Ukraine has yet to accede to the Non-Proliferation Treaty, the Rada's action on 3 February 1994 to ratify the START I Treaty and the Lisbon Protocol without reservations places Ukraine back on track toward becoming a Non-Nuclear Weapons State. The U.S. is also reviewing whether future reductions in strategic forces below START II levels are advisable. We will also explore strategic confidence-building measures and mutual understandings that reduce the risk of accidental war.

Arms Control

Arms control is an integral part of our national security strategy. Arms control can help reduce incentives to initiate attack; enhance predictability regarding the size and structure of forces, thus reducing fear of aggressive intent; reduce the size of national defense industry establishments and thus permit the growth of more vital, nonmilitary industries; ensure confidence in compliance through effective monitoring and verification; and, ultimately, contribute to a more stable and calculable balance of power. As noted above, arms control is an integral part of our strategy to limit the spread of nuclear, chemical and biological weapons, and to limit the strategic nuclear forces which could still pose a direct threat to the United States.

The full and faithful implementation of existing arms control agreements, including the ABM Treaty, BWC, INF, CFE, several nuclear testing agreements, the 1992 Vienna Document on CSBMs, Open Skies, the Environmental Modification Convention (EnMod), Incidents at Sea and many others will remain an important element of national security policy. The on-going negotiation initiated by the United States to clarify the ABM Treaty by establishing an agreed demarcation between strategic and theater ballistic missiles and update the Treaty to reflect the break-up of the Soviet Union reflects the Administration's commitment to maintaining the integrity and effectiveness of crucial arms control agreements.

Future arms control efforts may become more regional and multilateral. Regional arrangements can add predictability and openness to security relations, advance the rule of international law and promote cooperation among participants. They help maintain deterrence and a stable military balance at regional levels. The u.s. is prepared to promote, help negotiate, monitor and participate in regional arms control undertakings compatible with American national security interests. We will generally support such undertakings but will not seek to impose regional arms control accords against the wishes of affected states. As arms control, whether regional or global, becomes increasingly multilateral, the Conference on Disarmament (CD) in Geneva will play an even more important role. The u.s. will support measures to increase the effectiveness and relevance of the CD. Arms control agreements can head off potential arms races in certain weapons categories or in some environments. We will continue to seek greater transparency, responsibility and, where appropriate, restraint in the transfer of conventional weapons and global military spending must increase. The UN register of conventional arms transfers is a start in promoting greater transparency of weapons transfers and buildups, but more needs to be done. The U.S. has proposed that the new regime to succeed the Coordinating Committee (COCOM) focus on conventional arms sales and dual-use technologies. Where appropriate, the United States will continue to pursue such efforts vigorously. Measures to reduce over-sized defense industrial establishments, especially those parts involved with weapons of mass destruction, will also contribute to stability in the post-Cold War world. The Administration also will pursue defense conversion agreements with FSU states, and possibly China.

Peace Operations

In addition to preparing for major regional contingencies, we must prepare our forces for peace operations to support democracy or conflict resolution. The United States, along with others in the international community, will seek to prevent and contain localized conflicts before they require a military response. U.S. support capabilities such as airlift, intelligence, and global communications, have often contributed to the success of multilateral peace operations, and they will continue to do so. U.S. combat units are less likely to be used for most peace operations, but in some cases their use will be necessary or desirable and justified by u.s. national interests as guided by the Presidential Decision Directive, "U.s. Policy on Reforming Multilateral Peace Operations," and outlined below.

Multilateral peace operations are an important component of our strategy. From traditional peacekeeping to peace enforcement, multilateral peace operations are sometimes the best way to prevent, contain, or resolve conflicts that could otherwise be far more costly and deadly. Peace

operations often have served, and continue to serve, important U.S. national interests. In some cases, they have helped preserve peace between nations, as in Cyprus and the Golan Heights. In others, peacekeepers have provided breathing room for fledgling democracies, as in Cambodia, El Salvador and Namibia.

At the same time; however, we must recognize that peace operations make demands on the UN that exceed the organization's current capabilities. The United States is working with the UN headquarters and other member states to ensure that the UN embarks only on peace operations that make political and military sense and that the UN is able to manage effectively those peace operations it does undertake. We support the creation of a professional UN peace operations headquarters with a planning staff, access to timely intelligence, a logistics unit that can be rapidly deployed and a modern operations center with global communications. The United States is committed to working with the United Nations to see that we pay our bills in full, while reducing our nation's proportional assessment for these missions.

When deciding whether to support a particular UN peace operation, the United States will insist that fundamental questions be asked before new obligations are undertaken. These include an assessment of the threat to international peace and security, a determination that the peace operation serves U.S. interests as well as assurance of an international community of interests for dealing with that threat on a multilateral basis, identification of clear objectives, availability of the necessary resources, and identification of an operation's endpoint or criteria for completion.

Most UN peacekeeping operations do not involve U.S. forces. On those occasions when we consider contributing U.S. forces to a UN peace operation, we will employ rigorous criteria, including the same principles that would guide any decision to employ U.S. forces. In addition, we will ensure that the risks to U.S. personnel and the command and control arrangements governing the participation of American and foreign forces are acceptable to the United States.

The question of command and control is particularly critical. There may be times when it is in our interest to place U.S. troops under the temporary operational control of a competent UN or allied commander. The United States has done so many times in the past - from the siege of Yorktown in the Revolutionary War to the battles of Desert Storm. However, under no circumstances will the President ever relinquish his command authority over U.S. forces.

Improving the ways the United States and the UN decide upon and conduct peace operations will not make the decision to engage any easier. The lesson we must take away from our first ventures in peace operations is not that we should forswear such operations but that we should employ this tool selectively and more effectively. In short, the United States views peace operations as a means to support our national security strategy, not as a strategy unto itself.

The President is firmly committed to securing the active support of Congress for U.S. participation in peace operations. The Administration has set forth a detailed blueprint to guide consultations with Congress. With respect to particular operations, the Administration will undertake such consultations on questions regarding command and control of U.S. forces, the nature of expected U.S. military participation, the mission parameters of the operation, the expected duration, and budgetary implications. In addition to such operation-specific consultations, the Administration has also conducted regular monthly briefings for congressional staff, and will deliver an Annual Comprehensive Report to Congress on Peace Operations. Congress is critical to the institutional development of a successful U.S. policy on peace operations.

Two other points deserve emphasis. First, the primary mission of our Armed Forces is not peace operations; it is to deter and, if necessary, to fight and win conflicts in which our most important interests are threatened. Second, while the international community can create conditions for peace, the responsibility for peace ultimately rests with the people of the country in question.

Strong Intelligence Capabilities

Only a strong intelligence effort can provide adequate warning of threats to U.S. national security and identify opportunities for advancing our interests. Policy analysts, decision makers and

military commanders at all levels will continue to rely on our intelligence community to collect and analyze information unavailable from other sources and which provides an essential complement to foreign service reporting, media reports and private analysts who rely entirely on open sources.

Because national security has taken on a much broader definition in this post-Cold War era, intelligence must address a much wider range of threats and dangers. We will continue to monitor military and technical threats, to guide long-term force development and weapons acquisition, and to directly support military operations. Intelligence will also be critical for directing new efforts against regional conflicts, proliferation of WMD, counterintelligence, terrorism and narcotics trafficking. In order to adequately forecast dangers to democracy and to U.S. economic well-being, the intelligence community must track political, economic, social and military developments in those parts of the world where U.S. interests are most heavily engaged and where overt collection of information from open sources is inadequate. Finally, to enhance the study and support of worldwide environmental, humanitarian and disaster relief activities, technical intelligence assets (principally imagery) must be directed to a greater degree towards collection of data on these subjects.

Economic intelligence will play an increasingly important role in helping policy makers understand economic trends. Economic intelligence can support U.S. trade negotiators and help level the economic playing field by identifying threats to U.S. companies from foreign intelligence services and unfair trading practices.

This strategy requires that we take steps to reinforce current intelligence capabilities and overt foreign service reporting, within the limits of our resources, and similar steps to enhance coordination of clandestine and overt collection. Key goals include to:

- Provide timely warning of strategic threats, whether from the remaining arsenal of weapons in the former Soviet Union or from other nations with weapons of mass destruction;
- Ensure timely intelligence support to military operations;
- Provide early warning of potential crises and facilitate preventive diplomacy;
- Develop new strategies for collection, production and dissemination (including closer relationships between intelligence producers and consumers) to make intelligence products more responsive to current consumer needs;
- Improve worldwide technical capabilities to detect, identify and determine the efforts of foreign nations to develop weapons of mass destruction;
- Improve counterintelligence efforts;
- Provide focussed support for law enforcement agencies in areas like counternarcotics, counterterrorism and illegal technology trade;
- Streamline intelligence operations and organizations to gain efficiency and integration;
- Revise long-standing security restrictions where possible to make intelligence data more useful to intelligence consumers.
- Strengthen intelligence relationships and sharing with friendly foreign intelligence services, especially in areas where U.S. intelligence capabilities are limited.

The Environment

The more clearly we understand the complex interrelationships between the different parts of our world's environment, the better we can understand the regional and even global effects of local changes to the environment. Increasing competition for the dwindling reserves of uncontaminated air, arable land, fisheries and other food sources, and water, once considered "free" goods, is already a very real risk to regional stability around the world. The range of environmental risks serious enough to jeopardize international stability extends to massive population flight from man-made or natural catastrophes, such as Chernobyl or the East African drought, and to largescale ecosystem damage caused by industrial pollution, deforestation, loss of biodiversity, ozone depletion, and ultimately climate change. Strategies dealing with environmental issues of this magnitude will require partnerships between governments and nongovernmental organizations,

cooperation between nations and regions, and a commitment to a strategically focused, long-term policy for emerging environmental risks.

The decisions we make today regarding military force structures typically influence our ability to respond to threats 20 to 30 years in the future. Similarly, our current decisions regarding the environment will affect the magnitude of its security risks over at least a comparable period of time, if not longer. The measure of our difficulties in the future will be settled by the steps we take in the present.

As a priority initiative, the u.s. will press the global community at the September Cairo Conference and in other fora, to address the continuous climb in global population. Rapid population growth in the developing world and unsustainable consumption patterns in industrialized nations are the root of both present and potentially even greater forms of environmental degradation and resource depletion. A conservative estimate of the globe's population projects 8.5 billion people on the planet by the year 2025. Even when making the most generous allowances for advances in science and technology, One cannot help but conclude that population growth and environmental pressures will feed into immense social unrest and make the world substantially more vulnerable to serious international frictions.

Promoting Prosperity at Home

A central goal of our national security strategy is to promote America's prosperity through efforts both at home and abroad. Our economic and security interests are increasingly inseparable. Our prosperity at home depends on engaging actively abroad. The strength of our diplomacy, our ability to maintain an unrivaled military, the attractiveness of our values abroad ~ all these depend in part on the strength of our economy.

Enhancing American Competitiveness

Our primary economic goal is to strengthen the American economy and reverse the decline in American competitiveness that plagued our international economic performance for over a decade. The first step toward that goal was reducing the federal deficit and the burden it imposes on the economy and future generations. The economic program passed in 1993 will reduce the deficit by over \$500 million, restored investor confidence in the U.S. and strengthened our position in international economic negotiations. We are building on this deficit reduction effort with other steps to improve American competitiveness: investing in technology; assisting defense conversion; improving information networks and other vital infrastructure; and improving education and training programs for America's workforce. We are structuring our defense R&D effort to place greater emphasis on dual-use technologies that can enhance competitiveness and meet pressing military needs. We are also reforming the defense acquisition system so that we can develop and procure weapons and materiel more efficiently.

Partnership with Business and Labor

Our economic strategy views the private sector as the engine of economic growth. It sees government's role as a partner to the private sector - acting as an advocate of U.S. business interests; leveling the playing field in international markets; helping to boost American exports; and finding ways to remove domestic and foreign barriers to the creativity, initiative and productivity of American business.

To this end, on September 29, 1993, the Administration published its report creating America's first national export strategy and making 65 specific recommendations for reforming the way government works with the private sector to expand exports. Among the recommendations were significant improvements in advocacy, export financing, market information systems and product standards education. The results of these reforms could enable u.s. exports to reach the trillion dollar mark by the turn of the century, which would help create at least six million new American jobs.

Another critical element in boosting u.S. exports is reforming the outdated export licensing system. last year, that reform began with significant liberalization of export licensing controls for

computers, supercomputers and telecommunications equipment. This year the Administration is seeking comprehensive reform of the Export Administration Act, which governs the process of export licensing. The goal of this reform is to strengthen our ability to prevent proliferation and protect other national interests, while removing unnecessarily burdensome licensing requirements left over from the Cold War.

Enhancing Access to Foreign Markets

The success of American business is more than ever dependent upon success in international markets. The ability to compete internationally also assures that our companies will continue to innovate and increase productivity, which will in turn lead to improvements in our own living standards. But to compete abroad, our firms need access to foreign markets, just as foreign industries have access to our open market. We Vigorously pursue measures to increase access for our companies – through bilateral, regional and multilateral arrangements.

The North American Free Trade Agreement

On December 3, 1993, President Clinton signed the North American Free Trade Act (NAFTA), which creates a free trade zone among the United States, Canada and Mexico. NAFTA will create more than 200,000 American jobs and it increases Mexico's capacity to cooperate with our nation on a wide range of issues that cross our 2000 mile border - including the environment, narcotics trafficking and illegal immigration.

Asia Pacific Economic Cooperation

Our economic relations depend vitally on our ties with the Asia Pacific region, which is the world's fastest-growing economic region. In November 1993, President Clinton convened the first-ever summit of the leaders of the economies that constitute the Organization for Asia Pacific Economic Cooperation (APEC). U.S. initiatives in the APEC forum will open new opportunities for economic cooperation and permit U.S. companies to become involved in substantial infrastructure planning and construction throughout the region. The trade and investment framework agreed to in 1993 provides the basis for enhancing the "open regionalism" that defines APEC.

Uruguay Round of GATT

The successful conclusion in December 1993 of the Uruguay Round of the negotiations under the General Agreement on Tariffs and Trade (GATT) significantly strengthened the world trading system. The Uruguay Round accord is the largest, most comprehensive trade agreement in history. It will create hundreds of thousands of new U.S. jobs and expand opportunities for U.S. businesses. For the first time, international trade rules will apply to services, intellectual property and investments, and effective rules will apply to agriculture. The Uruguay Round also continued the cuts in tariff rates throughout the world that began just after the Second World War. The Administration is committed to working with Congress to passing GATT this year and ensuring that the promises made to American industries in the Uruguay Round are fulfilled.

U.S. - Japan Framework Agreement

While Japan is America's second-largest export market, foreign access to the Japanese market remains limited in many important sectors. Japan's persistent current account surpluses are a major imbalance in the global economy. In July 1993 President Clinton and Japanese Prime Minister Miyazawa established the U.S.-Japan Framework for Economic Partnership to redress the imbalances in our economic relationship. By the February 1994 Summit between President Clinton and Prime Minister Hosokawa, Japan had not yet fulfilled key commitments under the Framework agreement. The Administration is continuing efforts to ensure that competitive American goods and services have fair access to the Japanese market. We believe Japan must take measures to open its markets and stimulate its economy, both to benefit its own people and to fulfill its international responsibilities.

Expanding the Realm of Free Trade

The conclusion of NAFTA and the Uruguay Round represents unprecedented progress toward more open markets both at the regional and global levels. The Administration intends to

continue its efforts in further enhancing U.S. access to foreign markets. The World Trade Organization will provide a powerful new institutional lever for securing such access. Emerging markets, particularly along the Pacific Rim, present vast opportunities for American enterprise, and APEC now provides a suitable vehicle for the exploration of such opportunities. The U.S. may also be amenable to the possible establishment of free trade regimes with other nations. All such steps in the direction of expanded trading relationships will be undertaken in a way consistent with protection of the international environment and to the end of sustainable development here and abroad.

Strengthening Macroeconomic Coordination

As national economies become more integrated internationally, the U.S. cannot drive global growth on its own. International economic expansion will benefit from coordinating the macroeconomic policies of the G-7 economies, and especially the three major economies of the world the United States, Germany and Japan. To improve global macroeconomic performance, we will continue to work through the G-7 "heads of state" and financial leader meetings to seek growth-oriented policies to complement our own budget deficit reduction efforts. Together we can promulgate a growth strategy that combines reducing budget deficits in the U.S., lowering interest rates in Germany and reducing current account surpluses in Japan.

Providing for Energy Security

The United States depends on oil for more than 40% of its primary energy needs. Roughly 45% of our oil needs are met with imports, and a large share of these imports come from the Persian Gulf area. The experiences of the two oil shocks and the Gulf War show that an interruption of oil supplies can have a significant impact on the U.S. economy. Appropriate economic responses can substantially mitigate the balance of payments and inflationary impacts of an oil shock; appropriate foreign policy responses to events such as Iraq's invasion of Kuwait can limit the magnitude of the crisis.

Over the longer term, the United States' dependence on access to foreign oil sources will be increasingly important as our resources are depleted. The U.S. economy has grown roughly 75% since the first oil shock; yet during that time our oil consumption has remained virtually stable and oil production has declined. High oil prices did not generate enough new oil exploration and discovery to sustain production levels from our depleted resource base. These facts show the need for continued and extended reliance on energy efficiency and conservation and development of alternative energy sources. Conservation measures notwithstanding, the U.S. has a vital interest in unrestricted access to this critical resource.

Promoting Sustainable Development Abroad

Broad-based economic development not only improves the prospects for democratic development in developing countries, but also expands the demands for U.S. exports. Economic growth abroad can alleviate pressure on the global environment, reduce the attraction of illegal narcotics trade and improve the health and economic productivity of global populations.

The environmental aspects of ill-designed economic growth are clear. Environmental damage will ultimately block economic growth. Rapid urbanization is outstripping the ability of nations to provide jobs, education, and other services to new citizens. The continuing poverty of a quarter of the world's people leads to hunger, malnutrition, economic migration, and political unrest. Widespread illiteracy and lack of technical skills hinder employment opportunities and drive entire populations to support themselves on increasingly fragile and damaged resource bases. New diseases and epidemics, often spread through environmental degradation, threaten to overwhelm the health facilities of developing countries, disrupt societies, and stop economic growth. These realities must be addressed by sustainable development programs which offer viable alternatives. U.S. leadership is of the essence. If such alternatives are not developed, the consequences for the planet's future will be grave indeed.

Domestically, the U.S. must work hard to halt local and cross-border environmental degradation. In addition, the u.s. should foster environmental technology targeting pollution prevention, control, and cleanup. Companies that invest in energy efficiency, clean manufacturing, and environmental services today will create the high-quality, high-wage jobs of tomorrow. By providing access to these types of technologies, our exports can also provide the means for other nations to achieve environmentally sustainable economic growth. At the same time, we are taking ambitious steps at home to better manage our natural resources and reduce energy and other consumption, decrease waste generation, and increase our recycling efforts.

Internationally, the Administration's foreign assistance program focuses on four key elements of sustainable development broad-based economic growth; the environment; population and health; and democracy. We will continue to advocate environmentally sound private investment and responsible approaches by international lenders. At our urging, the Multilateral Development Banks (MDB's) are now placing increased emphasis upon sustainable development in their funding decisions, to include a commitment to perform environmental assessments on projects for both internal and public scrutiny. In particular, the Global Environmental Facility (GEF), established this year, will provide a source of financial assistance to the developing world for climate change, biodiversity, and oceans initiatives.

The U.S. is taking specific steps now in all of these areas:

- In June 1993, the United States signed the Convention on Biological Diversity, which aims to protect and utilize the world's genetic inheritance. The Interior Department has been directed to create a national biological survey to help protect species and to help the agricultural and biotechnical industries identify new sources of food, fiber and medications.
- New policies are being implemented to ensure the sustainable management of U.S. forests by the year 2000, as pledged internationally. In addition, u.s. bilateral forest assistance programs are being expanded, and the United States is promoting sustainable management of tropical forests.
- In the wake of the 1992 United Nations Conference on Environment and Development, the United States has sought to reduce land-based sources of marine pollution, maintain populations of marine species at healthy and productive levels and protect endangered marine mammals.
- The United States has focussed technical assistance and encouraged nongovernmental environmental groups to provide expertise to the republics of the Former Soviet Union and East European nations that have suffered the most acute environmental crises. The Agency for International Development, the Environmental Protection Agency and other u.s. agencies are engaged in technical cooperation with many countries around the world to advance these goals.
- The Administration is leading a renewed global effort to address population problems and promote international consensus for stabilizing world population growth. Our comprehensive approach will stress family planning and reproductive health care, maternal and child health, education, and improving the status of women. The International Conference on Population Development, to be held in September in Cairo, will endorse these approaches as important strategies in achieving our global population goals.

Promoting Democracy

All of America's strategic interests - from promoting prosperity at home to checking global threats abroad before they threaten our territory - are served by enlarging the community of democratic and free market nations. Thus, working with new democratic states to help preserve them as democracies committed to free markets and respect for human rights, is a key part of our national security strategy.

One of the most gratifying and encouraging developments of the past 15 years is the explosion in the number of states moving away from repressive governance and toward democracy. Since the success of many of those experiments is by no means assured, our strategy of enlargement must focus on the consolidation of those regimes and the broadening of their commitment to

democracy. At the same time, we seek to increase respect for fundamental human rights in all states and encourage an evolution to democracy where that is possible.

The enlargement of the community of market democracies respecting human rights and the environment is manifest in a number of ways:

- More than 20 nations in Eastern Europe, the former Soviet Union, Latin America, and East Asia have, over the past 14 years, adopted the structures of a constitutional democracy and held free elections;

- The nations of the Western Hemisphere have proclaimed their commitment to democratic regimes and to the collective responsibility of the nations of the OAS to respond to threats to democracy.

- In the Western Hemisphere, only Cuba and Haiti are not democratic states;

- Nations as diverse as South Africa, Cambodia and El Salvador have resolved bitter internal disputes with agreement on the creation of constitutional democracies.

The first element of our democracy strategy is to work with the other democracies of the world and to improve our cooperation with them on security and economic issues. We also seek their support in enlarging the realm of democratic nations.

The core of our strategy is to help democracy and markets expand and survive in other places where we have the strongest security concerns and where we can make the greatest difference. This is not a democratic crusade; it is a pragmatic commitment to see freedom take hold where that will help us most. Thus, we must target our effort to assist states that affect our strategic interests, such as those with large economies, critical locations, nuclear weapons, or the potential to generate refugee flows into our own nation or into key friends and allies. We must focus our efforts where we have the most leverage. And our efforts must be demand-driven - they must focus on nations whose people are pushing for reform or have already secured it.

Russia is a key state in this regard. If we can support and help consolidate democratic and market reforms in Russia (and the other newly independent states), we can help turn a former threat into a region of valued diplomatic and economic partners. In addition, our efforts in Russia, Ukraine and the other states raise the likelihood of continued reductions in nuclear arms and compliance with international nonproliferation accords.

The new democracies in Central and Eastern Europe are another clear example, given their proximity to the great democratic powers of Western Europe, their importance to our security, and their potential markets.

Since our ties across the Pacific are no less important than those across the Atlantic, pursuing enlargement in the Asian Pacific is a third example. We will work to support the emerging democracies of the region and to encourage other states along the same path.

Continuing the great strides toward democracy and markets in our emerging hemisphere is also a key concern and lies behind the President's decision to host the Summit of the Americas this December. As we continue such efforts, we should be on the lookout for states whose entry into the camp of market democracies may influence the future direction of an entire region; South Africa and Nigeria now hold that potential with regard to sub-Saharan Africa.

How should the United States help consolidate and enlarge democracy and markets in these states? The common elements. We must continue to help lead the effort to mobilize international resources, as we have with Russia and the other new states. We must be willing to take immediate public positions to help staunch democratic reversals, as we have in Haiti, Guatemala and Nigeria. We must give democratic nations the fullest benefits of integration into foreign markets, which is part of why NAFTA and the GAD rank so high on our agenda. And we must help these nations strengthen the pillars of civil society, improve their market institutions, and fight corruption and political discontent through practices of good governance.

At the same time as we work to ensure the success of emerging democracies, we must also redouble our efforts to guarantee basic human rights on a global basis. At the 1993 United Nations

Conference on Human Rights, the U.S. forcefully and successfully argued for a reaffirmation of the universality of such rights and improved international mechanisms for their promotion. In the wake of this gathering, the UN has named a High Commissioner for Human Rights, and the rights of women have been afforded a new international precedence. The U.S. also continues to work for the protection of human rights on a bilateral basis. To demonstrate our own willingness to adhere to international human rights standards, the Administration will seek Senate consent to U.S. ratification of international conventions prohibiting discrimination on the basis of race and against women.

In all these efforts, a policy of engagement and enlargement should take on a second meaning: we should pursue our goals through an enlarged circle not only of government officials but also of private and non-governmental groups. Private firms are natural allies in our efforts to strengthen market economies. Similarly, our goal of strengthening democracy and civil society has a natural ally in labor unions, human rights groups, environmental advocates, chambers of commerce, and election monitors. Just as we rely on force multipliers in defense, we should welcome these "diplomacy multipliers," such as the National Endowment for Democracy.

Supporting the global movement toward democracy requires a pragmatic and long-term effort focussed on both values and institutions. The United States must build on the opportunities achieved through the successful conclusion of the Cold War. Our long-term goal is a world in which each of the major powers is democratic, with many other nations joining the community of market democracies as well.

Our efforts to promote democracy and human rights are complemented by our humanitarian assistance programs which are designed to alleviate human suffering and to pave the way for progress towards establishing democratic regimes with a commitment to respect for human rights and appropriate strategies for economic development.

Through humanitarian assistance and policy initiatives aimed at the sources of disruption, we seek to mitigate the contemporary migration and refugee crises, foster longterm global cooperation and strengthen involved international institutions. The U.S. will provide appropriate financial support and will work with other nations and international bodies, such as the International Red Cross and the UN High Commissioner for Refugees, in seeking voluntary repatriation of refugees - taking into full consideration human rights concerns as well as the economic conditions that may have driven them out in the first place. Helping refugees return to their homes in Mozambique, Afghanistan, Eritrea, Somalia and Guatemala, for example, is a high priority.

Relief efforts will continue for people displaced by the conflict in Bosnia and other republics of the former Yugoslavia. We will act in concert with other nations and the UN against the illegal smuggling of Chinese into this country. Efforts will continue to induce the military forces in Haiti to accept the installation of its democratically elected government, in part to help stem the flow of Haitians attempting entry into the United States.

III. Integrated Regional Approaches

The United States is a genuinely global power. Our policy toward each of the world's regions reflects our overall strategy tailored to their unique challenges and opportunities. This section highlights the application of our strategy to each of the world's regions; our broad objectives and thrust, rather than an exhaustive list of all our policies and interests. It illustrates how we integrate our commitment to the promotion of democracy and the enhancement of American prosperity with our security requirements to produce a mutually reinforcing policy.

Europe and Eurasia

Our strategy of enlargement and engagement is central to U.S. policy towards post-Cold War Europe. European stability is vital to our own security, a lesson we have learned twice at great cost this century. Vibrant European economies mean more jobs for Americans at home and investment opportunities abroad. With the collapse of the Soviet empire and the emergence of new democracies in its wake, the United States has an unparalleled opportunity to contribute toward a free and

undivided Europe. Our goal is an integrated democratic Europe cooperating with the United States to keep the peace and promote prosperity.

The first and most important element of our strategy in Europe must be security through military strength and cooperation. The Cold War is over, but war itself is not over.

As we know, it rages in the former Yugoslavia. While that war does not pose an immediate threat to our security or warrant unilateral U.S. involvement, U.S. policy is focussed on four goals: preventing the spread of the fighting into a broader European war that could threaten both allies and the stability of new democratic states in Central and Eastern Europe; stemming the destabilizing flow of refugees from the conflict; halting the slaughter of innocents; and helping to confirm NATO's central role in post-Cold War Europe.

Our leadership paved the way to NATO's February ultimatum that ended the Serb shelling of Sarajevo and restored calm to Bosnia's capital. Our diplomatic leadership brought an end to the fighting between the Muslims and Croats in Bosnia and helped establish a bicommunal Bosnian-Croat Federation. We have played a leading role in the Contact Group, in tandem with the European Union and the Russian Federation, in forging a plan for a comprehensive settlement to the Bosnian conflict. In addition, the U.S., through the Sarajevo airlift and airdrops throughout Bosnia-Herzegovina, has provided the largest quantity of humanitarian aid of any nation. We have led the way in NATO's decisions to enforce the no-fly zone, to protect UN troops if they are attacked, to enforce the economic sanctions against Serbia on the Adriatic and, most recently, to end the Serb's assault on Gorazde. And we have deployed peacekeeping troops to the Former Yugoslav Republic of Macedonia to prevent the spillover of the conflict, as well as laying down a firm warning to Serbia against escalation of violence in Kosovo.

The murderous conflict in Yugoslavia reminds us that military forces remain relevant in a post-Cold War world. It also reveals the difficulties of applying military force to conflicts within as well as among states. And it teaches us that it is best to act early to prevent conflicts that we may later not be able to control.

As we work to resolve that tragedy and ease the suffering of its victims we also need to change our security institutions so they can better address such conflicts and advance Europe's integration. Many institutions will play a role, including the European Union, the Western European Union, the Council of Europe, the Conference for Security and Cooperation in Europe and the United Nations. But NATO, history's greatest political-military alliance, must be central to that process.

Only NATO has the military forces, the integrated command structure, the broad legitimacy and the habits of cooperation that are essential to draw in new participants and respond to new challenges. One of the deepest transformations within the transatlantic community over the past half-century occurred because the armed forces of our respective nations trained, studied and marched through their careers together. It is not only the compatibility of our weapons, but the camaraderie of our warriors that provide the sinews behind our mutual security guarantees and our best hope for peace.

Since the end of the Cold War, the United States has significantly reduced the level of U.S. military forces stationed in Europe. We have determined that a force of roughly 100,000 U.S. military personnel assigned to U.S. European command will preserve U.S. influence and leadership in NATO and provide a deterrent posture that is visible to both Western and Eastern Europeans. While we continue to examine the proper mix of forces, this level of permanent presence, augmented by forward deployed naval forces and reinforcements available from the U.S., is sufficient to respond to plausible crises and contributes to stability in the region. Such a force level also provides a sound basis for U.S. participation in multinational training and preserves the capability to deter or respond to larger threats in Europe and to support limited NATO operations "out of area."

With the end of the Cold War, NATO's mission is evolving; today NATO plays a crucial role helping to manage ethnic and national conflict in Europe. With U.S. leadership, NATO has provided the muscle that is helping to bring about a peaceful settlement in the former Yugoslavia. NATO air power enforces the UN-mandated no-fly zone and provides support to UN peacekeepers. Our firm ultimatum in February 1994 finally brought an end to the shelling of Sarajevo, and NATO's April decision ended the siege of Gorazde. NATO stands ready to help support the peace once the parties reach an agreement.

With the adoption of the U.S. initiative, Partnership for Peace, at the January 1994 summit, NATO is playing an increasingly important role in our strategy of European integration, extending the scope of our security cooperation to the new democracies of Europe. Twenty-one nations, including Russia, have already joined the partnership, which will pave the way for a growing program of military cooperation and political consultation. Partner countries are sending representatives to NATO headquarters near Brussels and to a military coordination cell at Mons - the site of SHAPE. Joint exercises will take place later this year in Poland and the Netherlands.

In keeping with our strategy of enlargement, PFP is open to all former members of the Warsaw Pact as well as other European states. Each partner will set the scope and pace of its cooperation with NATO. During his trip to Europe in July, the President reaffirmed his commitment to NATO's future expansion, with PFP the best path toward NATO membership. The aim of NATO's future expansion, however, will not be to draw a new line in Europe further east, but to expand stability, democracy, prosperity and security cooperation to an ever-broader Europe.

The second element of the new strategy for Europe is economic. The United States seeks to build on vibrant and open market economies, the engines that have given us the greatest prosperity in human history over the last several decades in Europe and in the United States. To this end, we strongly support the process of European integration embodied in the European Union, seek to deepen our partnership with the EU in support of our economic goals but also commit ourselves to the encouragement of bilateral trade and investment in countries not part of the EU.

The nations of the European Union face particularly severe economic challenges with nearly 20 million people unemployed and, in Germany's case, the extraordinarily high costs of unification. Among the Atlantic nations, economic stagnation has clearly eroded public support in finances for outward-looking foreign policies and for greater integration. We are working closely with our West European partners to expand employment and promote longterm growth, building on the results of the Detroit Jobs Conference and the Naples G-7 Summit.

As we work to strengthen our own economies, we must know that we serve our own prosperity and our security by helping the new market reforms in the new democracies in Europe's East that will help to deflate the region's demagogues. It will help ease ethnic tensions. It will help new democracies take root.

In Russia, the economic transformation undertaken will go down as one of the great historical events of this century. The Russian Government has made remarkable progress toward privatizing the economy and reducing inflation. But much remains to be done to build on the reform momentum to assure durable economic recovery and social protection. President Clinton has given strong and consistent support to this unprecedented reform effort, and has mobilized the international community to provide structural economic assistance.

The short-term difficulties of taking Central and Eastern Europe into Western economic institutions will be more than rewarded if they succeed and if they are customers for America's and Western Europe's goods and services tomorrow. That is why this Administration has been committed to increase support substantially for market reforms in the new states of the former Soviet Union, and why we have continued our support for economic transition in Central and Eastern Europe, while also paying attention to measures that can overcome the social dislocations which have resulted largely from the collapse of the Soviet-dominated regional trading system.

Ultimately, the success of market reforms to the East will depend more on trade than aid. No one nation has enough money to markedly change the future of those countries as they move to free market systems. One of our priorities, therefore, is to reduce trade barriers with the former communist states.

The third and final imperative of this new strategy is to support the growth of democracy and individual freedoms that has begun in Russia, the nations of the former Soviet Union and Europe's former communist states. The success of these democratic reforms makes us all more secure; they are the best answer to the aggressive nationalism and ethnic hatreds unleashed by the end of the Cold War. Nowhere is democracy's success more important to us all than in these countries.

This will be the work of generations. There will be wrong turns and even reversals, as there have been in all countries throughout history. But as long as these states continue their progress toward democracy and respect the rights of their own and other people: that they understand the rights of their minorities and their neighbors, we will support their progress with a steady patience.

East Asia and the Pacific

East Asia is a region of growing importance for U.S. security and prosperity; nowhere are the strands of our threepronged strategy more intertwined, nor is the need for continued U.S. engagement more evident. Now more than ever, security, open markets and democracy go hand in hand in our approach to this dynamic region. President Clinton envisions an integrated strategy - a New Pacific Community - which links security requirements with economic realities and our concern for democracy and human rights.

In thinking about Asia, we must remember that security comes first. The United States intends to remain active in that region. We are a Pacific nation. We have fought three wars there in this century. To deter regional aggression and secure our own interests, we will maintain an active presence and we will continue to lead. Our deep bilateral ties with allies such as Japan, South Korea, Australia, Thailand, and the Philippines, and a continued, committed American military presence will serve as a bedrock for America's security role in the Asia-Pacific region. Currently, our forces number nearly 100,000 personnel in this critical region. In addition to performing the general forward deployment functions outlined above, they contribute to deterring aggression and adventurism by the North Korean regime.

As the first pillar of our New Pacific Community, we are pursuing stronger efforts to combat the proliferation of weapons of mass destruction on the Korean peninsula and in South Asia. We have instituted new regional dialogues on the full range of common security challenges. Our goal is to integrate, not isolate the region's powers and to find solutions, short of conflict, to the area's continuing security challenges.

The second pillar of our new Pacific Community and the challenge for the Asian Pacific region in this decade is to develop multiple new arrangements to meet multiple threats and opportunities. These arrangements can function like overlapping plates of armor, individually providing protection and together covering the full body of our common security concerns.

Our strong commitment to the region, and our active engagement are the foundation of our efforts to secure peace and stability on a nonnuclear Korean peninsula. We are prepared to engage in broad and thorough discussions with North Korea to resolve a variety of issues, provided that the North acts in good faith and while it keeps major elements of its nuclear program "frozen." But if North Korea pursues nuclear weapons development, we will do what it takes, in concert with allies and friends, to assure South Korea's security and maintain international pressure on the Pyongyang regime. Our long run objective continues to be a non-nuclear, peacefully reunified Korean Peninsula.

If security problems persist in Asia, so do new opportunities for economic progress. Just three decades ago, Asia had only 8% of the world's GDP. Today, it exceeds 25%. Asian economies are growing at three times the rate of the more established industrial nations.

The growth of Asia can and will benefit our nation. Over the past five years, our exports to many Asian nations have increased by 50% or more. Much of what Asia needs to continue its growth are goods and services in which we are strong. Already, Asia is our largest trading partner. Exports to Asia account for 2.5 million jobs.

We are working with Japan to bring about the implementation of the 1993 Framework Agreement, to ensure that the economic leg of that relationship is as healthy and vibrant as our political and security links.

We are developing a broader engagement with the People's Republic of China that will encompass both our economic and strategic interests. That policy is best reflected in our decision to delink China's Most Favored Nation status from its record on human rights. We are also working to facilitate China's development of a more open, market economy that accepts international trade practices. Given its growing economic potential and already sizable military force, it is essential that China not become a security threat to the region. To that end, we are strongly promoting China's participation in regional security mechanisms to reassure its neighbors and assuage its own security concerns. And we are seeking to gain further cooperation from China in controlling the proliferation of weapons of mass destruction.

We are also moving to take advantage of evolving multilateral mechanisms. The APEC summit, hosted by President Clinton last year, is vivid testimony to the possibilities of stimulating regional economic cooperation.

The third pillar of our policy in building a new Pacific community is to support the wave of democratic reform sweeping the region. The new democratic states of Asia will have our strong support as they move forward to consolidate and expand democratic reforms.

Some have argued that democracy is somehow unsuited for Asia or at least for some Asian nations - that human rights are relative and that they simply mask Western culturalism and imperialism. These voices are wrong. It is not Western imperialism, but the aspirations of Asian peoples themselves that explain the growing number of democracies and the growing strength of democracy movements everywhere in Asia. It is an insult to the spirit, the hopes, and the dreams of the people who live and struggle in those countries to assert otherwise.

Each nation must find its own form of democracy. But there is no cultural justification for torture or tyranny. We refuse to let repression cloak itself in moral relativism, for democracy and human rights are not occidental yearnings; they are universal yearnings and universal norms. We will continue to press for respect for human rights in countries as diverse as China and Burma.

The Western Hemisphere

The Western hemisphere, too, is a fertile field for a strategy of engagement and enlargement. Sustained improvements in the security situation there, including the resolution of border tensions, control of insurgencies and containment of pressures for arms proliferation, will be an essential underpinning of political and economic progress in the hemisphere.

The unprecedented triumph of democracy and market economies throughout the region offers an unparalleled opportunity to secure the benefits of peace and stability, and to promote economic growth and trade. Ratification of NAFTA is one of our most important foreign policy achievements, because it advances all three of our central objectives: not only does it mean new jobs and new opportunities for American workers and business, but it also represents an important step in solidifying the hemispheric community of democracies. Vice President Gore has called NAFTA "a starting point for dealing with the common challenges of the Americas."

At the Summit of the Americas this December, President Clinton will bring together the region's leaders to explore new ways to further this process of integration. The Summit will address three broad themes: promoting democracy, increasing prosperity and trade ties, and achieving sustainable development.

At the same time, we remain committed to extending democracy to the handful of remaining outposts where the region's people are not free. Our overarching objective is to preserve the

dominance of civilian elected governments and promote their evolution into functioning democratic societies respectful of human rights. In Haiti we are working with the international community to reverse the military coup and restore democracy. The Cuban Democracy Act remains the framework for our policy toward Cuba; our goal is the peaceful establishment of democratic governance for the people of Cuba.

We are working with our neighbors through the OAS to invigorate regional cooperation. Both bilaterally and regionally, we seek to eliminate the scourge of drug trafficking, which poses a serious threat to democracy and security. We also seek to strengthen norms for defense establishments that are supportive of democracy, respect for human rights, and civilian control in defense matters. Finally, protecting the region's precious environmental resources is an important priority.

The Middle East, Southwest and South Asia The United States has enduring interests in the Middle East, especially pursuing a comprehensive breakthrough to Middle East peace, assuring the security of Israel and our Arab friends, and maintaining the free flow of oil at reasonable prices. Our strategy is harnessed to the unique characteristics of the region and our vital interests there, as we work to extend the range of peace and stability, while implementing a strategy of dual containment of Iraq and Iran as long as those states pose a threat to U.S. interests, to other states in the region, and to their own citizens.

We have made solid progress in the past year. The President's efforts helped bring about an historic first – the handshake of peace between Prime Minister Rabin and Chairman Arafat on the White House lawn. The President will bring Prime Minister Rabin and King Hussein to Washington for an historic meeting to advance the peace process further. But our efforts have not stopped there; on other bilateral tracks and through regional dialogue we are working to foster a durable peace and a comprehensive settlement, while our support for economic development can bring hope to all the peoples of the region.

In Southwest Asia, the United States will maintain its longstanding presence, which has been centered on naval vessels in and near the Persian Gulf and prepositioned combat equipment. Since Operation Desert Storm, temporary deployments of land-based aviation forces, ground forces and amphibious units have supplemented our posture in the Gulf region.

While we hold out the hand of cooperation and assistance to the nations of the region that choose peace, we are firm in our determination to contain and resist those who foster conflict. We have instituted a new dual containment strategy aimed at both Iraq and Iran.

We have made clear to Iraq it must comply with all the relevant Security Council resolutions, and we continue to support oppressed minorities in Iraq through Operations Provide Comfort and Southern Watch. Our policy is directed not against the people of Iraq, but against its oppressive and dangerous leaders.

Our policy toward Iran is aimed at changing the behavior of the Iranian government in several key areas, including Iran's efforts to obtain weapons of mass destruction and missiles, its support for terrorism and groups that oppose the peace process, its attempts to undermine friendly governments in the region and its dismal human rights record. We remain willing to enter into an authoritative dialogue with Iran to discuss the differences between us. South Asia has seen the spread of democracy, and our strategy is designed to help the peoples of that region enjoy the fruits of democracy and greater stability through efforts aimed at resolving long-standing conflict and implementing confidence building measures. This advances U.S. interests in halting nuclear and ballistic missile proliferation. The United States has engaged India and Pakistan in seeking agreement on steps to cap, reduce, and ultimately eliminate their weapons of mass destruction and ballistic missile capabilities. Regional stability and improved bilateral ties are also important for America's economic interest in a region that contains a quarter of the world's population and one of its most important emerging markets.

A key objective of our policy in the Gulf is to reduce the chances that another aggressor will emerge who would threaten the independence of existing states. Therefore, we will continue to encourage members of the Gulf Cooperation Council to work closely on collective defense and security arrangements, help individual GCC states meet their appropriate defense requirements and maintain our bilateral defense agreements.

In both the Middle East and South Asia, the pressure of expanding populations on natural resources is enormous. Growing desertification in the Middle East has strained relations over arable land. Pollution of the coastal areas in the Eastern Mediterranean, the Red Sea, and the Gulf of Aqaba has degraded fish catches and hindered development. Water shortages stemming from overuse, contaminated water aquifers, and riparian disputes threaten regional relations.

In South Asia, high population densities and rampant pollution have exacted a tremendous toll on forests, biodiversity, and the local environment.

Africa

Africa is one of our greatest challenges for a strategy of engagement and enlargement. Throughout Africa, the U.S. policy seeks to help support democracy, sustainable economic development and resolution of conflicts through negotiation, diplomacy and peacekeeping. New policies will focus on efforts to strengthen civil societies and mechanisms for conflict resolution, particularly where ethnic, religious, and political tensions are acute. In particular, we intend to focus on identifying and addressing the root causes of conflicts and disasters before they erupt.

The nexus of economic, political, social, ethnic and environmental challenges facing Africa can lead to a sense of "Afro-pessimism." We will instead seek to simultaneously address these challenges and create a synergy that can stimulate development, resurrect societies and build hope. Throughout the continent - in Rwanda, Burundi, Mozambique, Angola, Liberia, Sudan and elsewhere we encourage peaceful resolution of internal disputes to promote long-term stability and development of the region. We also encourage democratic reform in nations like Nigeria and Zaire to allow the people of these countries to enjoy responsive government.

This year, South Africa took key steps towards democratic reform with the holding of non-racial elections and creation of a Government of National Unity. We will remain committed to ensuring that democracy takes root in South Africa in order to foster a new era of prosperity and stability for all the peoples of the region. We must support the revolution of democracy sweeping the continent - on center stage in South Africa, and in quieter but no less dramatic ways in countries like Malawi, Benin, Niger and Mali. We need to encourage the creation of cultures of tolerance, flowering of civil society and the protection of human rights and human dignity.

Our humanitarian interventions, along with the international community, will require continued active participation to address the grave circumstances on the continent. This has been particularly true in Somalia. The global reach of U.S. forces in Somalia allowed us to break through the chaos that had prevented the introduction of relief supplies and UN peacekeepers. U.S. forces prevented the death of hundreds of thousands of Somalis, established a logistics system and then turned over the mission to more than 25,000 UN peacekeepers from over a score of nations.

In the end, however, such efforts by the U.S. and the international community must be limited in duration and designed to give the peoples of a nation the means and opportunity to put their own house in order. In Somalia and elsewhere, the responsibility for the fate of a nation rests finally with its own people. In Rwanda, the United States has also taken an active role in providing relief to those displaced by ethnic violence. And U.S. AID is leading international efforts to get ahead of the curve on potential famines that threaten up to 20 million people on the continent.

The United States is also working with regional organizations, non-governmental organizations and governments throughout Africa to address the urgent issues of population growth, spreading disease (including AIDS), environmental decline, enhancing the role of women in development, eliminating support for terrorism, demobilization of bloated militaries, relieving burdensome debt, and expanding trade and investment ties to the countries of Africa.

Central to all these efforts will be strengthening the American constituency for Africa, drawing on the knowledge, experience and commitment of millions of Americans to enhance our nation's support for positive change in Africa. The White House Conference on Africa, the first such gathering of regional experts ever sponsored by the White House, drew together more than 200 Americans from the Administration, Congress, business, labor, academia, religious groups, relief and development agencies, human rights groups and others to discuss Africa's future and the role that the United States can play in it. The President, Vice President, Secretary of State and National Security Advisor all participated in the conference, which produced a wealth of new ideas and new commitment to Africa.

IV. Conclusions

The clear and present dangers of the Cold War made the need for national security commitments and expenditures obvious to the American people. Today the task of mobilizing public support for national security priorities has become more complicated. The complex array of new dangers, opportunities and responsibilities outlined in this strategy come at a moment in our history when Americans are preoccupied with domestic concerns and when budgetary constraints are tighter than at any point in the last half century. Yet, in an integrating and interdependent world, we simply cannot be successful in advancing our interests - political, military and economic - without active engagement in world affairs.

While Cold War threats have diminished, our nation can never again isolate itself from global developments. Domestic renewal will not succeed if we fail to engage abroad in open foreign markets, to promote democracy in key countries, and to counter and contain emerging threats.

We are committed to enhancing u.s. national security in the most efficient and effective ways possible. We recognize that maintaining peace and ensuring our national security in a volatile world are expensive. The cost of any other course of action, however, would be immeasurably higher.

Our engagement abroad requires the active, sustained bipartisan support of the American people and the u.s. Congress. Of all the elements contained in this strategy, none is more important than this: our Administration is committed to explaining our security interests and objectives to the nation; to seeking the broadest possible public and congressional support for our security programs and investments; and to exerting our leadership in the world in a manner that reflects our best national values and protects the security of this great and good nation.

1995

Стратегия Национальной Безопасности: вовлечённость и расширение (Вашингтон, февраль 1995 г.)

A NATIONAL SECURITY STRATEGY OF ENGAGEMENT AND ENLARGEMENT
FEBRUARY 1995
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PREFACE

Protecting our nation's security — our people, our territory and our way of life — is my Administration's foremost mission and constitutional duty. The end of the Cold War fundamentally changed America's security imperatives. The central security challenge of the past half century — the threat of communist expansion — is gone. The dangers we face today are more diverse. Ethnic conflict is spreading and rogue states pose a serious danger to regional stability in many corners of the globe. The proliferation of weapons of mass destruction represents a major challenge to our security. Large scale environmental degradation, exacerbated by rapid population growth, threatens to undermine political stability in many countries and regions.

At the same time, we have unparalleled opportunities to make our nation safer and more prosperous. Our military might is unparalleled. We now have a truly global economy linked by an instantaneous communications network, which offers growing opportunity for American jobs and American investment. The community of democratic nations is growing, enhancing the prospects for political stability, peaceful conflict resolution and greater dignity and hope for the people of the world. The international community is beginning to act together to address pressing global environmental needs.

Never has American leadership been more essential — to navigate the shoals of the world's new dangers and to capitalize on its opportunities. American assets are unique: our military strength, our dynamic economy, our powerful ideals and, above all, our people. We can and must make the difference through our engagement; but our involvement must be carefully tailored to serve our interests and priorities.

This report, submitted in accordance with Section 603 of the Goldwater- Nichols Defense Department Reorganization Act of 1986, elaborates a national security strategy tailored for this new era. Focusing on new threats and new opportunities, its central goals are:

- o To sustain our security with military forces that are ready to fight.
- o To bolster America's economic revitalization.
- o To promote democracy abroad.

Over the past two years, my Administration has worked diligently to pursue these goals. This national security strategy report presents the strategy that has guided this effort. It is premised on a belief that the line between our domestic and foreign policies is disappearing — that we must revitalize our economy if we are to sustain our military forces, foreign initiatives and global

influence, and that we must engage actively abroad if we are to open foreign markets and create jobs for our people.

We believe that our goals of enhancing our security, bolstering our economic prosperity, and promoting democracy are mutually supportive. Secure nations are more likely to support free trade and maintain democratic structures. Nations with growing economies and strong trade ties are more likely to feel secure and to work toward freedom. And democratic states are less likely to threaten our interests and more likely to cooperate with the U.S. to meet security threats and promote free trade and sustainable development.

Since my Administration began, we have been deeply engaged in adapting existing structures, and in constructing new ones, to meet these goals. To enhance global security, for example, we have pursued peace initiatives in the Middle East; established NATO's Partnership for Peace and initiated a process that will lead to NATO's expansion; secured the accession of Ukraine, Kazakhstan, and Belarus to the Nuclear Non-Proliferation Treaty and their agreement to eliminate nuclear weapons from their territory, which in turn opened the door to the ratification and entry into force of the START I Treaty; participated in an unprecedented regional security gathering of the ASEAN countries and others, including Russia and Vietnam; and reached an agreed framework with North Korea that halted, and will eventually eliminate, its dangerous nuclear program. To bolster prosperity at home and around the world, we have secured the enactment of legislation implementing both the North American Free Trade Agreement (NAFTA) and the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), worked to open Asian-Pacific markets through two leaders meetings of the Asia-Pacific Economic Cooperation forum, lowered export controls and held a Western Hemisphere Summit in Miami where the 34 democratic nations of this hemisphere committed themselves to negotiate a free trade agreement by 2005. To promote democracy, we have supported South Africa's recent transformation, provided aid to a new democratic Russia and other new independent states as well as Central and Eastern European nations, assisted Cambodia, and worked with our Western Hemisphere neighbors restoring the democratically elected government in Haiti and hosting the Summit of the Americas, which reaffirmed and strengthened our mutual commitment to democracy.

Our extraordinary diplomatic leverage to reshape existing security and economic structures and create new ones ultimately relies upon American power. Our economic and military might, as well as the power of our ideals, make America's diplomats the first among equals. Our economic strength gives us a position of advantage on almost every global issue. For instance, South Africa and our negotiations with North Korea demonstrate how economic incentives and the imposition — or the threat — of economic sanctions enable us to achieve our objectives as part of our determined diplomacy.

But military force remains an indispensable element of our nation's power. Even with the Cold War over, our nation must maintain military forces sufficient to deter diverse threats and, when necessary, to fight and win against our adversaries. While many factors ultimately contribute to our nation's safety and well-being, no single component is more important than the men and women who wear America's uniform and stand sentry over our security. Their skill, service and dedication constitute the core of our defenses. Today our military is the best-equipped, best trained and best-prepared fighting force in the world. Time after time in the last year, our troops demonstrated their current readiness and strength: helping to save hundreds of thousands of lives in Rwanda; moving with lightning speed to head off another Iraqi threat to Kuwait; and giving freedom and democracy back to the people of Haiti. I am committed to ensuring that this military capability is not compromised.

The United States recognizes that we have a special responsibility that goes along with being a great power. Our global interests and our historic ideals impel us to oppose those who would endanger the survival or well-being of their peaceful neighbors. Nations should be able to expect that their borders and their sovereignty will always be secure. At the same time, this does not mean

we or the international community must tolerate gross violations of human rights within those borders.

When our national security interests are threatened, we will, as America always has, use diplomacy when we can, but force if we must. We will act with others when we can, but alone when we must. We recognize, however, that while force can defeat an aggressor, it cannot solve underlying problems. Democracy and economic prosperity can take root in a struggling society only through local solutions carried out by the society itself. We must use military force selectively, recognizing that its use may do no more than provide a window of opportunity for a society — and diplomacy — to work.

We therefore will send American troops abroad only when our interests and our values are sufficiently at stake. When we do so, it will be with clear objectives to which we are firmly committed and which — when combat is likely — we have the means to achieve decisively. To do otherwise, risks those objectives and endangers our troops. These requirements are as pertinent for humanitarian and other non-traditional interventions today as they were for previous generations during prolonged world wars. Modern media communications may now bring to our homes both the suffering that exists in many parts of the world and the casualties that may accompany intervention to help. But we must remain clear in our purpose and resolute in its execution. And while we must continue to reassess the costs and benefits of any operation as it unfolds, reflexive calls for withdrawal of our forces when casualties are incurred would simply encourage rogue actors to try to force our departure from areas where there are U.S. interests by attacking American troops.

During the past two years, diplomacy backed by American power has produced results:

- o When Iraq moved forces towards Kuwait, we reacted swiftly and dispatched large-scale forces to the region under the authority of the United Nations—but were prepared to act alone, if necessary.

- o In Haiti, it was only when the Haitian military learned that the 82nd Airborne Division was enroute that we achieved peacefully what we were prepared to do under fire.

- o In Bosnia, we have been able to achieve limited but important objectives when diplomacy has been married to appropriate military power. For instance, the Sarajevo ultimatum largely succeeded because the threat of NATO air power was judged real; similarly, the threat of NATO airpower prevented the fall of Gorazde.

- o In Rwanda and Somalia, only the American military could have done what it did in these humanitarian missions, saving hundreds of thousands of lives. However, over the longer run our interests were served by turning these operations over to multilateral peacekeeping forces once the immediate humanitarian crisis was addressed. No outside force can create a stable and legitimate domestic order for another society—that work can only be accomplished by the society itself.

Our national security strategy reflects both America's interests and our values. Our commitment to freedom, equality and human dignity continues to serve as a beacon of hope to peoples around the world. The vitality, creativity and diversity of American society are important sources of national strength in a global economy increasingly driven by information and ideas.

Our prospects in this new era are promising. The specter of nuclear annihilation has dramatically receded. The historic events of the past two years — including the hand shake between Israel and the PLO, the peace treaty between Israel and Jordan, and the transformation of South Africa to a multiracial democracy headed by President Mandela — suggest this era's possibilities for achieving security, prosperity and democracy.

Our nation can only address this era's dangers and opportunities if we remain actively engaged in global affairs. We are the world's greatest power, and we have global interests as well as responsibilities. As our nation learned after World War I, we can find no security for America in isolationism nor prosperity in protectionism. For the American people to be safer and enjoy expanding opportunities, our nation must work to deter would-be aggressors, open foreign markets,

promote the spread of democracy abroad, encourage sustainable development and pursue new opportunities for peace.

Our national security requires the patient application of American will and resources. We can only sustain that necessary investment with the broad, bipartisan support of the American people and their representatives in Congress. The full participation of Congress is essential to the success of our new engagement, and I will consult with members of Congress at every step in making and implementing American foreign policy. The Cold War may be over, but the need for American leadership abroad remains as strong as ever. I am committed to forging a new public consensus to sustain our active engagement abroad in pursuit of our cherished goal — a more secure world where democracy and free markets know no borders. This document details that commitment.

WILLIAM J. CLINTON

I. INTRODUCTION

A new era is upon us. The Cold War is over. The dissolution of the Soviet empire has radically transformed the security environment facing the United States and our allies. The primary security imperative of the past half century — containing communist expansion while preventing nuclear war — is gone. We no longer face massive Soviet forces across an East-West divide nor Soviet missiles targeted on the United States. Yet there remains a complex array of new and old security challenges America must meet as we approach a new century.

This national security strategy assesses America's role in this new international context and describes the Administration's strategy to advance our interests at home and abroad.

This is a period of great promise but also great uncertainty. We stand as the world's preeminent power. America's core value of freedom, as embodied in democratic governance and market economics, has gained ground around the world. Hundreds of millions of people have thrown off communism, dictatorship or apartheid. Former adversaries now cooperate with us in diplomacy and global problem solving. Both the threat of a war among great powers and the specter of nuclear annihilation have receded dramatically. The dynamism of the global economy is transforming commerce, culture and global politics, promising greater prosperity for America and greater cooperation among nations.

At the same time, troubling uncertainties and clear threats remain. The new, independent states that replaced the Soviet Union are experiencing wrenching economic and political transitions, as are many new democracies of Central and Eastern Europe. While our relations with the other great powers are as constructive as at any point in this century, Russia's historic transformation will proceed along a difficult path, and China maintains a repressive regime even as that country assumes a more important economic and political role in global affairs. The spread of weapons of mass destruction poses serious threats. Violent extremists threaten fragile peace processes in many parts of the world. Worldwide, there is a resurgence of militant nationalism as well as ethnic and religious conflict. This has been demonstrated by upheavals in Bosnia, Rwanda and Somalia, where the United States has participated in peacekeeping and humanitarian missions.

Not all security risks are immediate or military in nature. Transnational phenomena such as terrorism, narcotics trafficking, environmental degradation, natural resource depletion, rapid population growth and refugee flows also have security implications for both present and long term American policy. In addition, an emerging class of transnational environmental issues are increasingly affecting international stability and consequently will present new challenges to U.S. strategy.

American leadership in the world has never been more important, for there is a simple truth about this new world: the same idea that was under attack three times in this Century — first by imperialism and then by fascism and communism — remains under attack today, but on many fronts at once. It is an idea that comes under many names — democracy, liberty, civility, pluralism — but which together are the values of a society where leaders and governments preserve

individual freedoms, and ensure opportunity and human dignity. As the President has said, "We face a contest as old as history — a struggle between freedom and tyranny; between tolerance and isolation. It is a fight between those who would build free societies governed by laws and those who would impose their will by force. Our struggle today, in a world more high-tech, more fast-moving, more chaotically diverse than ever, is the age-old fight between hope and fear."

The victors of World War I squandered their triumph in this age-old struggle when they turned inward, bringing on a global depression and allowing fascism to rise, and reigniting global war. After World War II, we learned the lessons of the past. In the face of a new totalitarian threat this great nation did not walk away from the challenge of the moment. Instead it chose to reach out, to rebuild international security structures and to lead. This determination of previous generations to prevail over communism by shaping new international structures left us a world stronger, safer and freer. It is this example and its success which now inspire us to begin the difficult task of a new stage in this old struggle: to secure the peace won in the Cold War against those who would still deny people their human rights, terrorists who threaten innocents and pariah states who choose repression and extremism over openness and moderation.

If we exert our leadership abroad, we can make America safer and more prosperous — by deterring aggression, by fostering the peaceful resolution of dangerous conflicts, by opening foreign markets, by helping democratic regimes and by tackling global problems. Without our active leadership and engagement abroad, threats will fester and our opportunities will narrow.

We must seek to be as creative and constructive — in the literal sense of that word — as the generation of the late 1940's. For all its dangers, this new world presents an immense opportunity — the chance to adapt and construct global institutions that will help to provide security and increase economic growth throughout the world.

The issue for the next decade is whether our efforts at this construction can succeed in the face of shifting threats to the ideals and habits of democracy. It is therefore in our interest that democracy be at once the foundation and the purpose of the international structures we build through this constructive diplomacy: the foundation, because the institutions will be a reflection of their shared values and norms; the purpose, because if our economic institutions are secure, democracy will flourish.

While democracy will not soon take hold everywhere, we know that the larger the pool of democracies, the better off we, and the entire community of nations, will be. Democracies create free markets that offer economic opportunity, make for more reliable trading partners, and are far less likely to wage war on one another. It is in our interest to do all that we can to enlarge the community of free and open societies, especially in areas of greatest strategic interest, as in the former Soviet Union.

We can only engage actively abroad if the American people and the Congress are willing to bear the costs of that leadership — in dollars, political energy and, at times, American lives. In a democracy, the foreign policy of the nation must serve the needs of the people. The preamble of the Constitution sets out the basic objectives:

to provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

The end of the Cold War does not alter these fundamental purposes. Nor does it reduce the need for active American efforts, here and abroad, to pursue those goals. One purpose of this report is to help foster the broad, bipartisan understanding and support necessary to sustain our international engagement. A coalition of the center through bipartisan congressional participation is critical to this commitment.

Our national security strategy is based on enlarging the community of market democracies while deterring and containing a range of threats to our nation, our allies and our interests. The more that democracy and political and economic liberalization take hold in the world, particularly

in countries of geostrategic importance to us, the safer our nation is likely to be and the more our people are likely to prosper.

To that broad end, the report explains the three central components of our strategy of engagement and enlargement: our efforts to enhance our security by maintaining a strong defense capability and promoting cooperative security measures; our work to open foreign markets and spur global economic growth; and our promotion of democracy abroad. It also explains how we are pursuing the three elements of our strategy in specific regions by adapting and constructing institutions that will help to provide security and increase economic growth throughout the world.

During the first two years of this Administration, this strategy already has produced tangible results with respect to our security requirements:

- o At the President's direction, the Pentagon completed the Bottom Up Review, a full-scale assessment of what defense forces and systems our nation needs for this new security era. The President has also set forth a defense budget for Fiscal Years 1996-2001 that funds the force structure recommended by the Review, and he repeatedly stressed that he will draw the line against further cuts that would undermine that force structure or erode U.S. military readiness. The swift and efficient deployment of our forces last October to the Persian Gulf, and to Haiti and Rwanda, clearly demonstrates their continued readiness to respond as needed. The President also requested Congress to enact supplemental appropriations of \$1.7 billion for FY 1994 and \$2.6 billion for FY 1995 to ensure training readiness is not impaired by the costs of such unanticipated contingencies. In addition, the President added \$25 billion to the defense spending plan over the next six years to provide more funding for readiness and to improve the quality of life of our military personnel and families.

- o At President Clinton's initiative, a NATO Summit in January 1994 approved the Partnership For Peace (PFP) and initiated a process that will lead to NATO's gradual expansion to ensure that NATO is prepared to meet the European and trans-Atlantic security challenges of this era, and to provide the security relationships that will provide the underpinnings for the democratic gains in Europe since 1989. Since the Summit, 25 countries, including Russia, agreed to join the Partnership for Peace.

- o The United States, Russia, Ukraine, Belarus and Kazakhstan exchanged instruments of ratification for the START I Treaty at the December summit of the Conference on Security and Cooperation in Europe (CSCE), culminating two years of intensive U.S. diplomatic efforts to bring the Treaty into force and paving the way for ratification of the START II Treaty. START I requires the permanent elimination of bombers, ICBM silos and ballistic missile submarine launch tubes that carried over 9,000 of the 21,000 total warheads the United States and the former Soviet Union declared when the Treaty was signed — a reduction of 40 percent. START II, signed in 1993, will eliminate additional U.S. and Russian strategic launchers and will effectively remove an additional 5,000 warheads, leaving each side with no more than 3,500. These actions will reduce the strategic force arsenals of the United States and Russia by two-thirds. Presidents Clinton and Yeltsin have agreed that once START II is ratified, the United States and Russia will begin immediately to deactivate all strategic nuclear delivery systems to be reduced under the Treaty by removing their nuclear warheads or taking other steps to take them out of combat status, thus removing thousands of warheads from alert status years ahead of schedule. The two Presidents also directed an intensification of dialogue regarding the possibility of further reductions of, and limitations on, remaining nuclear forces.

- o The President launched a comprehensive policy to combat the proliferation of weapons of mass destruction and the missiles that deliver them. The United States has secured landmark commitments to eliminate all nuclear weapons from Ukraine, Belarus and Kazakhstan and, in December, all three nations formally acceded to the Nuclear Non-proliferation Treaty as non-nuclear weapon states. The United States and over 30 other nations opened formal negotiations on a Comprehensive Test Ban Treaty in January 1994, producing a Joint Draft Treaty text that provides a

baseline for resolving remaining issues. We also made significant progress during the past year in negotiations within the Anti-Ballistic Missile (ABM) Treaty's Standing Consultative Commission (SCC) to establish an agreed demarcation between strategic and theater ballistic missiles that will allow for the deployment of advanced theater missile defense and update the ABM treaty to reflect the break-up of the Soviet Union. The Administration also submitted the Chemical Weapons Convention to the Senate for ratification and supported the development of new measures to strengthen the Biological Weapons Convention.

- o The Administration reached an important agreed framework with North Korea that has halted, and will eventually eliminate, that country's nuclear program, greatly enhancing regional stability and achieving our nonproliferation goals. The Administration also reached agreements with Russia, Ukraine and South Africa to control missile-related technology and secured China's commitment not to transfer MTCR-controlled ground-to-ground missiles.

- o The President's efforts helped bring about many historic firsts in the Middle East peace process — the handshake of peace between Prime Minister Rabin and Chairman Arafat on the White House lawn has been followed by the Jordan-Israel peace treaty, progress on eliminating the Arab boycott of Israel and the establishment of ties between Israel and an increasing number of its Arab neighbors.

- o On May 3, 1994, President Clinton signed a Presidential Decision Directive establishing "U.S. Policy on Reforming Multilateral Peace Operations." This policy represents the first, comprehensive framework for U.S. decisionmaking on issues of peacekeeping and peace enforcement suited to the realities of the post Cold War period.

- o In October 1994, President Clinton submitted the United Nations Convention on the Law of the Sea to the Senate for ratification. This was the culmination of years of negotiations to ensure an equitable balance between the rights of coastal states to control activities in adjacent offshore areas to protect their economic, security and environmental interests, and the rights of maritime states to free and unimpeded navigation and overflight of the oceans of the world. This included an acceptable regime to administer the mineral resources of the deep seabed, thereby protecting U.S. interests.

On the economic front, Administration policies have created nearly six million American jobs and established the foundation for the global economy of the 21st Century:

- o The President worked with the Congress on effective measures to reduce the federal budget deficit and restore economic growth. These measures help increase our competitiveness and strengthen our position in negotiations with other nations.

- o The President secured approval of the North American Free Trade Agreement (NAFTA) which creates the world's largest free trade zone and has already created more than 100,000 American jobs. The vote for NAFTA marked a decisive U.S. affirmation of its international engagement. Through NAFTA's environmental and labor side agreements, we are working actively to protect the rights of workers and to reduce air and water pollution that crosses national boundaries. When Mexico came under short-term financial pressures in December of 1994, the United States took the lead in marshaling international support to assist the country in meeting this challenge. This decision reflected the President's belief that the United States has a strong interest in prosperity and stability in Mexico and that it is in our economic and strategic interest that Mexico's economic reform program succeeds.

- o The Administration stood at the forefront of a multilateral effort to achieve history's most extensive market-opening agreements in the GATT Uruguay-round negotiations on world trade. Working with a bipartisan coalition in the Congress, the President secured approval of this path breaking agreement and the resulting World Trade Organization, which will add \$100-200 billion and hundreds of thousands of jobs each year to the U.S. economy.

- o The President convened the first meeting of leaders of the Asia-Pacific Economic Cooperation (APEC) forum — and took steps to expand our ties with the economies of the Asia-

Pacific region, the fastest growing area in the world. At their second meeting in November 1994, the APEC leaders agreed to the goal of free trade within the region by early in the 21st Century and to develop a blueprint for implementation by the APEC meeting this year in Osaka.

- o The President hosted the Summit of the Americas in December, a historic gathering where the 34 democratic nations of the hemisphere committed themselves to completing negotiations on a regional free trade agreement by 2005. In Miami, the United States, Canada and Mexico also invited Chile to begin negotiations to join NAFTA.

- o We have committed the United States to reduce its greenhouse gas emissions to 1990 levels by the year 2000, and we have developed a National Climate Plan to achieve that goal. The United States has also taken a leading role at the international level towards phasing out the production of most ozone-depleting substances. Under the Montreal Protocol for the protection of the ozone layer, the United States is contributing to developing countries' efforts to reduce their emissions of ozone-depleting chemicals. In June 1993, the U.S. signed the Biodiversity Treaty, and one year later, the Desertification Convention.

- o The Administration has asserted world leadership on population issues. We played a key role during the Cairo Conference on Population and Development in developing a consensus Program of Action, including increased availability of voluntary family planning and reproductive health services, sustainable economic development, strengthening of family ties, the empowerment of women including enhanced educational opportunities, and a reduction in infant and child mortality through immunizations and other programs.

Finally, the President has demonstrated a firm commitment to expanding the global realm of democracy:

- o The Administration substantially expanded U.S. support for democratic and market reform in Russia, Ukraine and the other newly independent states of the former Soviet Union, including a comprehensive assistance package for Ukraine.

- o The United States launched a series of initiatives to bolster the new democracies of Central and Eastern Europe, including the White House Trade and Investment Conference for Central and Eastern Europe held in Cleveland in January. We affirmed our concern for their security and market economic transformation, recognizing that such assurances would play a key role in promoting democratic developments.

- o Working with the international community under the auspices of the UN, we succeeded in reversing the coup in Haiti and restoring the democratically elected president and government. We are now helping the Haitian people consolidate their hardwon democracy and rebuild their country as we complete the transition from the Multinational Force to the United Nations Mission in Haiti.

- o U.S. engagement in Northern Ireland contributed to the establishment of a cease-fire, first by the IRA and subsequently by loyalist para-militaries. The President announced in November a package of initiatives aimed at consolidating the peace by promoting economic revitalization and increased private sector trade and investment in Northern Ireland.

- o At the Summit of the Americas, the 34 democratic nations of the hemisphere agreed to a detailed plan of cooperative action in such diverse fields as health, education, counter-narcotics, environmental protection, information infrastructure, and the strengthening and safeguarding of democratic institutions, in addition to mutual prosperity and sustainable development. The Summit ushered in a new era of hemispheric cooperation that would not have been possible without U.S. leadership and commitment.

- o The United States has increased support for South Africa as it conducted elections and became a multiracial democracy. During the state visit of Nelson Mandela in October, we announced formation of a bilateral commission to foster new cooperation between our nations, and an assistance package to support housing, health, education, trade and investment.

- o The United States, working with the Organization of American States, helped reverse an anti-democratic coup in Guatemala.

o In Mozambique and Angola, the United States played a leading role in galvanizing the international community to help bring an end to two decades of civil war and to promote national reconciliation. For the first time, there is the prospect that all of southern Africa will enjoy the fruits of peace and prosperity.

o The Administration initiated policies aimed at crisis prevention, including a new peacekeeping policy.

This report has two major sections. The first part of the report explains our strategy of engagement and enlargement. The second part describes briefly how the Administration is applying this strategy to the world's major regions.

II. ADVANCING OUR INTERESTS THROUGH ENGAGEMENT AND ENLARGEMENT

The dawn of the post-Cold War era presents the United States with many distinct dangers, but also with a generally improved security environment and a range of opportunities to improve it further. The unitary threat that dominated our engagement during the Cold War has been replaced by a complex set of challenges. Our nation's strategy for defining and addressing those challenges has several core principles which guide our policy. First and foremost, we must exercise global leadership. We are not the world's policeman, but as the world's premier economic and military power, and with the strength of our democratic values, the U.S. is indispensable to the forging of stable political relations and open trade.

Our leadership must stress preventive diplomacy — through such means as support for democracy, economic assistance, overseas military presence, military-to-military contacts and involvement in multilateral negotiations in the Middle East and elsewhere — in order to help resolve problems, reduce tensions and defuse conflicts before they become crises. These measures are a wise investment in our national security because they offer the prospect of resolving problems with the least human and material cost.

Our engagement must be selective, focusing on the challenges that are most relevant to our own interests and focusing our resources where we can make the most difference. We must also use the right tools — being willing to act unilaterally when our direct national interests are most at stake; in alliance and partnership when our interests are shared by others; and multilaterally when our interests are more general and the problems are best addressed by the international community. In all cases, the nature of our response must depend on what best serves our own long-term national interests. Those interests are ultimately defined by our security requirements. Such requirements start with our physical defense and economic well-being. They also include environmental security as well as the security of values achieved through expansion of the community of democratic nations.

Our national security strategy draws upon a range of political, military and economic instruments, and focuses on the primary objectives that President Clinton has stressed throughout his Administration:

o Enhancing Our Security. Taking account of the realities of the post-Cold War era and the new threats, a military capability appropriately sized and postured to meet the diverse needs of our strategy, including the ability, in concert with regional allies, to win two nearly simultaneous major regional conflicts. We will continue to pursue arms control agreements to reduce the danger of nuclear, chemical, biological, and conventional conflict and to promote stability.

o Promoting Prosperity at Home. A vigorous and integrated economic policy designed to stimulate global environmentally sound economic growth and free trade and to press for open and equal U.S. access to foreign markets.

o Promoting Democracy. A framework of democratic enlargement that increases our security by protecting, consolidating and enlarging the community of free market democracies. Our efforts focus on strengthening democratic processes in key emerging democratic states including Russia, Ukraine and other new states of the former Soviet Union.

These basic objectives of our national security strategy will guide the allocation of our scarce national security resources. Because deficit reduction is also central to the long-term health and competitiveness of the American economy, we have made it, along with efficient and environmentally sound use of our resources, a major priority. Under the Clinton economic plan, the deficit will be reduced over 700 billion dollars by Fiscal Year 1998. President Clinton has also lowered the deficit as a percentage of the Gross Domestic Product from 4.9 percent in Fiscal Year 1992 to 2.4 percent in Fiscal Year 1995—the lowest since 1979.

Enhancing our Security

The U.S. government is responsible for protecting the lives and personal safety of Americans, maintaining our political freedom and independence as a nation and promoting the well-being and prosperity of our nation. No matter how powerful we are as a nation, we cannot secure these basic goals unilaterally. Whether the problem is nuclear proliferation, regional instability, the reversal of reform in the former Soviet empire or unfair trade practices, the threats and challenges we face demand cooperative, multinational solutions. Therefore, the only responsible U.S. strategy is one that seeks to ensure U.S. influence over and participation in collective decisionmaking in a wide and growing range of circumstances.

An important element of our security preparedness depends on durable relationships with allies and other friendly nations. Accordingly, a central thrust of our strategy of engagement is to sustain and adapt the security relationships we have with key nations around the world. These ties constitute an important part of an international framework that will be essential to ensuring cooperation across a broad range of issues. Within the realm of security issues, our cooperation with allies includes such activities as: conducting combined training and exercises, coordinating military plans and preparations, sharing intelligence, jointly developing new systems and controlling exports of sensitive technologies according to common standards.

The post-Cold War era presents a different set of threats to our security. In this new period, enhancing American security requires, first and foremost, developing and maintaining a strong defense capability of forces ready to fight.

We are developing integrated approaches for dealing with threats arising from the development of nuclear and other weapons of mass destruction by other nations. Our security requires a vigorous arms control effort and a strong intelligence capability. We have implemented a strategy for multilateral peace operations. We have clarified rigorous guidelines for when and how to use military force in this era.

We also face security risks that are not solely military in nature. Transnational phenomena such as terrorism, narcotics trafficking, and refugee flows also have security implications both for present and long term American policy. An emerging class of transnational environmental and natural resource issues is increasingly affecting international stability and consequently will present new challenges to U.S. strategy. The threat of intrusions to our military and commercial information systems poses a significant risk to national security and must be addressed.

Maintaining a Strong Defense Capability

U.S. military capabilities are critical to the success of our strategy. This nation has unparalleled military capabilities: the United States is the only nation capable of conducting large-scale and effective military operations far beyond its borders. This fact, coupled with our unique position as the security partner of choice in many regions, provides a foundation for regional stability through mutually beneficial security partnerships. Our willingness and ability to play a leading role in defending common interests also help ensure that the United States will remain an influential voice in international affairs — political, military and economic — that affect our well-being, so long as we retain the military wherewithal to underwrite our commitments credibly.

To protect and advance U.S. interests in the face of the dangers and opportunities outlined earlier, the United States must deploy robust and flexible military forces that can accomplish a variety of tasks:

o Detering and Defeating Aggression in Major Regional Conflicts. Our forces must be able to help offset the military power of regional states with interests opposed to those of the United States and its allies. To do this, we must be able to credibly deter and defeat aggression, by projecting and sustaining U.S. power in more than one region if necessary.

o Providing a Credible Overseas Presence. U.S. forces must also be forward deployed or stationed in key overseas regions in peacetime to deter aggression and advance U.S. strategic interests. Such overseas presence demonstrates our commitment to allies and friends, underwrites regional stability, gains us familiarity with overseas operating environments, promotes combined training among the forces of friendly countries and provides timely initial response capabilities.

o Countering Weapons of Mass Destruction. We are devoting greater efforts to stemming the proliferation of weapons of mass destruction and their delivery means, but at the same time we must improve our capabilities to deter and prevent the use of such weapons and protect ourselves against their effects.

o Contributing to Multilateral Peace Operations. When our interests call for it, the United States must also be prepared to participate in multilateral efforts to resolve regional conflicts and bolster new democratic governments. Thus, our forces must be ready to participate in peacekeeping, peace enforcement and other operations in support of these objectives.

o Supporting Counterterrorism Efforts and Other National Security Objectives. A number of other tasks remain that U.S. forces have typically carried out with both general purpose and specialized units. These missions include: counterterrorism and punitive attacks, noncombatant evacuation, counternarcotics operations, special forces assistance to nations and humanitarian and disaster relief operations.

To meet all of these requirements successfully, our forces must be capable of responding quickly and operating effectively. That is, they must be ready to fight and win. This imperative demands highly qualified and motivated people; modern, well-maintained equipment; realistic training; strategic mobility; sufficient support and sustainment capabilities, and proper investment in science and technology.

Major Regional Contingencies

The focus of our planning for major theater conflict is on deterring and, if necessary, fighting and defeating aggression by potentially hostile regional powers, such as North Korea, Iran or Iraq. Such states are capable of fielding sizable military forces that can cause serious imbalances in military power within regions important to the United States, with allied or friendly states often finding it difficult to match the power of a potentially aggressive neighbor. To deter aggression, prevent coercion of allied or friendly governments and, ultimately, defeat aggression should it occur, we must prepare our forces to confront this scale of threat, preferably in concert with our allies and friends, but unilaterally if necessary. To do this, we must have forces that can deploy quickly and supplement U.S. forward based and forward deployed forces, along with regional allies, in halting an invasion and defeating the aggressor, just as we demonstrated by our rapid response in October 1994 when Iraq threatened aggression against Kuwait.

With programmed enhancements, the forces the Administration is fielding will be sufficient to help defeat aggression in two nearly simultaneous major regional conflicts. As a nation with global interests, it is important that the United States maintain forces with aggregate capabilities on this scale. Obviously, we seek to avoid a situation in which an aggressor in one region might be tempted to take advantage when U.S. forces are heavily committed elsewhere. More basically, maintaining a "two war" force helps ensure that the United States will have sufficient military capabilities to deter or defeat aggression by a coalition of hostile powers or by a larger, more capable adversary than we foresee today.

We will never know with certainty how an enemy might fight or precisely what demands might be placed on our own forces in the future. The contributions of allies or coalition partners will

vary from place to place and over time. Thus, balanced U.S. forces are needed in order to provide a wide range of complementary capabilities and to cope with the unpredictable and unexpected.

Overseas Presence

The need to deploy U.S. military forces abroad in peacetime is also an important factor in determining our overall force structure. We will maintain robust overseas presence in several forms, such as permanently stationed forces and prepositioned equipment, deployments and combined exercises, port calls and other force visits, as well as military-to-military contacts. These activities provide several benefits. Specifically they:

- o Gave form and substance to our bilateral and multilateral security commitments.
- o Demonstrate our determination to defend U.S. and allied interests in critical regions, deterring hostile nations from acting contrary to those interests.
- o Provide forward elements for rapid response in crises as well as the bases, ports and other infrastructure essential for deployment of U.S.-based forces by air, sea and land.
- o Enhance the effectiveness of coalition operations, including peace operations, by improving our ability to operate with other nations.
- o Allow the United States to use its position of trust to prevent the development of power vacuums and dangerous arms races, thereby underwriting regional stability by precluding threats to regional security.
- o Facilitate regional integration, since nations that may not be willing to work together in our absence may be willing to coalesce around us in a crisis.
- o Promote an international security environment of trust, cooperation, peace and stability, which is fundamental to the vitality of developing democracies and free market economies for America's own economic well-being and security.

Through training programs, combined exercises, military contacts, interoperability and shared defense with potential coalition partners, as well as security assistance programs that include judicious foreign military sales, we can strengthen the local self-defense capabilities of our friends and allies. Through active participation in regional security dialogues, we can reduce regional tensions, increase transparency in armaments and improve our bilateral and multilateral cooperation.

By improving the defense capabilities of our friends and demonstrating our commitment to defend common interests, these activities enhance deterrence, encourage responsibility-sharing on the part of friends and allies, decrease the likelihood that U.S. forces will be necessary if conflict arises and raise the odds that U.S. forces will find a relatively favorable situation should a U.S. response be required.

Counterterrorism, Fighting Drug Trafficking and Other Missions

While the missions outlined above will remain the primary determinants of our general purpose and nuclear force structure, U.S. military forces and assets will also be called upon to perform a wide range of other important missions as well. Some of these can be accomplished by conventional forces fielded primarily for theater operations. Often, however, these missions call for specialized units and capabilities.

Combating Terrorism

As long as terrorist groups continue to target American citizens and interests, the United States will need to have specialized units available to defeat such groups. From time to time, we might also find it necessary to strike terrorists at their bases abroad or to attack assets valued by the governments that support them.

Our policy in countering international terrorists is to make no concessions to terrorists, continue to pressure state sponsors of terrorism, fully exploit all available legal mechanisms to punish international terrorists and help other governments improve their capabilities to combat terrorism.

Countering terrorism effectively requires close day-to-day coordination among Executive Branch agencies. The Departments of State, Justice and Defense, the FBI and CIA continue to cooperate closely in an ongoing effort against international terrorists. Positive results will come from integration of intelligence, diplomatic and rule-of-law activities, and through close cooperation with other governments and international counterterrorist organizations.

Improving U.S. intelligence capacities is a significant part of the U.S. response. Terrorists, whether from well-organized groups or the kind of more loosely organized group responsible for the World Trade Center bombing, have the advantage of being able to take the initiative in the timing and choice of targets. Terrorism involving weapons of mass destruction represents a particularly dangerous potential threat that must be countered.

The United States has made concerted efforts to punish and deter terrorists. On June 26, 1993, following a determination that Iraq had plotted an assassination attempt against former President Bush, President Clinton ordered a cruise missile attack against the headquarters of Iraq's intelligence service in order to send a firm response and deter further threats. Similarly, the United States obtained convictions against defendants in the bombing of the World Trade Center.

U.S. leadership and close coordination with other governments and international bodies will continue, as demonstrated by the UN Security Council sanctions against Libya for the Pan Am 103 and UTA 772 bombings, a new international convention dealing with detecting and controlling plastic explosives, and two important counterterrorism treaties — the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Aviation and the Convention for the Suppression of Unlawful Attacks Against the Safety of Maritime Navigation.

Fighting Drug Trafficking

The Administration has undertaken a new approach to the global scourge of drug abuse and trafficking that will better integrate domestic and international activities to reduce both the demand and the supply of drugs. Ultimate success will depend on concerted efforts and partnerships by the public, all levels of government and the American private sector with other governments, private groups and international bodies.

The U.S. has shifted its strategy from the past emphasis on transit interdiction to a more evenly balanced effort with source countries to build institutions, destroy trafficking organizations and stop supplies. We will support and strengthen democratic institutions abroad, denying narcotics traffickers a fragile political infrastructure in which to operate. We will also cooperate with governments that demonstrate the political will to confront the narcotics threat.

Two new comprehensive strategies have been developed, one to deal with the problem of cocaine and another to address the growing threat from high-purity heroin entering this country. We will engage more aggressively with international organizations, financial institutions and nongovernmental organizations in counternarcotics cooperation.

At home and in the international arena, prevention, treatment and economic alternatives must work hand-in-hand with law enforcement and interdiction activities. Longterm efforts will be maintained to help nations develop healthy economies with fewer market incentives for producing narcotics. The United States has increased efforts abroad to foster public awareness and support for governmental cooperation on a broad range of activities to reduce the incidence of drug abuse. Public awareness of a demand problem in producing or trafficking countries can be converted into public support and increased governmental law enforcement to reduce trafficking and production. There has been a significant attitudinal change and awareness in Latin America and the Caribbean, particularly as producer and transit nations themselves become plagued with the ill effects of consumption.

Other Missions

The United States government is also responsible for protecting the lives and safety of Americans abroad. In order to carry out this responsibility, selected U.S. military forces are trained and equipped to evacuate Americans from such situations as the outbreak of civil or international

conflict and natural or man-made disasters. For example, U.S. Marines evacuated Americans from Monrovia, Liberia in August of 1990, and from Mogadishu, Somalia, in December of that year. In 1991, U.S. forces evacuated nearly 20,000 Americans from the Philippines over a three-week period following the eruption of Mount Pinatubo. Last year, U.S. Marines coupled with U.S. airlift, deployed to Burundi to help ensure the safe evacuation of U.S. citizens from ethnic fighting in Rwanda.

U.S. forces also provide invaluable training and advice to friendly governments threatened by subversion, lawlessness or insurgency. At any given time, we have small teams of military experts deployed in roughly 25 countries helping host governments cope with such challenges.

U.S. military forces and assets are frequently called upon to provide assistance to victims of floods, storms, drought and other humanitarian disasters. Both at home and abroad, U.S. forces provide emergency food, shelter, medical care and security to those in need.

Finally, the U.S. will continue as a world leader in space through its technical expertise and innovation. Over the past 30 years, as more and more nations have ventured into space, the U.S. has steadfastly recognized space as an international region. Since all nations are immediately accessible from space, the maintenance of an international legal regime for space, similar to the concept of freedom of the high seas, is especially important. Numerous attempts have been made in the past to legally limit access to space by countries that are unable, either technologically or economically, to join space-faring nations. As the commercial importance of space is developed, the U.S. can expect further pressure from non-participants to redefine the status of space, similar to what has been attempted with exclusive economic zones constraining the high seas.

Retaining the current international character of space will remain critical to achieving U.S. national security goals. Our main objectives in this area include:

- o Continued freedom of access to and use of space;
- o Maintaining the U.S. position as the major economic, political, military and technological power in space;
- o Deterring threats to U.S. interests in space and defeating aggressive or hostile acts against U.S. space assets if deterrence fails;
- o Preventing the spread of weapons of mass destruction to space;
- o Enhancing global partnerships with other space-faring nations across the spectrum of economic, political and security issues.

Deciding When and How to Employ U.S. Forces Our strategy calls for the preparation and deployment of American military forces in the United States and abroad to support U.S. diplomacy in responding to key dangers — those posed by weapons of mass destruction, regional aggression and threats to the stability of states.

Although there may be many demands for U.S. involvement, the need to husband scarce resources suggests that we must carefully select the means and level of our participation in particular military operations. And while it is unwise to specify in advance all the limitations we will place on our use of force, we must be as clear as possible about when and how we will use it.

There are three basic categories of national interests which can merit the use of our armed forces. The first involves America's vital interests, i.e., interests which are of broad, overriding importance to the survival, security and vitality of our national entity — the defense of U.S. territory, citizens, allies and economic well-being. We will do whatever it takes to defend these interests, including — when necessary — the unilateral and decisive use of military power. This was demonstrated clearly in Desert Storm and, more recently, in Vigilant Warrior.

The second category includes cases in which important, but not vital, U.S. interests are threatened. That is, the interests at stake do not affect our national survival, but they do affect importantly our national well-being and the character of the world in which we live. In such cases, military forces should only be used if they advance U.S. interests, they are likely to be able to accomplish their objectives, the costs and risks of their employment are commensurate with the

interests at stake, and other means have been tried and have failed to achieve our objectives. Such uses of force should also be limited, reflecting the relative saliency of the interests we have at stake. Haiti is the most recent example in this category.

The third category involves primarily humanitarian interests. Here, our decisions focus on the resources we can bring to bear by using unique capabilities of our military rather than on the combat power of military force. Generally, the military is not the best tool to address humanitarian concerns. But under certain conditions, the use of our armed forces may be appropriate: when a humanitarian catastrophe dwarfs the ability of civilian relief agencies to respond; when the need for relief is urgent and only the military has the ability to jump-start the longer-term response to the disaster; when the response requires resources unique to the military; and when the risk to American troops is minimal. Rwanda is a good case in point. U.S. military forces performed unique and essential roles, stabilized the situation, and then got out, turning the operation over to the international relief community.

The decision on whether and when to use force is therefore dictated first and foremost by our national interests. In those specific areas where our vital or survival interests are at stake, our use of force will be decisive and, if necessary, unilateral. In other situations posing a less immediate threat, our military engagement must be targeted selectively on those areas that most affect our national interests — for instance, areas where we have a sizable economic stake or commitments to allies, and areas where there is a potential to generate substantial refugee flows into our nation or our allies.

Second, in all cases the costs and risks of U.S. military involvement must be judged to be commensurate with the stakes involved. We will be more inclined to act where there is reason to believe that our action will bring lasting improvement. On the other hand, our involvement will be more circumscribed when other regional or multilateral actors are better positioned to act than we are. Even in these cases, however, the United States will be actively engaged at the diplomatic level. In every case, however, we will consider several critical questions before committing military force: Have we considered non-military means that offer a reasonable chance of success? Is there a clearly defined, achievable mission? What is the environment of risk we are entering? What is needed to achieve our goals? What are the potential costs — both human and financial — of the engagement? Do we have reasonable assurance of support from the American people and their elected representatives? Do we have timelines and milestones that will reveal the extent of success or failure, and, in either case, do we have an exit strategy?

The decision on how we use force has a similar set of derived guidelines:

First, when we send American troops abroad, we will send them with a clear mission and, for those operations that are likely to involve combat, the means to achieve their objectives decisively, having answered the questions: What types of U.S. military capabilities should be brought to bear, and is the use of military force carefully matched to our political objectives?

Second, as much as possible, we will seek the help of our allies and friends or of relevant international institutions. If our most important national interests are at stake, we are prepared to act alone. But especially on those matters touching directly the interests of our allies, there should be a proportionate commitment from them. Working together increases the effectiveness of each nation's actions, and sharing the responsibilities lessens everyone's load.

These, then, are the calculations of interest and cost that have influenced our past uses of military power and will guide us in the future. Every time this Administration has used force, it has balanced interests against costs. And in each case, the use of our military has put power behind our diplomacy, allowing us to make progress we would not otherwise have achieved.

One final consideration regards the central role the American people rightfully play in how the United States wields its power abroad: the United States cannot long sustain a fight without the support of the public. This is true for humanitarian and other non-traditional interventions, as well as war. Modern media communications confront every American with images which both stir the

impulse to intervene and raise the question of an operation's costs and risks. When it is judged in America's interest to intervene, we must use force with an unwavering commitment to our objective. While we must continue to reassess any operation's costs and benefits as it unfolds and the full range of our options, reflexive calls for early withdrawal of our forces as soon as casualties arise endangers our objectives as well as our troops. Doing so invites any rogue actor to attack our troops to try to force our departure from areas where our interests lie.

Combating the Spread and Use of Weapons of Mass Destruction and Missiles

Weapons of mass destruction — nuclear, biological and chemical — along with their associated delivery systems, pose a major threat to our security and that of our allies and other friendly nations. Thus, a key part of our strategy is to seek to stem the proliferation of such weapons and to develop an effective capability to deal with these threats. We also need to maintain robust strategic nuclear forces and seek to implement existing strategic arms agreements.

Nonproliferation and Counterproliferation

A critical priority for the United States is to stem the proliferation of nuclear weapons and other weapons of mass destruction and their missile delivery systems. Countries' weapons programs, and their levels of cooperation with our nonproliferation efforts, will be among our most important criteria in judging the nature of our bilateral relations.

Through programs such as the Nunn-Lugar

Cooperative Threat Reduction effort and other denuclearization initiatives, important progress has been made to build a more secure international environment. One striking example was the successful transfer last fall of nearly six hundred kilograms of vulnerable nuclear material from Kazakhstan to safe storage in the United States. Kazakhstan was concerned about the security of the material and requested U.S. assistance in removing it to safe storage. The Departments of Defense and Energy undertook a joint mission to retrieve the uranium. Similarly, under an agreement we secured with Russia, it is converting tons of highly enriched uranium from dismantled weapons into commercial reactor fuel for purchase by the United States. The United States is also working with Russia to enhance control and accounting of nuclear material.

As a key part of our effort to control nuclear proliferation, we seek the indefinite and unconditional extension of the Nuclear Nonproliferation Treaty (NPT) and its universal application. Achieving a Comprehensive Test Ban Treaty as soon as possible, ending the unsafeguarded production of fissile materials for nuclear weapons purposes and strengthening the Nuclear Suppliers Group and the International Atomic Energy Agency (IAEA) are important goals. They complement our comprehensive efforts to discourage the accumulation of fissile materials, to seek to strengthen controls and constraints on those materials, and over time, to reduce worldwide stocks. As President Clinton announced at last September's UN General Assembly, we will seek a global ban on the production of fissile material for nuclear weapons.

To combat missile proliferation, the United States seeks prudently to broaden membership of the Missile Technology Control Regime (MTCR). The Administration supports the earliest possible ratification and entry in force of the Chemical Weapons Convention (CWC) as well as new measures to deter violations of and enhance compliance with the Biological Weapons Convention (BWC). We also support improved export controls for nonproliferation purposes both domestically and multilaterally.

The proliferation problem is global, but we must tailor our approaches to specific regional contexts. We have concluded an agreed framework to bring North Korea into full compliance with its nonproliferation obligations, including the NPT and IAEA safeguards. We will continue efforts to prevent Iran from advancing its weapons of mass destruction objectives and to thwart Iraq from reconstituting its previous programs. The United States seeks to cap, reduce and, ultimately, eliminate the nuclear and missile capabilities of India and Pakistan. In the Middle East and elsewhere, we encourage regional arms control agreements that address the legitimate security

concerns of all parties. These tasks are being pursued with other states that share our concern for the enormous challenge of stemming the proliferation of such weapons.

The United States has signed bilateral agreements with Russia, Ukraine and South Africa which commit these countries to adhere to the guidelines of the MTCR. We also secured China's commitment to observe the MTCR guidelines and its agreement not to transfer MTCR controlled ground-to-ground missiles. Russia has agreed not to transfer space-launch vehicle technology with potential military applications to India. South Africa has agreed to observe the MTCR guidelines and to dismantle its Category I missile systems and has joined the NPT and accepted full-scope safeguards. Hungary, the Czech Republic, the Slovak Republic and Poland have joined the Australia Group (which controls the transfer of items that could be used to make chemical or biological weapons). Hungary and Argentina have joined the MTCR and Brazil has committed itself publicly to adhere to the MTCR guidelines. Argentina, Brazil and Chile have brought the Treaty of Tlatelolco into force. We continue to push for the dismantlement of all intercontinental ballistic missiles located in Ukraine and Kazakhstan. With the United States and Russia, Ukraine is pressing forward on implementation of the Trilateral Statement, which provides for the transfer of all nuclear warheads from Ukraine to Russia for dismantlement in return for fair compensation.

Thus, the United States seeks to prevent additional countries from acquiring chemical, biological and nuclear weapons and the means to deliver them. However, should such efforts fail, U.S. forces must be prepared to deter, prevent and defend against their use. As agreed at the January 1994 NATO Summit, we are working with our Allies to develop a policy framework to consider how to reinforce ongoing prevention efforts and to reduce the proliferation threat and protect against it.

The United States will retain the capacity to retaliate against those who might contemplate the use of weapons of mass destruction, so that the costs of such use will be seen as outweighing the gains. However, to minimize the impact of proliferation of weapons of mass destruction on our interests, we will need the capability not only to deter their use against either ourselves or our allies and friends, but also, where necessary and feasible, to prevent it.

This will require improved defensive capabilities. To minimize the vulnerability of our forces abroad to weapons of mass destruction, we are placing a high priority on improving our ability to locate, identify and disable arsenals of weapons of mass destruction, production and storage facilities for such weapons, and their delivery systems.

Nuclear Forces

In September, the President approved the recommendations of the Pentagon's Nuclear Posture Review (NPR). A key conclusion of this review is that the United States will retain a triad of strategic nuclear forces sufficient to deter any future hostile foreign leadership with access to strategic nuclear forces from acting against our vital interests and to convince it that seeking a nuclear advantage would be futile. Therefore, we will continue to maintain nuclear forces of sufficient size and capability to hold at risk a broad range of assets valued by such political and military leaders. The President approved the NPR's recommended strategic nuclear force posture as the U.S. START II force. The forces are: 450-500 Minuteman ICBMs, 14 Trident submarines all with D-5 missiles, 20 B-2 and 66 B52 strategic bombers, and a non-nuclear role for the B-1s. This force posture allows us the flexibility to reconstitute or reduce further, as conditions warrant. The NPR also reaffirmed the current posture and deployment of non-strategic nuclear forces; the United States will eliminate carrier and surface ship nuclear weapons capability.

Arms Control

Arms control is an integral part of our national security strategy. Arms control can help reduce incentives to initiate attack; enhance predictability regarding the size and structure of forces, thus reducing fear of aggressive intent; reduce the size of national defense industry establishments and thus permit the growth of more vital, nonmilitary industries; ensure confidence in compliance

through effective monitoring and verification; and, ultimately, contribute to a more stable and calculable balance of power.

In the area of strategic arms control, prescribed reductions in strategic offensive arms and the steady shift toward less destabilizing systems remain indispensable. Ukraine's accession to the Nuclear Non-proliferation Treaty — joining Belarus' and Kazakhstan's decision to be nonnuclear nations — was followed immediately by the exchange of instruments of ratification and brought the START I treaty into force at the December CSCE summit, paving the way for ratification of the START II Treaty. Under START II, the United States and Russia will each be left with between 3,000 and 3,500 deployed strategic nuclear warheads, which is a two-thirds reduction from the Cold War peak. The two Presidents agreed that once START II is ratified, both nations will immediately begin to deactivate or otherwise remove from combat status, those systems whose elimination will be required by that treaty, rather than waiting for the treaty to run its course through the year 2003. START II ratification will also open the door to the next round of strategic arms control, in which we will consider what further reductions in, or limitations on, remaining U.S. and Russian nuclear forces should be carried out. We will also explore strategic confidence building measures and mutual understandings that reduce the risk of accidental war.

The full and faithful implementation of other existing arms control agreements, including the Anti-Ballistic Missile (ABM) Treaty, Strategic Arms Reduction Talks I (START I), Biological Weapons Convention (BWC), Intermediate range Nuclear Forces (INF) Treaty, Conventional Forces in Europe (CFE) Treaty, several nuclear testing agreements, the 1994 Vienna Document on Confidence and Security Building Measures (CSBMs), Open Skies, the Environmental Modification Convention (EnMod), Incidents at Sea and many others will remain an important element of national security policy. The on-going negotiation initiated by the United States to clarify the ABM Treaty by establishing an agreed demarcation between strategic and theater ballistic missiles and update the Treaty to reflect the break-up of the Soviet Union reflects the Administration's commitment to maintaining the integrity and effectiveness of crucial arms control agreements.

Future arms control efforts may become more regional and multilateral. Regional arrangements can add predictability and openness to security relations, advance the rule of international law and promote cooperation among participants. They help maintain deterrence and a stable military balance at regional levels. The U.S. is prepared to promote, help negotiate, monitor and participate in regional arms control undertakings compatible with American national security interests. We will generally support such undertakings but will not seek to impose regional arms control accords against the wishes of affected states.

As arms control, whether regional or global, becomes increasingly multilateral, the Conference on Disarmament (CD) in Geneva will play an even more important role. The U.S. will support measures to increase the effectiveness and relevance of the CD. Arms control agreements can head off potential arms races in certain weapons categories or in some environments. We will continue to seek greater transparency, responsibility and, where appropriate, restraint in the transfer of conventional weapons and global military spending. The UN register of conventional arms transfers is a start in promoting greater transparency of weapons transfers and buildups, but more needs to be done. The U.S. has proposed that the new regime to succeed the Coordinating Committee (COCOM) focus on conventional arms sales and dual-use technologies. Where appropriate, the United States will continue to pursue such efforts vigorously. Measures to reduce oversized defense industrial establishments, especially those parts involved with weapons of mass destruction, will also contribute to stability in the post-Cold War world. The Administration also will pursue defense conversion agreements with the Former Soviet Union (FSU) states, and defense conversion is also on the agenda with China. The United States has also proposed a regime to reduce the number and availability of the world's long-lived antipersonnel mines whose indiscriminate and irresponsible use has reached crisis proportions. As another part of our effort to

address this landmine problem, the Administration has also submitted the Convention on Conventional Weapons to the Senate for advice and consent.

Peace Operations

In addition to preparing for major regional contingencies, we must prepare our forces for peace operations to support democracy or conflict resolution. The United States, along with others in the international community, will seek to prevent and contain localized conflicts before they require a military response. U.S. support capabilities such as airlift, intelligence, and global communications, have often contributed to the success of multilateral peace operations, and they will continue to do so. U.S. combat units are less likely to be used for most peace operations, but in some cases their use will be necessary or desirable and justified by U.S. national interests as guided by the Presidential Decision Directive, "U.S. Policy on Reforming Multilateral Peace Operations," and outlined below.

Multilateral peace operations are an important component of our strategy. From traditional peacekeeping to peace enforcement, multilateral peace operations are sometimes the best way to prevent, contain, or resolve conflicts that could otherwise be far more costly and deadly.

Peace operations often have served, and continue to serve, important U.S. national interests. In some cases, they have helped preserve peace between nations, as in Cyprus and the Golan Heights. In others, peacekeepers have provided breathing room for fledgling democracies, as in Cambodia, El Salvador and Namibia.

At the same time, however, we must recognize that some types of peace operations make demands on the UN that exceed the organization's current capabilities. The United States is working with the UN headquarters and other member states to ensure that the UN embarks only on peace operations that make political and military sense and that the UN is able to manage effectively those peace operations it does undertake. We support the creation of a professional UN peace operations head-quarters with a planning staff, access to timely intelligence, a logistics unit that can be rapidly deployed and a modern operations center with global communications. The United States will reduce our peacekeeping payments to 25 percent while working to ensure that other nations pay their fair share. We are also working to ensure that peacekeeping operations by appropriate regional organizations such as NATO and the OSCE can be carried out effectively.

In order to maximize the benefits of UN peace operations, the United States must make highly disciplined choices about when and under what circumstances to support or participate in them. The need to exercise such discipline is at the heart of President Clinton's policy on Reforming Multilateral Peace Operations. Far from handing a blank check to the UN, the President's policy review on peace operations — the most thorough ever undertaken by an Administration — requires the United States to undertake a rigorous analysis of requirements and capabilities before voting to support or participate in peace operations. The United States has not hesitated to use its position on the Security Council to ensure that the UN authorizes only those peace operations that meet these standards.

Most UN peacekeeping operations do not involve U.S. forces. On those occasions when we consider contributing U.S. forces to a UN peace operation, we will employ rigorous criteria, including the same principles that would guide any decision to employ U.S. forces. In addition, we will ensure that the risks to U.S. personnel and the command and control arrangements governing the participation of American and foreign forces are acceptable to the United States.

The question of command and control is particularly critical. There may be times when it is in our interest to place U.S. troops under the temporary operational control of a competent UN or allied commander. The United States has done so many times in the past — from the siege of Yorktown in the Revolutionary War to the battles of Desert Storm. However, under no circumstances will the President ever relinquish his command authority over U.S. forces.

Improving the ways the United States and the UN decide upon and conduct peace operations will not make the decision to engage any easier. The lesson we must take away from our first

ventures in peace operations is not that we should forswear such operations but that we should employ this tool selectively and more effectively. In short, the United States views peace operations as a means to support our national security strategy, not as a strategy unto itself.

The President is firmly committed to securing the active support of the Congress for U.S. participation in peace operations. The Administration has set forth a detailed blueprint to guide consultations with Congress. With respect to particular operations, the Administration will undertake consultations on questions such as the nature of expected U.S. military participation, the mission parameters of the operation, the expected duration, and budgetary implications. In addition to such operation-specific consultations, the Administration has also conducted regular monthly briefings for congressional staff, and will deliver an Annual Comprehensive Report to Congress on Peace Operations. Congress is critical to the institutional development of a successful U.S. policy on peace operations, including the resolution of funding issues which have an impact on military readiness.

Two other points deserve emphasis. First, the primary mission of our Armed Forces is not peace operations; it is to deter and, if necessary, to fight and win conflicts in which our most important interests are threatened. Second while the international community can create conditions for peace, the responsibility for peace ultimately rests with the people of the country in question.

Strong Intelligence Capabilities

U.S. intelligence capabilities are critical instruments of our national power and remain an integral part of our national security strategy. Only a strong intelligence effort can provide adequate warning of threats to U.S. national security and identify opportunities for advancing our interests. Policy analysts, decisionmakers and military commanders at all levels will continue to rely on our intelligence community to collect information unavailable from other sources and to provide strategic and tactical analysis to help surmount potential challenges to our military, political and economic interests.

Because national security has taken on a much broader definition in this post-Cold War era, intelligence must address a much wider range of threats and dangers. We will continue to monitor military and technical threats, to guide long-term force development and weapons acquisition, and to directly support military operations. Intelligence will also be critical for directing new efforts against regional conflicts, proliferation of WMD, counterintelligence, terrorism and narcotics trafficking. In order to adequately forecast dangers to democracy and to U.S. economic well-being, the intelligence community must track political, economic, social and military developments in those parts of the world where U.S. interests are most heavily engaged and where overt collection of information from open sources is inadequate. Finally, to enhance the study and support of worldwide environmental, humanitarian and disaster relief activities, technical intelligence assets (principally imagery) must be directed to a greater degree towards collection of data on these subjects.

The collection and analysis of intelligence related to economic development will play an increasingly important role in helping policy makers understand economic trends. That collection and analysis can help level the economic playing field by identifying threats to U.S. companies from foreign intelligence services and unfair trading practices.

This strategy requires that we take steps to reinforce current intelligence capabilities and overt foreign service reporting, within the limits of our resources, and similar steps to enhance coordination of clandestine and overt collection. Key goals include to.

- o Provide timely warning of strategic threats, whether from the remaining arsenal of weapons in the former Soviet Union or from other nations with weapons of mass destruction;
- o Ensure timely intelligence support to military operations;
- o Provide early warning of potential crises and facilitate preventive diplomacy;

- o Develop new strategies for collection, production and dissemination (including closer relationships between intelligence producers and consumers) to make intelligence products more responsive to current consumer needs;
- o Improve worldwide technical capabilities to detect, identify and determine the efforts of foreign nations to develop weapons of mass destruction;
- o Enhance counterintelligence capabilities;
- o Provide focused support for law enforcement agencies in areas like counternarcotics, counterterrorism and illegal technology trade;
- o Streamline intelligence operations and organizations to gain efficiency and integration;
- o Revise long-standing security restrictions where possible to make intelligence data more useful to intelligence consumers.
- o Develop security countermeasures based on sound threat analysis and risk management practices

To advance these goals the President significantly restructured counterintelligence policy development and interagency coordination. In a Presidential Decision Directive (PDD) on U.S. counterintelligence effectiveness, the President took immediate steps to improve our ability to counter both traditional and new threats to our Nation's security in the post-Cold War era. The President further directed a comprehensive restructuring of the process by which our security policies, practices and procedures are developed and implemented. The PDD on Security Policy Coordination ensures the development of security policies and practices that realistically meet the threats we face as they continue to evolve, at a price we can afford, while guaranteeing the fair and equitable treatment of all Americans upon whom we rely to guard our nation's security. Consistent with the provisions of the FY 1995 Intelligence Authorization Act, President Clinton has also directed the Chairman of the Foreign Intelligence Advisory Board to conduct a comprehensive review of the roles and missions of the intelligence community and fundamentally evaluate and define the need for intelligence in the post-Cold War environment.

The Environment and Sustainable Development

The more clearly we understand the complex interrelationships between the different parts of our world's environment, the better we can understand the regional and even global effects of local changes to the environment. Increasing competition for the dwindling reserves of uncontaminated air, arable land, fisheries and other food sources, and water, once considered "free" goods, is already a very real risk to regional stability around the world. The range of environmental risks serious enough to jeopardize international stability extends to massive population flight from man-made or natural catastrophes, such as Chernobyl or the East African drought, and to large-scale ecosystem damage caused by industrial pollution, deforestation, loss of biodiversity, ozone depletion, desertification, ocean pollution and ultimately climate change. Strategies dealing with environmental issues of this magnitude will require partnerships between governments and nongovernmental organizations, cooperation between nations and regions, and a commitment to a strategically focused, long-term policy for emerging environmental risks.

The decisions we make today regarding military force structures typically influence our ability to respond to threats 20 to 30 years in the future. Similarly, our current decisions regarding the environment and natural resources will affect the magnitude of their security risks over at least a comparable period of time, if not longer. The measure of our difficulties in the future will be settled by the steps we take in the present.

As a priority initiative, the U.S. successfully led efforts at the September Cairo Conference to develop a consensus Program of Action to address the continuous climb in global population, including increased availability of family planning and reproductive health services, sustainable economic development, the empowerment of women to include enhanced educational opportunities and a reduction in infant and child mortality. Rapid population growth in the developing world and unsustainable consumption patterns in industrialized nations are the root of both present and

potentially even greater forms of environmental degradation and resource depletion. A conservative estimate of the globe's population projects 8.5 billion people on the planet by the year 2025. Even when making the most generous allowances for advances in science and technology, one cannot help but conclude that population growth and environmental pressures will feed into immense social unrest and make the world substantially more vulnerable to serious international frictions.

Promoting Prosperity at Home

A central goal of our national security strategy is to promote America's prosperity through efforts both at home and abroad. Our economic and security interests are increasingly inseparable. Our prosperity at home depends on engaging actively abroad. The strength of our diplomacy, our ability to maintain an unrivaled military, the attractiveness of our values abroad — all these depend in part on the strength of our economy.

Enhancing American Competitiveness

Our primary economic goal is to strengthen the American economy. The first step toward that goal was reducing the federal deficit and the burden it imposes on the economy and future generations. The economic program passed in 1993 has restored investor confidence in the U.S. and strengthened our position in international economic negotiations. Under the Clinton economic plan, the deficit will be reduced over 700 billion dollars by Fiscal Year 1998. President Clinton has also lowered the deficit as a percentage of the Gross Domestic Product from 4.9 percent in Fiscal Year 1992 to 2.4 percent in Fiscal Year 1995 — the lowest since 1979.

And Fiscal Year 1995 will be the first time that the deficit has been reduced three years in a row since the Truman Administration. We are building on this deficit reduction effort with other steps to improve American competitiveness: investing in science and technology; assisting defense conversion; improving information networks and other vital infrastructure; and improving education and training programs for America's workforce. We are structuring our defense R&D effort to place greater emphasis on dual-use technologies that can enhance competitiveness and meet pressing military needs. We are also reforming the defense acquisition system so that we can develop and procure weapons and materiel more efficiently.

Partnership with Business and Labor

Our economic strategy views the private sector as the engine of economic growth. It sees government's role as a partner to the private sector, acting as an advocate of U.S. business interests; leveling the playing field in international markets; helping to boost American exports; and finding ways to remove domestic and foreign barriers to the creativity, initiative and productivity of American business.

To this end, on September 29, 1993, the Administration published its report creating America's first national export strategy and making 65 specific recommendations for reforming the way government works with the private sector to expand exports. Among the recommendations were significant improvements in advocacy, export financing, market information systems and product standards education. The results of these reforms could enable U.S. exports to reach the trillion dollar mark by the turn of the century, which would help create at least six million new American jobs.

Another critical element in boosting U.S. exports is reforming the outdated export licensing system. That reform began with significant liberalization of export licensing controls for computers, supercomputers and telecommunications equipment. The Administration is also seeking comprehensive reform of the Export Administration Act, which governs the process of export licensing. The goal of this reform is to strengthen our ability to prevent proliferation and protect other national interests, while removing unnecessarily burdensome licensing requirements left over from the Cold War.

Enhancing Access to Foreign Markets

The success of American business is more than ever dependent upon success in international markets. The ability to compete internationally also assures that our companies will continue to

innovate and increase productivity, which will in turn lead to improvements in our own living standards. But to compete abroad, our firms need access to foreign markets, just as foreign industries have access to our open market. We vigorously pursue measures to increase access for our companies — through bilateral, regional and multilateral arrangements.

The North American Free Trade Agreement

On December 3, 1993, President Clinton signed the North American Free Trade Act (NAFTA), which creates a free trade zone among the United States, Canada and Mexico. NAFTA has already created more than 100,000 American jobs. NAFTA has increased Mexico's capacity to cooperate with our nation on a wide range of issues that cross our 2000 mile border — including the environment, narcotics trafficking and illegal immigration.

Asia Pacific Economic Cooperation

Our economic relations depend vitally on our ties with the Asia Pacific region, which is the world's fastest-growing economic region. In November 1993, President Clinton convened the first-ever summit of the leaders of the economies that constitute the Asia-Pacific Economic Cooperation (APEC) forum. U.S. initiatives in the APEC forum will open new opportunities for economic cooperation and permit U.S. companies to become involved in substantial infrastructure planning and construction throughout the region. The trade and investment framework agreed to in 1993 provided the basis for enhancing the "open regionalism" that defines APEC. At the second leaders meeting in November 1994, the leaders of APEC further drove the process by accepting the goal of free and open trade and investment throughout the region by early in the 21st Century, and agreeing to lay out a blueprint for achieving that goal by the Osaka APEC leaders meeting.

Uruguay Round of GATT

The successful conclusion in December 1993 of the Uruguay Round of the negotiations under the General Agreement on Tariffs and Trade (GATT) significantly strengthened the world trading system. The Uruguay Round accord is the largest, most comprehensive trade agreement in history. It will create hundreds of thousands of new U.S. jobs and expand opportunities for U.S. businesses. For the first time, international trade rules will apply to services, intellectual property and investments, and effective rules will apply to agriculture. The Uruguay Round also continued the cuts in tariff rates throughout the world that began just after the Second World War. Working with Congress, the President secured U.S. approval of this pathbreaking agreement and the resulting World Trade Organization which provides a forum to resolve disputes openly. The President remains committed to ensuring that the commitments in the Uruguay Round agreement are fulfilled.

U.S. - Japan Framework Agreement

While Japan is America's second-largest export market, foreign access to the Japanese market remains limited in important sectors, including automobiles and automobile parts. Japan's persistent current account surpluses are a major imbalance in the global economy. In July 1993 President Clinton and Japanese Prime Minister Miyazawa established the U.S.-Japan Framework for Economic Partnership to redress the imbalances in our economic relationship. In October 1994, the United States and Japan reached framework agreements regarding government procurement of medical technologies and telecommunications (including Nippon Telephone and Telegraph (NPP) procurement). In December, we concluded a further agreement on flat glass. We have also reached framework agreements on financial services and intellectual property rights. The Administration is committed to ensuring that competitive American goods and services have fair access to the Japanese market. We will continue to work to ensure that Japan takes measures to open its markets and stimulate its economy, both to benefit its own people and to fulfill its international responsibilities.

Summit of the Americas

America's economy benefits enormously from the opportunity offered by the commitment of the democratic nations of the Western Hemisphere to negotiate a free trade agreement for the region by 2005. The Western Hemisphere is our largest export market, constituting over 35 percent of all

U.S. sales abroad. The action plan will accelerate progress toward free, integrated markets which will create new high-wage jobs and sustain economic growth for America. The invitation to Chile to begin negotiations to join NAFTA is the first step toward the Summit's goal of reaching a hemispheric free-trade zone.

Expanding the Realm of Free Trade

The conclusion of NAFTA, the Uruguay Round, the Bogor Declaration of the 1994 APEC leaders meeting, and the Summit of the Americas' action plan represents unprecedented progress toward more open markets both at the regional and global levels. The Administration intends to continue its efforts in further enhancing U.S. access to foreign markets. The World Trade Organization will provide a new institutional lever for securing such access. Emerging markets, particularly along the Pacific Rim, present vast opportunities for American enterprise, and APEC now provides a suitable vehicle for the exploration of such opportunities. Similarly, the United States convened the Summit of the Americas to seize the opportunities created by the movement toward open markets throughout the hemisphere. All such steps in the direction of expanded trading relationships will be undertaken in a way consistent with protection of the international environment and to the goal of sustainable development here and abroad.

Strengthening Macroeconomic Coordination

As national economies become more integrated internationally, the U.S. cannot thrive in isolation from developments abroad. International economic expansion is benefiting from G-7 macroeconomic policy coordination. To improve global macroeconomic performance, we will continue to work through the G-7 process to promote growth-oriented policies to complement our own efforts.

Providing for Energy Security

The United States depends on oil for more than 40% of its primary energy needs. Roughly 45% of our oil needs are met with imports, and a large share of these imports come from the Persian Gulf area. The experiences of the two oil shocks and the Gulf War show that an interruption of oil supplies can have a significant impact on the economies of the United States and its allies. Appropriate economic responses can substantially mitigate the balance of payments and inflationary impacts of an oil shock; appropriate foreign policy responses to events such as Iraq's invasion of Kuwait can limit the magnitude of the crisis.

Over the longer term, the United States' dependence on access to foreign oil sources will be increasingly important as our resources are depleted. The U.S. economy has grown roughly 75% since the first oil shock; yet during that time our oil consumption has remained virtually stable and oil production has declined. High oil prices did not generate enough new oil exploration and discovery to sustain production levels from our depleted resource base. These facts show the need for continued and extended reliance on energy efficiency and conservation and development of alternative energy sources. Conservation measures notwithstanding, the U.S. has a vital interest in unrestricted access to this critical resource.

Promoting Sustainable Development Abroad

Broad-based economic development not only improves the prospects for democratic development in developing countries, but also expands the demands for U.S. exports. Economic growth abroad can alleviate pressure on the global environment, reduce the attraction of illegal narcotics trade and improve the health and economic productivity of global populations.

The environmental aspects of ill-designed economic growth are clear. Environmental damage will ultimately block economic growth. Rapid urbanization is outstripping the ability of nations to provide jobs, education and other services to new citizens. The continuing poverty of a quarter of the world's people leads to hunger, malnutrition, economic migration and political unrest. Widespread illiteracy and lack of technical skills hinder employment opportunities and drive entire populations to support themselves on increasingly fragile and damaged resource bases. New diseases such as AIDS and epidemics, often spread through environmental degradation, threaten to

overwhelm the health facilities of developing countries, disrupt societies and stop economic growth. These realities must be addressed by sustainable development programs which offer viable alternatives. U.S. leadership is of the essence. If such alternatives are not developed, the consequences for the planet's future will be grave indeed.

Domestically, the U.S. must work hard to halt local and cross-border environmental degradation. In addition, the U.S. should foster environmental technology targeting pollution prevention, control, and cleanup. Companies that invest in energy efficiency, clean manufacturing, and environmental services today will create the high-quality, high-wage jobs of tomorrow. By providing access to these types of technologies, our exports can also provide the means for other nations to achieve environmentally sustainable economic growth. At the same time, we are taking ambitious steps at home to better manage our natural resources and reduce energy and other consumption, decrease waste generation and increase our recycling efforts.

Internationally, the Administration's foreign assistance program focuses on four key elements of sustainable development: broad-based economic growth; the environment; population and health; and democracy. We will continue to advocate environmentally sound private investment and responsible approaches by international lenders. At our urging, the Multilateral Development Banks (MDB's) are now placing increased emphasis upon sustainable development in their funding decisions, to include a commitment to perform environmental assessments on projects for both internal and public scrutiny. In particular, the Global Environmental Facility (GEF), established last year, will provide a source of financial assistance to the developing world for climate change, biodiversity and oceans initiatives.

The U.S. is taking specific steps now in all of these areas:

- o In June 1993, the United States signed the Convention on Biological Diversity, which aims to protect and utilize the world's genetic inheritance. The Interior Department has been directed to create a national biological survey to help protect species and to help the agricultural and biotechnical industries identify new sources of food, fiber and medications.

- o New policies are being implemented to ensure the sustainable management of U.S. forests by the year 2000, as pledged internationally. In addition, U.S. bilateral forest assistance programs are being expanded, and the United States is promoting sustainable management of tropical forests.

- o In the wake of the 1992 United Nations Conference on Environment and Development, the United States has sought to reduce land-based sources of marine pollution, maintain populations of marine species at healthy and productive levels and protect endangered marine mammals.

- o The United States has focused technical assistance and encouraged nongovernmental environmental groups to provide expertise to the republics of the Former Soviet Union and Central and Eastern European nations that have suffered the most acute environmental crises. The Agency for International Development, the Environmental Protection Agency and other U.S. agencies are engaged in technical cooperation with many countries around the world to advance these goals.

- o The Administration is leading a renewed global effort to address population problems and promote international consensus for stabilizing world population growth. Our comprehensive approach will stress family planning and reproductive health care, maternal and child health, education and improving the status of women. The International Conference on Population Development, held in September in Cairo, endorsed these approaches as important strategies in achieving our global population goals.

Promoting Democracy

All of America's strategic interests — from promoting prosperity at home to checking global threats abroad before they threaten our territory — are served by enlarging the community of democratic and free market nations. Thus, working with new democratic states to help preserve them as democracies committed to free markets and respect for human rights, is a key part of our national security strategy.

One of the most gratifying and encouraging developments of the past 15 years is the explosion in the number of states moving away from repressive governance and toward democracy. Since the success of many of those experiments is by no means assured, our strategy of enlargement must focus on the consolidation of those regimes and the broadening of their commitment to democracy. At the same time, we seek to increase respect for fundamental human rights in all states and encourage an evolution to democracy where that is possible.

The enlargement of the community of market democracies respecting human rights and the environment is manifest in a number of ways:

- o More than 30 nations in Central and Eastern Europe, the former Soviet Union, Latin America, Africa and East Asia have, over the past 10 years, adopted the structures of a constitutional democracy and held free elections;

- o The nations of the Western Hemisphere have proclaimed their commitment to democratic regimes and to the collective responsibility of the nations of the OAS to respond to threats to democracy.

- o In the Western Hemisphere, only Cuba is not a democratic state.

- o Nations as diverse as South Africa, Cambodia and El Salvador have resolved bitter internal disputes with agreement on the creation of constitutional democracies.

The first element of our democracy strategy is to work with the other democracies of the world and to improve our cooperation with them on security and economic issues. We also seek their support in enlarging the realm of democratic nations.

The core of our strategy is to help democracy and markets expand and survive in other places where we have the strongest security concerns and where we can make the greatest difference. This is not a democratic crusade; it is a pragmatic commitment to see freedom take hold where that will help us most. Thus, we must target our effort to assist states that affect our strategic interests, such as those with large economies, critical locations, nuclear weapons or the potential to generate refugee flows into our own nation or into key friends and allies. We must focus our efforts where we have the most leverage. And our efforts must be demand-driven — they must focus on nations whose people are pushing for reform or have already secured it.

Russia is a key state in this regard. If we can support and help consolidate democratic and market reforms in Russia (and the other newly independent states), we can help turn a former threat into a region of valued diplomatic and economic partners. Our intensified interaction with Ukraine has helped move that country on to the path of economic reform, which is critical to its long-term stability. In addition, our efforts in Russia, Ukraine and the other states support and facilitate our efforts to achieve continued reductions in nuclear arms and compliance with international nonproliferation accords.

The new democracies in Central and Eastern Europe are another clear example, given their proximity to the great democratic powers of Western Europe, their importance to our security, and their potential markets.

Since our ties across the Pacific are no less important than those across the Atlantic, pursuing enlargement in the Asian Pacific is a third example. We will work to support the emerging democracies of the region and to encourage other states along the same path.

Continuing the great strides toward democracy and markets in our hemisphere is also a key concern and was behind the President's decision to host the Summit of the Americas in December 1994. As we continue such efforts, we should be on the lookout for states whose entry into the camp of market democracies may influence the future direction of an entire region; South Africa now holds that potential with regard to sub-Saharan Africa.

How should the United States help consolidate and enlarge democracy and markets in these states? The answers are as varied as the nations involved, but there are common elements. We must continue to help lead the effort to mobilize international resources, as we have with Russia, Ukraine and the other new independent states. We must be willing to take immediate public positions to help

staunch democratic reversals, as we have in Haiti and Guatemala. We must give democratic nations the fullest benefits of integration into foreign markets, which is part of why NAFTA and the GATT ranked so high on our agenda. And we must help these nations strengthen the pillars of civil society, improve their market institutions, and fight corruption and political discontent through practices of good governance.

At the same time as we work to ensure the success of emerging democracies, we must also redouble our efforts to guarantee basic human rights on a global basis. At the 1993 United Nations Conference on Human Rights, the United States forcefully and successfully argued for a reaffirmation of the universality of such rights and improved international mechanisms for their promotion. In the wake of this gathering, the UN has named a High Commissioner for Human Rights, and the rights of women have been afforded a new international precedence. The United States has taken the lead in assisting the UN to set up international tribunals to enforce accountability for the war crimes in the former Yugoslavia and in Rwanda.

The United States also continues to work for the protection of human rights on a bilateral basis. To demonstrate our own willingness to adhere to international human rights standards, the United States ratified the international convention prohibiting discrimination on the basis of race, and the Administration is seeking Senate consent to ratification for the convention prohibiting discrimination against women. The United States will play a major role in promoting women's rights internationally at the UN Women's Conference in September.

In all these efforts, a policy of engagement and enlargement should take on a second meaning: we should pursue our goals through an enlarged circle not only of government officials but also of private and nongovernmental groups. Private firms are natural allies in our efforts to strengthen market economies. Similarly, our goal of strengthening democracy and civil society has a natural ally in labor unions, human rights groups, environmental advocates, chambers of commerce and election monitors. Just as we rely on force multipliers in defense, we should welcome these "diplomacy multipliers," such as the National Endowment for Democracy.

Supporting the global movement toward democracy requires a pragmatic and long-term effort focused on both values and institutions. The United States must build on the opportunities achieved through the successful conclusion of the Cold War. Our long-term goal is a world in which each of the major powers is democratic, with many other nations joining the community of market democracies as well.

Our efforts to promote democracy and human rights are complemented by our humanitarian assistance programs which are designed to alleviate human suffering and to pave the way for progress towards establishing democratic regimes with a commitment to respect for human rights and appropriate strategies for economic development. We are also exploring ideas such as the suggestion of Argentina's President Menem for the creation of an international civilian rapid response capability for humanitarian crises, including a school and training for humanitarian operations.

Through humanitarian assistance and policy initiatives aimed at the sources of disruption, we seek to mitigate the contemporary migration and refugee crises, foster longterm global cooperation and strengthen involved international institutions. The U.S. will provide appropriate financial support and will work with other nations and international bodies, such as the International Red Cross and the UN High Commissioner for Refugees, in seeking voluntary repatriation of refugees — taking into full consideration human rights concerns as well as the economic conditions that may have driven them out in the first place. Helping refugees return to their homes in Mozambique, Afghanistan, Eritrea, Somalia and Guatemala, for example, is a high priority.

Relief efforts will continue for people displaced by the conflict in Bosnia and other republics of the former Yugoslavia. We will act in concert with other nations and the UN against the illegal smuggling of Chinese into this country. In concert with the tools of diplomatic, economic and military power, our humanitarian and refugee policies can bear results, as was evident in Haiti. We

provided temporary safe haven at Guantanamo Naval Base for those Haitians who feared for their safety and left by sea until we helped restore democracy.

III. INTEGRATED REGIONAL APPROACHES

The United States is a genuinely global power. Our policy toward each of the world's regions reflects our overall strategy tailored to their unique challenges and opportunities. This section highlights the application of our strategy to each of the world's regions; our broad objectives and thrust, rather than an exhaustive list of all our policies and interests. It illustrates how we integrate our commitment to the promotion of democracy and the enhancement of American prosperity with our security requirements to produce a mutually reinforcing policy.

Europe and Eurasia

Our strategy of enlargement and engagement is central to U.S. policy towards post-Cold War Europe. European stability is vital to our own security, a lesson we have learned twice at great cost this century. Vibrant European economies mean more jobs for Americans at home and investment opportunities abroad. With the collapse of the Soviet empire and the emergence of new democracies in its wake, the United States has an unparalleled opportunity to contribute toward a free and undivided Europe. Our goal is an integrated democratic Europe cooperating with the United States to keep the peace and promote prosperity.

The first and most important element of our strategy in Europe must be security through military strength and cooperation. The Cold War is over, but war itself is not over.

As we know, war continues in the former Yugoslavia. While that war does not pose a direct threat to our security or warrant unilateral U.S. involvement, U.S. policy is focused on five goals: achieving a political settlement in Bosnia that preserves the country's territorial integrity and provides a viable future for all its peoples; preventing the spread of the fighting into a broader Balkan war that could threaten both allies and the stability of new democratic states in Central and Eastern Europe; stemming the destabilizing flow of refugees from the conflict; halting the slaughter of innocents; and helping to support NATO's central role in post-Cold War Europe while maintaining our role in shaping Europe's security architecture.

Our leadership paved the way to NATO's February 1994 ultimatum that ended the heavy Serb bombardment of Sarajevo, Bosnia's capital. Our diplomatic leadership brought an end to the fighting between the Muslims and Croats in Bosnia and helped establish a bicomunal Bosnian-Croat Federation. Since April 1994, we have been working with the warring parties through the Contact Group (United States, Russia, United Kingdom, France and Germany) to help the parties reach a negotiated settlement. Our goal is to bring an end to the war in Bosnia consistent with the Contact Group plan which would preserve Bosnia as a single state within its existing borders while providing for an equitable division of territory between the Muslim-Croat Federation and the Bosnian Serb entity. While we have not yet succeeded in achieving a political settlement, diplomatic efforts in the final months of 1994 helped produce a cease-fire and a cessation of hostilities agreement that took effect on January 1, 1995. On this basis, efforts are now underway with our Contact Group partners to renew negotiations on a political settlement based on the Contact Group plan.

Should these new diplomatic efforts falter, we remain prepared to move forward with our proposal at the UN to lift the arms embargo on Bosnia-Herzegovina, multilaterally. We remain strongly opposed to a unilateral lifting of the arms embargo as a step that would have grave consequences for NATO and U.S. interests. Should large-scale fighting resume and UN troops need to be withdrawn, the President has agreed, in principle, to provide U.S. support, including the use of ground forces, to a NATO-led operation to help assure a safe withdrawal. We also remain prepared to help implement a final peace settlement in Bosnia.

As we work to resolve that tragedy and ease the suffering of its victims we also need to transform European and trans-Atlantic institutions so they can better address such conflicts and advance Europe's integration. Many institutions will play a role, including the European Union

(EU), the Western European Union (WEU), the Council of Europe (CE), the Organization for Security and Cooperation in Europe (OSCE) and the United Nations. But NATO, history's greatest political-military alliance, must be central to that process.

The NATO alliance will remain the anchor of American engagement in Europe and the linchpin of transatlantic security. That is why we must keep it strong, vital and relevant. For the United States and its allies, 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 endures even though the Cold War has receded into the past. And that is why its benefits are so clear to Europe's new democracies.

Only NATO has the military forces, the integrated command structure, the broad legitimacy and the habits of cooperation that are essential to draw in new participants and respond to new challenges. One of the deepest transformations within the transatlantic community over the past half-century occurred because the armed forces of our respective nations trained, studied and marched through their careers together. It is not only the compatibility of our weapons, but the camaraderie of our warriors that provide the sinews behind our mutual security guarantees and our best hope for peace.

Since the end of the Cold War, the United States has significantly reduced the level of U.S. military forces stationed in Europe. We have determined that a force of roughly 100,000 U.S. military personnel assigned to U.S. European command will preserve U.S. influence and leadership in NATO and provide a deterrent posture that is visible to all Europeans. While we continue to examine the proper mix of forces, this level of permanent presence, augmented by forward deployed naval forces and reinforcements available from the United States, is sufficient to respond to plausible crises and contributes to stability in the region. Such a force level also provides a sound basis for U.S. participation in multinational training and preserves the capability to deter or respond to larger threats in Europe and to support limited NATO operations "out of area."

With the end of the Cold War, NATO's mission is evolving; today NATO plays a crucial role helping to manage ethnic and national conflict in Europe. With U.S. leadership, NATO has provided the muscle behind efforts to bring about a peaceful settlement in the former Yugoslavia. NATO air power enforces the UN-mandated no-fly zone and provides support to UN peacekeepers. NATO stands ready to help support the peace once the parties reach an agreement.

With the adoption of the U.S. initiative, Partnership for Peace, at the January 1994 summit, NATO is playing an increasingly important role in our strategy of European integration, extending the scope of our security cooperation to the new democracies of Europe. Twenty-five nations, including Russia, have already joined the partnership, which will pave the way for a growing program of military cooperation and political consultation. Partner countries are sending representatives to NATO headquarters near Brussels and to a military coordination cell at Mons — the site of Supreme Headquarters Allied Powers Europe (SHAPE). Joint exercises have taken place in Poland and the Netherlands. In keeping with our strategy of enlargement, PFP is open to all former members of the Warsaw Pact as well as other European states. Each partner will set the scope and pace of its cooperation with NATO.

The North Atlantic Treaty has always looked to the addition of members who shared the Alliance's purposes and its values, its commitment to respect borders and international law, and who could add to its strength; indeed, NATO has expanded three times since its creation. In January 1994, President Clinton made it plain that "the question is no longer whether NATO will take on new members, but when and how we will do so." Last December, we and our Allies began a steady, deliberate, and transparent process that will lead to NATO expansion. During 1995, we will come to agreement with our allies on the process and principles, and we will share our conclusions with the members of the Partnership for Peace (PFP). Once this effort is complete, NATO can turn to the question of candidates and timing. Each nation will be considered individually. No non-member of NATO will have a veto.

Expanding the Alliance will promote our interests by reducing the risk of instability or conflict in Europe's eastern half — the region where two world wars and the Cold War began. It will help assure that no part of Europe will revert to a zone of great power competition or a sphere of influence. It will build confidence, and give new democracies a powerful incentive to consolidate their reforms. And each potential member will be judged according to the strength of its democratic institutions and its capacity to contribute to the goals of the Alliance.

As the President has made clear, NATO expansion will not be aimed at replacing one division of Europe with a new one, but to enhance the security of all European states, members and non-members alike. In this regard, we have a major stake in ensuring that Russia is engaged as a vital participant in European security affairs. We are committed to a growing, healthy NATO-Russia relationship and want to see Russia closely involved in the Partnership for Peace. Recognizing that no single institution can meet every challenge to peace and stability in Europe, we have begun a process that will strengthen the Organization for Security and Cooperation in Europe (OSCE) and enhance its conflict prevention and peacekeeping capabilities.

The second element of the new strategy for Europe is economic. The United States seeks to build on vibrant and open market economies, the engines that have given us the greatest prosperity in human history over the last several decades in Europe and in the United States. To this end, we strongly support the process of European integration embodied in the European Union and seek to deepen our partnership with the EU in support of our economic goals, but also commit ourselves to the encouragement of bilateral trade and investment in countries not part of the EU.

The nations of the European Union face particularly significant economic challenges with nearly 20 million people unemployed and, in Germany's case, the extraordinarily high costs of unification. Among the Atlantic nations, economic stagnation has clearly eroded public support in finances for outward-looking foreign policies and for greater integration. We are working closely with our West European partners to expand employment and promote long-term growth, building on the results of the Detroit Jobs Conference and the Naples G-7 Summit. A White House-sponsored Trade and Investment Conference for Central and Eastern Europe took place in Cleveland in January.

In Northern Ireland, the Administration is implementing a package of initiatives to promote the peace process. The Secretary of Commerce led a Trade and Investment mission to Belfast in December 1994, and in April the President will host a White House Conference in Philadelphia on Trade and Investment in Northern Ireland.

As we work to strengthen our own economies, we must know that we serve our own prosperity and our security by helping the new market reforms in the new democracies in Europe's East that will help to deflate the region's demagogues. It will help ease ethnic tensions. It will help new democracies take root.

In Russia, Ukraine and the other new independent states of the former Soviet Union, the economic transformation undertaken will go down as one of the great historical events of this century. The Russian Government has made remarkable progress toward privatizing the economy (over 50 percent of the Russian Gross Domestic Product is now generated by the private sector) and reducing inflation, and Ukraine has taken bold steps of its own to institute much needed economic reforms. But much remains to be done to build on the reform momentum to assure durable economic recovery and social protection. President Clinton has given strong and consistent support to this unprecedented reform effort, and has mobilized the international community to provide structural economic assistance, for example, securing agreement by the G-7 to make available four billion dollars in grants and loans as Ukraine implemented economic reform.

The short-term difficulties of taking Central and Eastern Europe into Western economic institutions will be more than rewarded if they succeed and if they are customers for America's and Western Europe's goods and services tomorrow. That is why this Administration has been committed to increase support substantially for market reforms in the new states of the former

Soviet Union, and why we have continued our support for economic transition in Central and Eastern Europe, while also paying attention to measures that can overcome the social dislocations which have resulted largely from the collapse of the Soviet-dominated regional trading system.

Ultimately, the success of market reforms to the East will depend more on trade than aid. No one nation has enough resources to markedly change the future of those countries as they move to free market systems. One of our priorities, therefore, is to reduce trade barriers with the former communist states.

The third and final imperative of this new strategy is to support the growth of democracy and individual freedoms that has begun in Russia, the nations of the former Soviet Union and Europe's former communist states. The success of these democratic reforms makes us all more secure; they are the best answer to the aggressive nationalism and ethnic hatreds unleashed by the end of the Cold War. Nowhere is democracy's success more important to us all than in these countries.

This will be the work of generations. There will be wrong turns and even reversals, as there have been in all countries throughout history. But as long as these states continue their progress toward democracy and respect the rights of their own and other people, that they understand the rights of their minorities and their neighbors, we will support their progress with a steady patience.

East Asia and the Pacific

East Asia is a region of growing importance for U.S. security and prosperity; nowhere are the strands of our three pronged strategy more intertwined, nor is the need for continued U.S. engagement more evident. Now more than ever, security, open markets and democracy go hand in hand in our approach to this dynamic region. Last year, President Clinton laid out an integrated strategy — a New Pacific Community — which links security requirements with economic realities and our concern for democracy and human rights.

In thinking about Asia, we must remember that security is the first pillar of our new Pacific community. The United States is a Pacific nation. We have fought three wars there in this century. To deter regional aggression and secure our own interests, we will maintain an active presence and we will continue to lead. Our deepbilateral ties with allies such as Japan, South Korea, Austral, Thailand and the Philippines, and a continued American military presence will serve as the foundation for America's security role in the region. Currently, our forces number nearly 100,000 personnel in East Asia. In addition to performing the general forward deployment functions outlined above, they contribute to regional stability by deterring aggression and adventurism.

As a key element of our strategic commitment to the region, we are pursuing stronger efforts to combat the proliferation of weapons of mass destruction on the Korean Peninsula and in South Asia. In October 1994, we reached an important agreed framework with North Korea — stopping, and eventually eliminating, its nuclear weapons program — and an agreement with China, limiting its sales of ballistic missiles.

Another example of our security commitment to the Asia Pacific region in this decade is our effort to develop multiple new arrangements to meet multiple threats and opportunities. We have supported new regional exchanges — such as the ASEAN Regional Forum — on the full range of common security challenges. These arrangements can enhance regional security and understanding through dialogue and transparency. These regional exchanges are grounded on the strong network of bilateral relationships that exist today.

The continuing tensions on the Korean Peninsula remain the principal threat to the peace and stability of the Asian region. We have worked assiduously with our South Korean and Japanese allies, with the People's Republic of China and with Russia, and with various UN organizations to resolve the problem of North Korea's nuclear program. We have also engaged in extensive negotiations with the Pyongyang government, and have worked out an agreed framework for replacing — over a ten-year period — North Korea's dangerous, plutonium-producing reactors with safer light water reactors. That effort will be accompanied by a willingness to improve bilateral political and economic ties with the North, commensurate with their continued cooperation to

resolve the nuclear issue and to make progress on other issues of concern. Our long run objective continues to be a non-nuclear, peacefully reunified Korean Peninsula. Our strong and active commitment to our South Korean allies and to the region is the foundation of this effort.

We are developing a broader engagement with the People's Republic of China that will encompass both our economic and strategic interests. That policy is best reflected in our decision to delink China's Most Favored Nation status from its record on human rights. We will also facilitate China's entry into international trade organizations, such as the General Agreement on Tariffs and Trade if it undertakes the necessary obligations. Given its growing economic potential and already sizable military force, it is essential that China not become a security threat to the region. To that end, we are strongly promoting China's participation in regional security mechanisms to reassure its neighbors and assuage its own security concerns. We have also broadened our bilateral security dialogue with the Chinese and we are seeking to gain further cooperation from China in controlling the proliferation of weapons of mass destruction. We are also in the early stages of a dialogue with China on environmental and health challenges.

The second pillar of our engagement in Asia is our commitment to continuing and enhancing the economic prosperity that has characterized the region. Opportunities for economic progress continue to abound in Asia, and underlie our strong commitment to multilateral economic cooperation, principally through APEC. Today, the 18 member states of APEC — comprising about one-third of the world's population — produce \$14 trillion and export \$1.7 trillion of goods annually, about one-half of the world's totals. U.S. exports to APEC economies reached \$300 billion last year, supporting nearly 2.6 million American jobs. U.S. investments in the region totaled over \$140 million — about one-third of total U.S. direct foreign investment. A prosperous and open Asia Pacific is key to the economic health of the United States. The first APEC leaders meeting, hosted by President Clinton, is vivid testimony to the possibilities of stimulating regional economic cooperation as we saw in the recent APEC leaders statement at the second leaders meeting that accepted the goal of free trade within the region by early in the 21st Century.

We are also working with our major bilateral trade partners to improve trade relations. The U.S. and Japan successfully completed a preliminary accord in September to bring about the implementation of the 1993 Framework Agreement, designed to open Japan's markets more to competitive U.S. goods and reduce the U.S. trade deficit. Since we delinked China's Most-Favored-Nation trade status from specific human rights considerations in May, U.S.-China trade has grown significantly. We continue to work closely with Beijing to resolve remaining bilateral and multilateral trade problems, such as intellectual property rights and market access. Unless the issue of intellectual property rights is resolved, economic sanctions will be imposed.

The third pillar of our policy in building a new Pacific community is to support democratic reform in the region. The new democratic states of Asia will have our strong support as they move forward to consolidate and expand democratic reforms.

Some have argued that democracy is somehow unsuited for Asia or at least for some Asian nations — that human rights are relative and that they simply mask Western cultural imperialism. These arguments are wrong. It is not Western imperialism, but the aspirations of Asian peoples themselves that explain the growing number of democracies and the growing strength of democracy movements everywhere in Asia. We support those aspirations and those movements.

Each nation must find its own form of democracy, and we respect the variety of democratic institutions that have grown in Asia. But there is no cultural justification for torture or tyranny. Nor do we accept repression cloaked in moral relativism. Democracy and human rights are universal yearnings and universal norms, just as powerful in Asia as elsewhere. We will continue to press for respect for human rights in countries as diverse as China and Burma.

The Western Hemisphere

The Western hemisphere, too, is a fertile field for a strategy of engagement and enlargement. Sustained improvements in the security situation there, including the resolution of border tensions,

control of insurgencies and containment of pressures for arms proliferation, will be an essential underpinning of political and economic progress in the hemisphere.

The unprecedented triumph of democracy and market economies throughout the region offers an unparalleled opportunity to secure the benefits of peace and stability, and to promote economic growth and trade. At the Summit of the Americas, which President Clinton hosted in December, the 34 democratic nations of the hemisphere committed themselves for the first time to the goal of free trade in the region. They also agreed to a detailed plan of cooperative action in such diverse fields as health, education, environmental protection and the strengthening of democratic institutions. To assure that proposals in this plan are implemented, they called for a series of follow-on ministerial meetings over the next year and requested the active participation of the Organization of American States and the Inter-American Development Bank. The Summit ushered in a new era of hemispheric cooperation that would not have been possible without U.S. leadership and commitment.

NAFTA, ratified in December 1994, has strengthened economic ties, with substantial increases in U.S. exports to both Mexico and Canada, creating new jobs and new opportunities for American workers and business. The United States, Mexico and Canada have begun discussions to add Chile to NAFTA.

We remain committed to extending democracy to all of the region's people still blocked from controlling their own destinies. Our overarching objective is to preserve and defend civilian elected governments and strengthen democratic practices respectful of human rights. Working with the international community, we succeeded in reversing the coup in Haiti and restoring the democratically-elected president and government. Our challenge now is to help the Haitian people consolidate their hard-won democracy and rebuild their country. With the restoration of democracy in Haiti, Cuba is the only country in the hemisphere still ruled by a dictator. The Cuban Democracy Act remains the framework for our policy toward Cuba; our goal is the peaceful establishment of democratic governance for the people of Cuba.

We are working with our neighbors through various hemispheric organizations, including the OAS, to invigorate regional cooperation. Both bilaterally and regionally, we seek to eliminate the scourge of drug trafficking, which poses a serious threat to democracy and security. We also seek to strengthen norms for defense establishments that are supportive of democracy, respect for human rights, and civilian control in defense matters. Finally, protecting the region's precious environmental resources is an important priority.

The Middle East, Southwest and South Asia

The United States has enduring interests in the Middle East, especially pursuing a comprehensive breakthrough to Middle East peace, assuring the security of Israel and our Arab friends, and maintaining the free flow of oil at reasonable prices. Our strategy is harnessed to the unique characteristics of the region and our vital interests there, as we work to extend the range of peace and stability.

We have made solid progress in the past two years. The President's efforts helped bring about many historic firsts — the handshake of peace between Prime Minister Rabin and Chairman Arafat on the White House lawn has been followed by the Jordan-Israel peace treaty, progress on eliminating the Arab boycott of Israel, and the establishment of ties between Israel and an increasing number of its Arab neighbors. But our efforts have not stopped there; on other bilateral tracks and through regional dialogue we are working to foster a durable peace and a comprehensive settlement, while our support for economic development can bring hope to all the peoples of the region.

In Southwest Asia, the United States remains focused on deterring threats to regional stability, particularly from Iraq and Iran as long as those states pose a threat to U.S. interests, to other states in the region, and to their own citizens. We have in place a dual containment strategy aimed at these two states, and will maintain our long-standing presence which has been centered on naval vessels in and near the Persian Gulf and prepositioned combat equipment. Since Operation

Desert Storm, temporary deployments of land-based aviation forces, ground forces and amphibious units have supplemented our posture in the Gulf region. Operation Vigilant Warrior demonstrated our ability to rapidly reinforce the region in time of crisis.

We have made clear to Iraq it must comply with all the relevant Security Council resolutions, and we remain committed to supporting oppressed minorities in Iraq through Operations Provide Comfort and Southern Watch. Our policy is directed not against the people of Iraq, but against the aggressive behavior of the government. The October 1994 deployment, Vigilant Warrior, demonstrated again the need and our ability to respond quickly to threats to our allies. Our policy toward Iran is aimed at changing the behavior of the Iranian government in several key areas, including Iran's efforts to obtain weapons of mass destruction and missiles, its support for terrorism and groups that oppose the peace process, its attempts to undermine friendly governments in the region and its dismal human rights record. We remain willing to enter into an authoritative dialogue with Iran to discuss the differences between us.

A key objective of our policy in the Gulf is to reduce the chances that another aggressor will emerge who would threaten the independence of existing states. Therefore, we will continue to encourage members of the Gulf Cooperation Council to work closely on collective defense and security arrangements, help individual GCC states meet their appropriate defense requirements and maintain our bilateral defense agreements.

South Asia has experienced an important expansion of democracy and economic reform, and our strategy is designed to help the peoples of that region enjoy the fruits of democracy and greater stability through efforts aimed at resolving long-standing conflict and implementing confidence building measures. The United States has engaged India and Pakistan in seeking agreement on steps to cap, reduce, and ultimately eliminate their weapons of mass destruction and ballistic missile capabilities. Regional stability and improved bilateral ties are also important for America's economic interest in a region that contains a quarter of the world's population and one of its most important emerging markets.

In both the Middle East and South Asia, the pressure of expanding populations on natural resources is enormous. Growing desertification in the Middle East has strained relations over arable land. Pollution of the coastal areas in the Eastern Mediterranean, the Red Sea and the Gulf of Aqaba has degraded fish catches and hindered development. Water shortages stemming from overuse, contaminated water aquifers and riparian disputes threaten regional relations. In South Asia, high population densities and rampant pollution have exacted a tremendous toll on forests, biodiversity and the local environment.

Africa

Africa poses one of our greatest challenges and opportunities to enlarge the community of market democracies. Throughout Africa, U.S. policy supports democracy, sustainable economic development and resolution of conflicts through negotiation, diplomacy and peacekeeping. New policies will strengthen civil societies and mechanisms for conflict resolution, particularly where ethnic, religious, and political tensions are acute. In particular, we will seek to identify and address the root causes of conflicts and disasters before they erupt.

The nexus of economic, political, social, ethnic and environmental challenges facing Africa can lead to a sense of "Afro-pessimism." However, if we can simultaneously address these challenges, we create a synergy that can stimulate development, resurrect societies and build hope. We encourage democratic reform in nations like Nigeria and Zaire to allow the people of these countries to enjoy responsive government. In Mozambique and Angola, we have played a leading role in bringing an end to two decades of civil war and promoting national reconciliation. For the first time, there is the prospect that all of southern Africa could enjoy the fruits of peace and prosperity. Throughout the continent — in Rwanda, Burundi, Liberia, Sudan and elsewhere — we work with the UN and regional organizations to encourage peaceful resolution of internal disputes.

Last year, South Africa held its first non-racial elections and created a Government of National Unity. We remain committed to addressing the socio-economic legacies of apartheid to ensure that democracy fully takes root in South Africa. During the state visit of Nelson Mandela, we announced formation of a bilateral commission to foster new cooperation between our nations. We must support the revolution of democracy sweeping the continent — on center stage in South Africa, and in quieter but no less dramatic ways in countries like Malawi, Benin, Niger, and Mali. We need to encourage the creation of cultures of tolerance, flowering of civil society and the protection of human rights and human dignity.

Our humanitarian interventions, along with the international community, will address the grave circumstances in several nations on the continent. USAID's new "Greater Horn of Africa" initiative got ahead of the curve on a potential famine that threatened 25 million people, and moved beyond relief to support reconstruction and sustainable development. In Somalia, our forces broke through the chaos that prevented the introduction of relief supplies. U.S. forces prevented the death of hundreds of thousands of Somalis and then turned over the mission to UN peacekeepers from over a score of nations. In Rwanda, Sudan, Angola and Liberia, we have taken an active role in providing humanitarian relief to those displaced by violence.

Such efforts by the U.S. and the international community must be limited in duration and designed to give the peoples of a nation the opportunity to put their own house in order. In the final analysis, the responsibility for the fate of a nation rests with its own people.

We are also working with regional organizations, nongovernmental organizations and governments throughout Africa to address the urgent issues of population growth, spreading disease (including AIDS), environmental decline, enhancing the role of women in development, eliminating support for terrorism, demobilization of bloated militaries, relieving burdensome debt, and expanding trade and investment ties to the countries of Africa.

Central to all these efforts will be strengthening the American constituency for Africa, drawing on the knowledge, experience and commitment of millions of Americans to enhance our nation's support for positive change in Africa. For example, the White House Conference on Africa, the first such gathering of regional experts ever sponsored by the White House, drew together more than 200 Americans from the Administration, Congress, business, labor, academia, religious groups, relief and development agencies, human rights groups and others to discuss Africa's future and the role that the United States can play in it. The President, Vice President, Secretary of State and National Security Advisor all participated in the conference, which produced a wealth of new ideas and new commitment to Africa.

IV. CONCLUSIONS

The clear and present dangers of the Cold War made the need for national security commitments and expenditures obvious to the American people. Today the task of mobilizing public support for national security priorities has become more complicated. The complex array of new dangers, opportunities and responsibilities outlined in this strategy come at a moment in our history when Americans are preoccupied with domestic concerns and when budgetary constraints are tighter than at any point in the last half century. Yet, in a more integrated and interdependent world, we simply cannot be successful in advancing our interests — political, military and economic — without active engagement in world affairs.

While Cold War threats have diminished, our nation can never again isolate itself from global developments. Domestic renewal will not succeed if we fail to engage abroad in open foreign markets, to promote democracy in key countries, and to counter and contain emerging threats.

We are committed to enhancing U.S. national security in the most efficient and effective ways possible. We recognize that maintaining peace and ensuring our national security in a volatile world are expensive. The cost of any other course of action, however, would be immeasurably higher.

Our engagement abroad requires the active, sustained bipartisan support of the American people and the U.S. Congress. Of all the elements contained in this strategy, none is more important than this: our Administration is committed to explaining our security interests and objectives to the nation; to seeking the broadest possible public and congressional support for our security programs and investments; and to exerting our leadership in the world in a manner that reflects our best national values and protects the security of this great and good nation.

1996

**Стратегия Национальной Безопасности:
вовлечённость и расширение
(Вашингтон, февраль 1996 г.)**

A NATIONAL SECURITY STRATEGY OF ENGAGEMENT AND ENLARGEMENT
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Preface

Protecting our nation's security -- our people, our territory and our way of life -- is my Administration's foremost mission and constitutional duty. America's security imperatives, however, have fundamentally changed. The central security challenge of the past half century -- the threat of communist expansion -- is gone. The dangers we face today are more diverse. Ethnic conflict is spreading and rogue states pose a serious danger to regional stability in many corners of the globe. The proliferation of weapons of mass destruction represents a major challenge to our security. Large-scale environmental degradation, exacerbated by rapid population growth, threatens to undermine political stability in many countries and regions. And the threat to our open and free society from the organized forces of terrorism, international crime and drug trafficking is greater as the technological revolution, which holds such promise, also empowers these destructive forces with novel means to challenge our security. These threats to our security have no respect for boundaries and it is clear that American security in the 21st Century will be determined by the success of our response to forces that operate within as well as beyond our borders.

At the same time, we have unprecedented opportunities to make our nation safer and more prosperous. Our military might is unparalleled. We now have a truly global economy linked by an instantaneous communications network, which offers increasing opportunities for American jobs and American investment. The community of democratic nations is growing, enhancing the prospects for political stability, peaceful conflict resolution and greater dignity and hope for the people of the world. The international community is beginning to act together to address pressing global environmental needs.

Never has American leadership been more essential -- to navigate the shoals of the world's new dangers and to capitalize on its opportunities. American assets are unique: our military strength, our dynamic economy, our powerful ideals and, above all, our people. We can and must make the difference through our engagement; but our involvement must be carefully tailored to serve our interests and priorities.

This report, submitted in accordance with Section 603 of the Goldwater-Nichols Defense Department Reorganization Act of 1986, elaborates a national security strategy that is tailored for

this new era and builds upon America's unmatched strengths. Focusing on new threats and new opportunities, its central goals are:

To enhance our security with military forces that are ready to fight and with effective representation abroad.

To bolster America's economic revitalization.

To promote democracy abroad.

Over the past three years, my Administration has worked diligently to pursue these goals. This national security strategy report presents the strategy that has guided this effort. It is premised on a belief that the line between our domestic and foreign policies is disappearing -- that we must revitalize our economy if we are to sustain our military forces, foreign initiatives and global influence, and that we must engage actively abroad if we are to open foreign markets and create jobs for our people.

We believe that our goals of enhancing our security, bolstering our economic prosperity and promoting democracy are mutually supportive. Secure nations are more likely to support free trade and maintain democratic structures. Free market nations with growing economies and strong and open trade ties are more likely to feel secure and to work toward freedom. And democratic states are less likely to threaten our interests and more likely to cooperate with the United States to meet security threats and promote free trade and sustainable development. These goals are supported by ensuring America remains engaged in the world and by enlarging the community of secure, free market and democratic nations.

As the boundaries between threats that start outside our borders and the challenges from within are diminishing, the problems others face today can more quickly become ours, tomorrow. This is why U.S. leadership and our engagement have never been more important: if we withdraw from this world today, our citizens will have to pay the price of our neglect. We therefore measure the success of our efforts abroad, as at home, by one simple standard: Have we made the lives of the American people safer, today; have we made tomorrow better and more secure for our children?

Since my Administration began, we have been deeply engaged in efforts to realize this measure of success by meeting the goals of our strategy:

To enhance our security, for example, we have helped achieve peace between Jordan and Israel and an Interim Agreement between Israel and the Palestinians in the Middle East; brokered a comprehensive peace agreement in Bosnia and successfully deterred the spread of conflict to the Former Yugoslav Republic of Macedonia; established NATO's Partnership for Peace and initiated a process that will lead to NATO's enlargement; concluded an agreement with Russia to detarget ICBMs and SLBMs; secured the accession of Ukraine, Kazakstan, and Belarus to the Nuclear Non-Proliferation Treaty (NPT) and their agreement to eliminate nuclear weapons from their territory, which in turn opened the door to the ratification and entry into force of the START I Treaty and Senate advice and consent to the ratification of the START II Treaty; led successful international efforts to secure the indefinite and unconditional extension of the NPT; initiated negotiations on a comprehensive test ban treaty (CTBT), which we hope to conclude in 1996; participated in an unprecedented regional security gathering of the ASEAN countries and others, including Russia and Vietnam; reached an Agreed Framework with North Korea that halted, and will eventually eliminate, its dangerous nuclear program; and used our diplomatic support and the power of our example to give new impetus to the efforts of the people of Northern Ireland and the British and Irish governments to achieve a just and lasting settlement to the conflict there.

To bolster prosperity at home and around the world, we have secured the enactment of legislation implementing both the North American Free Trade Agreement (NAFTA) and the Uruguay Round of the General Agreement on Tariffs and Trade (GATT); completed over 80 separate trade agreements; actively engaged China on trade issues through extension of its Most Favored Nation status and vigorous pursuit of China's adherence to the rules-based regime of the World Trade Organization; worked to open Asia-Pacific markets through three leaders meetings of the Asia Pacific Economic Cooperation forum; lowered export controls; and held a Western

Hemisphere Summit in Miami where the 34 democratic nations of this hemisphere committed themselves to negotiate a free-trade agreement by 2005.

To promote democracy, we have supported South Africa's recent transformation; provided aid to a democratizing Russia and other new independent states of the former Soviet Union as well as Central and Eastern European nations; assisted Cambodia; advocated improvements in human rights globally through the UN urging that the rule of law replace the rule of oppressive regimes; and worked with our Western Hemisphere neighbors restoring the democratically elected government in Haiti and hosting the Summit of the Americas, which reaffirmed and strengthened our mutual commitment to democracy.

Our extraordinary diplomatic leverage to reshape existing security and economic structures and create new ones ultimately relies upon American power. Our economic and military might, as well as the power of our ideals, also makes America's diplomats the first among equals and enables us to help create the conditions necessary for U.S. interests to thrive. Our economic strength gives us a position of advantage on almost every global issue. For instance, our efforts in South Africa and our negotiations with North Korea demonstrate how the imposition -- or the threat -- of economic sanctions helps us to achieve our objectives as part of our determined diplomacy. That determined diplomacy also is reflected in our consistent effort to engage in productive relations with China across a broad range of issues, including regional security, nonproliferation, human rights and trade. We seek a strategic relationship with China, advancing our own national interests in key areas. It is this steady approach -- asserting America's core national security interests while keeping in mind longer-term goals -- that is the hallmark of determined diplomacy.

But military force remains an indispensable element of our nation's power. Our nation must maintain military forces sufficient to deter diverse threats and, when necessary, to fight and win against our adversaries. While many factors ultimately contribute to our nation's safety and well-being, no single component is more important than the men and women who wear America's uniform and stand sentry over our security. Their skill, service and dedication constitute the core of our defenses. Today our military is the best-equipped, best-trained and best-prepared fighting force in the world. Time after time in the last three years, our troops demonstrated their continued readiness and strength: moving with lightning speed to head off another Iraqi threat to Kuwait; helping to save hundreds of thousands of lives in Rwanda; giving freedom and democracy back to the people of Haiti; and helping enforce UN mandates in the former Yugoslavia and subsequently deploying forces under NATO command to help implement the peace agreement in Bosnia. I am committed to ensuring that this military capability is not compromised.

The United States recognizes that we have a special responsibility that goes along with being a great power and, at times, our global interests and ideals lead us to oppose those who would endanger the survival or well-being of their peaceful neighbors. At the same time, all nations should be able to expect that their borders and their sovereignty will always be secure; however, this does not mean we or the international community must tolerate gross violations of human rights within those borders.

When our national security interests are threatened, we will, as America always has, use diplomacy when we can, but force if we must. We will act with others when we can, but alone when we must. We recognize, however, that while force can defeat an aggressor, it cannot solve underlying problems. Democracy and economic prosperity can take root in a struggling society only through local solutions carried out by the society itself. We must use military force selectively, recognizing that its use may do no more than provide a window of opportunity for a society -- and diplomacy -- to work.

We therefore will send American troops abroad only when our interests and our values are sufficiently at stake. The courage, loyalty and willingness of our men and women in uniform to put their lives at risk is a national treasure which should never be taken for granted, but neither should we fear to employ U.S. military forces wisely. When we do so, it will be with clear objectives to which we are firmly committed and which -- when combat is likely -- we have the means to achieve

decisively. To do otherwise, risks those objectives and endangers our troops. These requirements are as pertinent for humanitarian and other nontraditional interventions today as they were for previous generations during prolonged world wars. Modern media communications may now bring to our homes both the suffering that exists in many parts of the world and the casualties that may accompany interventions to help. But no deployment of American service members is risk-free, and we must remain clear in our purpose and resolute in its execution. And while we must continue to reassess the costs and benefits of any operation as it unfolds, reflexive calls for withdrawal of our forces when casualties are incurred would simply encourage rogue actors to try to force our departure from areas where there are U.S. interests by attacking American troops.

During the past three years, diplomacy backed by American power has produced impressive results: When Iraq moved forces towards Kuwait, we reacted swiftly and dispatched additional, large-scale forces to the region under the authority of the United Nations -- but were prepared to act alone, if necessary.

In Haiti, it was only when the Haitian military learned that the 82nd Airborne Division was en route that we achieved peacefully what we were prepared to do under fire.

In Bosnia, we achieved a breakthrough when U.S. diplomatic leadership was married to appropriate military power. After the fall of Zepa and Srebrenica, the United States secured an agreement from our NATO allies to meet further assaults on the UN safe areas with a decisive military response. American pilots participated in the NATO bombing campaign following the shelling of a Sarajevo marketplace, demonstrating our resolve and helping to bring the parties to the negotiating table.

U.S. leadership then seized the opportunity for peace that these developments created: U.S. diplomats, along with our Contact Group partners, brokered a cease-fire and after intensive U.S.-led negotiations in Dayton, Ohio, a comprehensive peace agreement. U.S. forces are now working as part of a larger NATO force -- joined by forces from members of NATO's Partnership for Peace -- to help implement the military aspects of the agreement and create the conditions for peace to take hold.

In Rwanda and Somalia, only the American military could have accomplished what it did in these humanitarian missions, saving hundreds of thousands of lives. However, over the longer run our interests were served by turning these operations over to multilateral peacekeeping forces once the immediate humanitarian crisis was addressed. No outside force can create a stable and legitimate domestic order for another society -- that work can only be accomplished by the society itself.

Our national security strategy reflects both America's interests and our values. Our commitment to freedom, equality and human dignity continues to serve as a beacon of hope to peoples around the world. The vitality, creativity and diversity of American society are important sources of national strength in a global economy increasingly driven by information and ideas.

Our prospects in this new era are promising. The specter of nuclear annihilation has dramatically receded. The historic events of the past three years -- including the handshake between Israel and the PLO, the peace treaty between Israel and Jordan, the transformation of South Africa to a multiracial democracy headed by President Mandela and the peace agreement to end the war in Bosnia -- suggest this era's possibilities for achieving security, prosperity and democracy.

Our nation can only address this era's dangers and opportunities if we remain actively engaged in global affairs. We are the world's greatest power, and we have global interests as well as responsibilities. As our nation learned after World War I, we can find no security for America in isolationism nor prosperity in protectionism. For the American people to be safer and enjoy expanding opportunities, our nation must work to deter would-be aggressors, open foreign markets, promote the spread of democracy a broad, combat transnational dangers of terrorism, drug trafficking and international crime, encourage sustainable development and pursue new opportunities for peace.

Our national security requires the patient application of American will and resources. We can only sustain that necessary investment with the broad, bipartisan support of the American people and their representatives in Congress. The full participation of Congress is essential to the success of our continuing engagement, and I will consult with members of Congress at every step as we formulate and implement American foreign policy.

The need for American leadership abroad remains as strong as ever. I am committed to forging a new public consensus to sustain our active engagement abroad in pursuit of our cherished goal -- a more secure world where democracy and free markets know no borders. This document details that commitment.

I. Introduction

When this Administration assumed office, the United States and its allies faced a radically transformed security environment. The primary security imperative of the past half century -- containing communist expansion while preventing nuclear war -- was gone. Instead, we confronted a complex array of new and old security challenges America had to meet as we approached the 21st century.

The Administration outlined a national security strategy that assessed America's role in this new international context and described a strategy to advance our interests at home and abroad.

The strategy recognized that the United States was facing a period of great promise but also great uncertainty. We stand as the world's preeminent power. America's core value of freedom, as embodied in democratic governance and market economics, has gained ground around the world. Hundreds of millions of people have thrown off communism, dictatorship or apartheid. Former adversaries now work with us in diplomacy and global problem solving. Both the threat of a war among great powers and the specter of nuclear annihilation have receded dramatically. The dynamism of the global economy is transforming commerce, culture and global politics, promising greater prosperity for America and greater cooperation among nations.

At the same time, troubling uncertainties and clear threats remain. The new, independent states that replaced the Soviet Union continue to experience wrenching economic and political transitions, while the progress of the many new democracies of Central and Eastern Europe is still fragile. While our relations with the other great powers are as constructive as at any point in this century, Russia's historic transformation will face difficult challenges, and China maintains an authoritative regime even as that country assumes a more important economic and political role in global affairs. The spread of weapons of mass destruction poses serious threats, and rogue states still threaten regional aggression. Violent extremists threaten fragile peace processes in many parts of the world. Worldwide, there is a resurgence of militant nationalism as well as ethnic and religious conflict. This has been demonstrated by the upheavals in Bosnia, Rwanda and Somalia, where the United States has participated in peacekeeping and humanitarian missions.

The strategy also recognized that a number of transnational problems which once seemed quite distant, like environmental degradation, natural resource depletion, rapid population growth and refugee flows, now pose threats to our prosperity and have security implications for both present and long-term American policy. In addition, the emergence of the information and technology age presents new challenges to U.S. strategy even as it offers extraordinary opportunities to build a better future. This technology revolution brings our world closer together as information, money and ideas move around the globe at record speed; but it also makes possible for the violence of terrorism, organized crime and drug trafficking to challenge the security of our borders and that of our citizens in new ways.

It is a world where clear distinctions between threats to our nation's security from beyond our borders and the challenges to our security from within our borders are being blurred; where the separation between international problems and domestic ones is evaporating; and where the line between domestic and foreign policy is eroding. The demise of communism not only lifted the lid on age-old conflicts but it opened the door to new dangers, such as the spread of weapons of mass

destruction to non-state, as well as state, forces. And it did so at a time when these forces can now try to threaten our security from within our borders because of their access to modern technology. We must therefore assess these forces for what they are, with our response based on the nature of their threat, not just where they occur.

Because problems that start beyond our borders can now much more easily become problems within them, American leadership and engagement in the world has never been more important. There is also a simple truth about this new world: the same idea that was under attack three times in this century -- first by imperialism and then by fascism and communism -- remains under attack today, but on many fronts at once. It is an idea that comes under many names -- democracy, liberty, civility, pluralism -- but which together are the values of a society where leaders and governments preserve individual freedoms and ensure opportunity and human dignity. As the President has said, "We face a contest as old as history -- a struggle between freedom and tyranny; between tolerance and isolation. It is a fight between those who would build free societies governed by laws and those who would impose their will by force. Our struggle today, in a world more high-tech, more fast-moving, more chaotically diverse than ever, is the age-old fight between hope and fear." Just as surely as fascism and communism once did, so, too, are our freedom, democracy, security and prosperity now threatened by regional aggressors and the spread of weapons of mass destruction; ethnic, religious and national rivalries; and the forces of terrorism, drug trafficking and international organized crime. Today, addressing these threats demands American leadership.

The victors of World War I squandered their triumph in this age-old struggle when they turned inward, bringing on a global depression and allowing fascism to rise, and reigniting global war. After World War II, we remembered the lessons of the past. In the face of a new totalitarian threat, this great nation did not walk away from the challenge of the moment. Instead, it chose to reach out, to rebuild international security structures and to lead. This determination of previous generations to prevail over communism by shaping new international structures left us a world stronger, safer and freer. It is this example and its success that now inspire us to continue the difficult task of a new stage in this old struggle: to secure the peace won in the Cold War against those who would still deny people their human rights, terrorists who threaten innocents and pariah states who choose repression and extremism over openness and moderation.

By exerting our leadership abroad, we make America safer and more prosperous -- by deterring aggression, by fostering the peaceful resolution of dangerous conflicts, by opening foreign markets, by helping democratic regimes and by tackling global problems. Without our active leadership and engagement abroad, threats will fester and our opportunities will narrow. We seek to be as creative and constructive -- in the literal sense of that word -- as the generation of the late 1940's. For all its dangers, this new world presents an immense opportunity -- the chance to adapt and construct global institutions that will help to provide security and increase economic growth for America and the world.

At issue is whether our efforts at this construction can continue to succeed in the face of shifting threats to the ideals and habits of democracy. It is therefore in our interest that democracy be at once the foundation and the purpose of the international structures we build through this constructive diplomacy: the foundation, because the institutions will be a reflection of their shared values and norms; the purpose, because if political and economic institutions are secure, democracy will flourish.

Promoting democracy does more than foster our ideals. It advances our interests because we know that the larger the pool of democracies, the better off we, and the entire community of nations, will be. Democracies create free markets that offer economic opportunity, make for more reliable trading partners and are far less likely to wage war on one another. While democracy will not soon take hold everywhere, it is in our interest to do all that we can to enlarge the community of free and open societies, especially in areas of greatest strategic interest, as in Central and Eastern Europe and the new independent states of the former Soviet Union.

Our national security strategy is therefore based on enlarging the community of market democracies while deterring and limiting a range of threats to our nation, our allies and our interests. The more that democracy and political and economic liberalization take hold in the world, particularly in countries of strategic importance to us, the safer our nation is likely to be and the more our people are likely to prosper.

To that broad end, the three central components of our strategy of engagement and enlargement are: (1) our efforts to enhance our security by maintaining a strong defense capability and employing effective diplomacy to promote cooperative security measures; (2) our work to open foreign markets and spur global economic growth; and (3) our promotion of democracy abroad. It also explains how we are pursuing these elements of our strategy in specific regions by adapting and constructing institutions that will help to provide security and increase economic growth throughout the world.

In a democracy, however, the foreign policy and security strategy of the nation must serve the needs of the people. The preamble of the Constitution sets out the basic objectives: provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

The end of the Cold War does not alter these fundamental purposes. Nor does it reduce the need for active American efforts, here and abroad, to pursue those goals. Our efforts to advance the common good at home depend upon our efforts to advance our interests around the world. Therefore, we must judge the success of our security strategy by its impact on the domestic lives of our citizens: has it made a real difference in the day to day lives of Americans? Consider just a few examples:

Every American today is safer because we are stepping back from the nuclear precipice. Russian missiles are no longer targeted at the United States; we have convinced Ukraine, Kazakstan and Belarus to give up nuclear weapons left on their land when the Soviet Union collapsed. American leadership secured the indefinite and unconditional extension of the Nuclear Proliferation Treaty . We also convinced North Korea to freeze its nuclear program. Our strategy continues to ensure the safeguarding of more nuclear materials so they do not fall into the hands of terrorists or international criminals and endanger our citizens.

In a world where the boundaries between threats outside our borders and the challenges from within are diminishing, Americans are safer because our counterterrorism strategy promoted closer cooperation with foreign governments and sanctions against states that sponsor terrorism, while increasing the resources for our own law enforcement agencies.

Large-scale migration from Haiti has been stemmed because we gave democracy another chance in that nation. In the month before we forced the military rulers to step down, 16,000 Haitians fled their country for our shores and elsewhere in the region. Three months after the intervention, the refugee flow was practically zero.

Our strategy to help the nations of Central Europe consolidate democracy, find lasting security and build strong economics makes it much less likely that Americans might have to fight another war on the battlegrounds of Europe. By supporting democratic reform and the transition to free markets in the new independent states of the former Soviet Union and in Central Europe, our strategy promoted stability and prosperity in an area that will become a vast market for the United States, creating jobs in America. In Bosnia, diplomatic determination combined with military muscle to create an opportunity to secure a peace rather than permit instability to undermine this fragile region and U.S. interests.

Our strategy's trade initiatives, from NAFTA and the Uruguay Round of GATT to over 80 separate trade agreements, have created more than two million American jobs. With the Summit of the Americas and the APEC process, U.S. exports -- and jobs -- will continue to grow. Because of our emergency assistance to Mexico during its financial crisis, economic growth -- although fragile -- has returned and exports now exceed pre-NAFTA levels. Mexico has begun repaying its debt to

the United States ahead of schedule, protecting the 340,000 American jobs NAFTA has already created because of exports to our partners.

From Iraq to Haiti, South Africa to the Korean Peninsula, the Middle East to Northern Ireland, our strategy has stopped or prevented war and brought former adversaries together in peace because it is in our interest. These efforts, combined with assisting developing nations who are fighting overpopulation, AIDS, drug smuggling and environmental degradation, ensure that future generations of Americans will not have to contend with the consequences of neglecting these threats to our security and prosperity.

Many of these decisions were made in the face of significant disagreement over what needed to be done at the moment. But the alternatives bore unacceptable costs to our citizens: tariffs and barriers would still cripple the world trading system if not for GATT and NAFTA; the Persian Gulf region would be very different today if the rapid response of the United States and its allies had not deterred Iraq's threatened aggression against Kuwait in 1994; the flood of Haitian refugees at our borders would have continued had we not intervened in that country; Latin America would have seen financial and economic chaos affecting its fragile democracies, and U.S. trade would have been harmed, had we not moved to help stabilize Mexico's economy; and the dangers to our people from weapons of mass destruction would be much greater had our strategy not reduced the threat of nuclear arms, curbed the spread of chemical and biological weapons around the world and countered the terrorists and criminals who would endanger us if they possessed these weapons. The money we devoted to development, peacekeeping or disaster relief helped to avert future crises whose cost would have been far greater in terms of lives lost and resources spent.

We can continue to engage actively abroad to achieve these results only if the American people and the Congress are willing to bear the costs of that leadership -- in dollars, political energy and, at times, American lives. U.S. security, prosperity and freedom are neither cost- nor risk-free; resources must be spent and casualties may be incurred. One purpose of this report is to help foster the broad, bipartisan understanding and support necessary to sustain our international engagement. A coalition of the center through bipartisan congressional participation is critical to this commitment. Some decisions must be made in the face of opposition; these decisions must ultimately be judged as to whether they benefited the American people by advancing their interests of security, prosperity and democracy in the long run.

During the first three years of this Administration, this strategy has produced the following results with respect to our security requirements:

At the President's direction, the Pentagon conducted the Bottom Up Review and Nuclear Posture Review, assessing what defense forces and capabilities our nation needs for this new security era. The Administration's defense strategy, which requires U.S. forces to be able to deter and, if necessary, defeat aggression in concert with regional allies in two nearly simultaneous major regional conflicts, has proved realistic. In the late summer of 1994, we faced the very real prospect of near-simultaneous hostilities with North Korea and Iraq. Our rapid reinforcement of U.S. military presence and additional deployments to these theaters deterred potential aggression. Our military's superb performance in responding quickly and effectively when called upon in these crises, as well as in those in Haiti and Rwanda that same year, clearly demonstrates their continued readiness to respond as needed and that we have prudently managed the post-Cold War force drawdown.

The President also set forth a defense budget for Fiscal Years 1996-2001 which fully funds the force structure recommended by the Bottom Up and Nuclear Posture Reviews and which is necessary to carry out the national security strategy. He repeatedly stressed that he will draw the line against further cuts that would undermine that force structure or erode U.S. military readiness. The President also requested Congress to enact supplemental appropriations of \$1.7 billion for FY 1994 and \$ 2.6 billion for FY 1995 to ensure readiness would not be impaired by the costs of unanticipated contingencies. In addition, the President added \$25 billion to the Fiscal Year 1996-2001 defense spending plan to provide more funding for readiness, modernization and quality of life improvements for our military personnel and families. The President also agreed to extra

funding in the FY 1996 Defense appropriations bill in order to pay for the troop deployment in Bosnia.

The United States initiated an intense diplomatic effort that forged a Bosnia-wide cease-fire and then brokered a comprehensive peace agreement among the parties. We contributed a substantial share of the NATO-led peace implementation force to help implement the military aspects of the peace agreement and create the conditions for peace to take hold.

At President Clinton's initiative, a NATO Summit in January 1994 approved the Partnership For Peace (PFP) program and initiated a process that will lead to NATO's gradual enlargement to ensure that the alliance is prepared to meet the European and transatlantic security challenges of this era, and to provide the security relationships that will buttress the underpinnings for the democratic and market economic gains in Europe since 1989. Since the Summit, 27 countries, including Russia, agreed to join the Partnership for Peace, and Partner countries are now working with NATO in Bosnia. In 1995, NATO completed work on its enlargement study and presented it to the Partners. This year, in the second phase of the enlargement process, NATO will begin intensive bilateral consultations with all the PFP members who wish to participate, aimed at helping them prepare for possible NATO membership.

The United States, Russia, Ukraine, Belarus and Kazakstan exchanged instruments of ratification for the START I Treaty at the December 1994 summit of the Conference on Security and Cooperation in Europe (CSCE), culminating two years of intensive U.S. diplomatic efforts to bring the Treaty into force and paving the way for ratification of the 1993 START II Treaty. START I requires the permanent elimination of bombers, ICBM silos and ballistic missile submarine launch tubes that carried over 9,000 of the 21,000 total accountable warheads the United States and the former Soviet Union declared when the Treaty was signed -- a reduction of 40 percent. START II, which the Senate voted 87-4 to give its advice and consent to ratification on January 26, 1996, will eliminate additional U.S. and Russian strategic launchers and will effectively remove an additional 5,000 deployed warheads, leaving each side with no more than 3,500. These actions will reduce the deployed strategic force arsenals of the United States and Russia by two-thirds. Presidents Clinton and Yeltsin have agreed that once START II is ratified by both countries, the United States and Russia will begin immediately to deactivate all strategic nuclear delivery systems to be reduced under the Treaty by removing their nuclear warheads or taking other steps to take them out of combat status, thus removing thousands of warheads from alert status years ahead of schedule. The two Presidents also directed an intensification of dialogue regarding the possibility of further reductions of, and limitations on, remaining nuclear forces.

The 30-nation Conventional Forces in Europe (CFE) Treaty's reduction period came to an end this past November, resulting in the elimination of over 50,000 pieces of heavy military equipment and capping conventional forces in Europe at their lowest levels in decades. Together with our allies, the Administration will continue to pursue full implementation of this agreement.

The President launched a comprehensive policy to combat the proliferation of weapons of mass destruction and the missiles that deliver them. The United States has secured landmark commitments to eliminate all nuclear weapons from Ukraine, Belarus and Kazakstan, and in December 1994, Ukraine formally acceded to the Nuclear Non-proliferation Treaty as a non-nuclear weapon state, as Kazakstan and Belarus had done previously. By the end of 1995, all nuclear weapons had been removed from Kazakstan, most were out of Belarus and a significant number had been transferred from Ukraine. The United States led the successful international effort to extend the NPT indefinitely and without conditions by consensus of Treaty parties at the 1995 Review and Extension Conference. The President's August 1995 initiative to support a true zero yield Comprehensive Test Ban Treaty (CTBT) provided a significant boost to the CTBT negotiations and has opened the door to completing and signing a CTBT in 1996.

We also made significant progress during the past year in negotiations to establish an agreed demarcation between strategic and theater ballistic missiles that will update the ABM Treaty and advance our goal of deploying advanced theater missile defenses. The Administration also

submitted the Chemical Weapons Convention to the Senate for its advice and consent to ratification and supported the development of new measures to strengthen the Biological Weapons Convention.

The Administration reached an important Agreed Framework with North Korea that has halted and, when fully implemented, will eventually eliminate that country's existing, dangerous nuclear program, greatly enhancing regional stability and advancing our nonproliferation goals. The Administration reached agreements with Russia, Ukraine and South Africa to control missile-related technology, brought Russia, Brazil and South Africa into the Missile Technology Control Regime (MTCR) and secured China's commitment not to transfer MTCR-controlled, ground-to-ground missiles. The United States has also led international efforts to create the multilateral "Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-use Goods and Technology" -- the successor to the Coordinating Committee for East-West Trade (COCOM) -- to provide a regime for transparency and restraint on dangerous transfers of conventional arms and dual-use technologies.

The President's efforts helped bring about many historic firsts in the Middle East peace process -- the handshake of peace between Prime Minister Rabin and Chairman Arafat on the White House lawn has been followed by the Jordan-Israel peace treaty, the Israel-Palestinian Interim Agreement, progress on eliminating the Arab boycott of Israel and the establishment of ties between Israel and an increasing number of its Arab neighbors.

In 1995, the President proposed legislation to provide law enforcement officials with increased tools to combat terrorism. These include additional manpower and training, methods to mark and trace explosives, legal mobile wiretaps and the authority to use the unique capability of our military where chemical or biological weapons are involved here at home, just as we can now do in the face of nuclear threats. The President also directed new initiatives against money-laundering, for seizing the assets of drug rings and for new legislation to respond more effectively to organized crime activity. In October, the President also announced at the United Nations an invitation to every country to join in negotiating an international declaration on citizens' security that would include: a no-sanctuary pledge for organized criminals, terrorists, drug traffickers and smugglers; a counterterrorism pact; a pledge to end the trafficking of illegal arms and of lethal nuclear, biological and chemical materials; an antinarcotics pledge; and an effective police force partnership to help combat these forces of violence and destruction. Progress has been made, with the apprehension of leaders of the most influential South American drug cartels.

In March 1995, the President obtained Senate advice and consent to ratification of the 1980 Convention on Conventional Weapons (CCW), which constrains the use of certain weapons, including landmines. The Administration is also pursuing a comprehensive set of initiatives to address the global landmine crisis, such as strengthening the CCW provisions governing landmine use, placing international controls on export, production and stockpiles, and developing new equipment for more effective demining.

On May 3, 1994, President Clinton signed a Presidential Decision Directive establishing 'U.S. Policy on Reforming Multilateral Peace Operations.' This policy represented the first comprehensive framework for U.S. decisionmaking on issues of peacekeeping and peace enforcement suited to the realities of the new international era.

In October 1994, President Clinton transmitted the United Nations Convention on the Law of the Sea to the Senate for its advice and consent to ratification. This was the culmination of years of negotiations to ensure an equitable balance between the rights of coastal states to control activities in adjacent, offshore areas to protect their economic, security and environmental interests and the rights of maritime states to free and unimpeded navigation and overflight of the oceans of the world. This included an acceptable regime to administer the mineral resources of the deep seabed, thereby protecting U.S. interests. In March 1995, President Clinton ordered a sweeping reexamination of the U.S. Government's approach to putting science and technology to the service of national security and global stability in light of the changed security environment, increasing global economic competition and growing budgetary pressures. The resulting National Security

Science and Technology Strategy is the country's first comprehensive Presidential statement of national security science and technology priorities.

On the economic front, Administration policies have created nearly 7.5 million American jobs and established the foundation for the global economy of the 21st Century:

The President worked with the Congress on effective measures to reduce the federal budget deficit and restore economic growth. These measures help increase our competitiveness and strengthen our position in negotiations with other nations. Two million of the 7.5 million new jobs created in the last three years are a result of our efforts to expand market access for American products overseas. These efforts have also led to the creation of over 3 million new small businesses and the lowest combined rates of unemployment and inflation in 25 years. The federal budget deficit has dropped three years in a row, from \$290 billion to \$164 billion a year.

The President secured approval of the North American Free Trade Agreement (NAFTA), which creates the world's largest free trade zone and has already created nearly 310,000 American jobs. The vote for NAFTA marked a decisive U.S. affirmation of its international engagement. Through NAFTA's environmental and labor side agreements, we are working actively to protect the rights of workers and to reduce air and water pollution that crosses national boundaries. When Mexico came under short-term financial pressures in December 1994, the United States took the lead in marshaling international support to assist the country in meeting this challenge. NAFTA helped to protect and increase U.S. exports to that country -- and the jobs they support -- during the financial crisis and the subsequent adjustment period. We have also begun negotiations with Chile to join NAFTA.

The Administration stood at the forefront of a multilateral effort to achieve history's most extensive market-opening agreements in the GATT Uruguay-round negotiations on world trade. Working with a bipartisan coalition in the Congress, the President secured approval of this path-breaking agreement and the resulting World Trade Organization, which will add \$150 billion annually to the U.S. economy once fully phased in and create hundreds of thousands of jobs.

The President convened the first meeting of leaders of the Asia Pacific Economic Cooperation (APEC) forum and took steps to expand our ties with the economies of the Asia-Pacific region, the fastest growing area in the world. At their second forum, APEC leaders embraced the goal of free trade within the region by 2020, and at their third meeting in Osaka in 1995, they formulated a positive action plan to facilitate and measure progress toward achieving that goal. This past year, we successfully negotiated historic trade agreements with our Asian trading partners, including China, Japan and Korea, all of which promote substantial new access for American products and which will foster new attitudes of openness toward our exports.

The President hosted the Summit of the Americas in December 1994, a historic gathering where the 34 democratic nations of the hemisphere committed themselves to completing negotiations by 2005 on a regional free-trade agreement. In June 1995, the United States hosted the Denver Trade Ministerial and Commerce Forum to promote trade liberalization and business facilitation throughout the Western Hemisphere.

At President Clinton's initiative, the G-7 Leaders put forth at the Halifax Economic Summit extensive proposals to prepare our international financial institutions for the 21st Century, including institutional reforms to prevent and respond to financial crises, to promote sustainable development and to support the Middle East peace process. At the December 1995 U.S.-European Union Summit in Madrid, the President announced the New Transatlantic Agenda, including a Transatlantic Marketplace that will deepen our cooperation on economic issues.

The President developed a Climate Change Action Plan to help reduce greenhouse emissions at home and launched the U.S. Initiative on Joint Implementation to help reduce emissions abroad. The United States also takes a leading role at the international level in phasing out ozone-depleting substances.

In June 1993, the U.S. signed the Biodiversity Treaty and one year later, the Desertification Convention. With strong U.S. leadership, the United Nations successfully concluded negotiations

on a multilateral agreement designed to reverse the global trend of declining fish stocks. The agreement complements the UN Law of the Sea Convention, giving direction to countries for implementing their obligation under the Convention to cooperate in conserving and managing straddling and highly migratory fish stocks.

The Administration has asserted world leadership on population issues. We played a key role during the Cairo Conference on Population and Development in developing a consensus Program of Action, including increased availability of voluntary family planning and reproductive health services, sustainable economic development, strengthening of family ties, the empowerment of women including enhanced educational opportunities and a reduction in infant and child mortality through immunizations and other programs.

Finally, the President has demonstrated a firm commitment to expanding the global realm of democracy to advance the interests of our citizens:

The Administration substantially expanded U.S. support for democratic and market reform in Russia, Ukraine and the other new independent states of the former Soviet Union, including a comprehensive assistance package for Ukraine.

The United States launched a series of initiatives to bolster the new democracies of Central and Eastern Europe, including the White House Trade and Investment Conference for Central and Eastern Europe held in Cleveland in January 1995. We affirmed our concern for their security and market economic transformation, recognizing that such assurances would play a key role in promoting democratic developments.

Working with the international community under the auspices of the UN, we succeeded in reversing the coup in Haiti and restoring the democratically elected president and government. We are now helping the Haitian people rebuild their country and consolidate their hard-won democracy through free and fair elections at all levels -- local, parliamentary and presidential.

The President's visit to Northern Ireland in November 1995, the first ever by an American President, drew an unprecedented response from the people of both the Catholic and Protestant communities and sent an unmistakable signal of their support for peace. In 1994, U.S. engagement in Northern Ireland contributed to the establishment of a cease-fire, first by the IRA and subsequently by loyalist paramilitaries. U.S. economic and trade initiatives, including the White House Conference on Trade and Investment in May 1995, are aimed at promoting economic revitalization and job creation in Northern Ireland.

At the Summit of the Americas, the 34 democratic nations of the hemisphere agreed to a detailed plan of cooperative action in such diverse fields as health, education, science and technology, counter-narcotics, counterterrorism, environmental protection, information infrastructure and the strengthening and safeguarding of democratic institutions, in addition to mutual prosperity and sustainable development. The Summit ushered in a new era of hemispheric cooperation that would not have been possible without U.S. leadership and commitment. In the time since the Summit, progress on strengthening democratic institutions, thwarting international criminals and terrorists and preserving natural resources have helped improve the lives of the hemisphere's residents.

The United States has increased support for South Africa as it conducted elections and became a multiracial democracy. During the state visit of Nelson Mandela in October 1994, we announced formation of a bilateral commission to foster new cooperation between our nations and an assistance package to support housing, health, education, trade and investment.

The United States, working with the Organization of American States, helped reverse an antidemocratic coup in Guatemala.

In Mozambique and Angola, the United States played a leading role in galvanizing the international community to help bring an end to two decades of civil war and to promote national reconciliation. For the first time, there is the prospect that all of southern Africa will enjoy the fruits of peace and prosperity.

At the 1993 UN Conference on Human Rights, the United States successfully argued for improved international mechanisms for the promotion of basic human rights on a global basis. The President signed the international convention on the rights of the child and supports Senate consent to ratification for the convention prohibiting discrimination against women. The United States also played a major role in promoting women's -- and children's -- international rights at the 1995 UN Conference on Women in Beijing.

The national security strategy has reaped significant accomplishments for the betterment of the American people. It continues to take advantage of remarkable opportunities to shape a world conducive to U.S. interests and consistent with American values -- a world of open societies and open markets. Its tangible results were based on the belief that if we withdraw U.S. leadership from the world today, we will have to contend with the consequences of our neglect tomorrow. The progress the strategy has enabled us to make toward increased security, prosperity and advancement of democracy was not inevitable; nor will it proceed easily in an even, uninterrupted way -- there is a price for our leadership. Because of this, we know that there must be limits to America's involvement in the world -- limits imposed by careful evaluation of our fundamental interests and frank assessment of the costs and benefits of possible actions. We cannot become involved in every problem, but the choices we make must be always guided by our objectives of a more secure, prosperous and free America and remain rooted in the conviction that America cannot walk away from its global interests or responsibilities, or our citizens' security and prosperity will surely suffer.

As the distinction between domestic problems and international ones is increasingly blurred, we each have a very direct interest in ensuring the future success of this strategy: we cannot solve our own problems at home unless we are also operating in a world that is more peaceful, more democratic and more prosperous. If we can help lead the dozens of nations, the billions of producers and consumers who are trying to adapt to democracy and free markets, we help to create the conditions for the greatest expansion of prosperity and security the world has ever witnessed. This is what this strategy portends by reaffirming America's leadership in the world.

This report has two major sections. The first part of the report explains our strategy of engagement and enlargement. The second part describes briefly how the Administration continues to apply this strategy to the world's major regions.

II. Advancing our Interests Through Engagement and Enlargement

A new international era presents the United States with many distinct dangers, but also with a generally improved security environment and a range of opportunities to improve it further. The preeminent threat that dominated our engagement during the Cold War has been replaced by a complex set of challenges. Our nation's strategy for defining and addressing those challenges has several core principles that guide our policies to safeguard American security, prosperity and fundamental values. First and foremost, we must exercise global leadership. We are not the world's policeman, but as the world's premier economic and military power, and with the strength of our democratic values, U.S. engagement is indispensable to the forging of stable political relations and open trade to advance our interests.

Our leadership must stress preventive diplomacy -- through such means as support for democracy, economic assistance, overseas military presence, interaction between U.S. and foreign militaries and involvement in multilateral negotiations in the Middle East and elsewhere -- in order to help resolve problems, reduce tensions and defuse conflicts before they become crises. These measures are a wise investment in our national security because they offer the prospect of resolving problems with the least human and material cost.

Our engagement must be selective, focusing on the challenges that are most important our own interests and focusing our resources where we can make the most difference. We must also use the right tools -- being willing to act unilaterally when our direct national interests are most at stake; in alliance and partnership when our interests are shared by others; and multilaterally when our interests are more general and the problems are best addressed by the international community.

In all cases, the nature of our response must depend on what best serves our own long-term national interests. Those interests are ultimately defined by our security requirements. Such requirements start with our physical defense and economic well-being. They also include environmental security as well as the security of our values achieved through expansion of the community of democratic nations.

Our national security strategy draws upon a range of political, military and economic instruments, and focuses on the primary objectives that President Clinton has stressed throughout his Administration:

Enhancing Our Security. Taking account of the realities of the new international era with its array of new threats, a military capability appropriately sized and postured to meet the diverse needs of our strategy, including the ability, in concert with regional allies, to win two nearly simultaneous major regional conflicts. We will continue to pursue a combination of diplomatic, economic and defense efforts, including arms control agreements, to reduce the danger of nuclear, chemical, biological and conventional conflict and to promote stability.

Promoting Prosperity at Home. A vigorous and integrated economic policy designed to put our own economic house in order, work toward free and open markets abroad and promote sustainable development.

Promoting Democracy. A framework of democratic enlargement that increases our security by protecting, consolidating and enlarging the community of free market democracies. Our efforts focus on strengthening democratic processes in key emerging democratic states including Central and Eastern Europe, Russia, Ukraine and other new independent states of the former Soviet Union.

In order to advance these objectives, we must remain engaged in the world through U.S. leadership, with our national security strategy based on enlarging the world community of secure, democratic and free market nations. Overall, this makes the world a safer and more prosperous place and in so doing directly advances our interests. Nations that feel secure due to our engagement overseas are more likely to support free trade and democratic institutions, thereby enhancing U.S. security and prosperity; nations with growing and open economies and strong ties to the United States are more likely to feel secure and to be unafraid of freedom, thereby not threatening us or others; and democratic states with similar values are less likely to threaten one another's interests, and are more likely to cooperate in confronting mutual security threats and in promoting free and open trade and economic development.

The three basic objectives of our national security strategy will also guide the allocation of our limited national security resources. Because deficit reduction is also central to the long-term health and competitiveness of the American economy, we have made it, along with efficient and environmentally sound use of our resources, a major priority. Under the Clinton economic plan, the federal budget deficit has been lowered as a percentage of the Gross Domestic Product from 4.9 percent in Fiscal Year 1992 to 2.4 percent in Fiscal Year 1995 -- the lowest since 1979.

Enhancing our Security

The U.S. government is responsible for protecting the lives and personal safety of Americans, maintaining our political freedom and independence as a nation and promoting the well-being and prosperity of our nation. No matter how powerful we are as a nation, we cannot always secure these basic goals unilaterally. Whether the problem is nuclear proliferation, regional instability, the reversal of reform in the former Soviet empire, international crime and terrorism, or unfair trade practices, the threats and challenges we face frequently demand cooperative, multinational solutions. Therefore, the only responsible U.S. strategy is one that seeks to ensure U.S. influence over and participation in collective decisionmaking in a wide and growing range of circumstances.

An important element of our security preparedness depends on durable relationships with allies and other friendly nations. Accordingly, a central thrust of our strategy of engagement is to sustain and adapt the security relationships we have with key nations around the world. These ties constitute an important part of an international framework that will be essential to ensuring cooperation across a broad range of issues. Within the realm of security issues, our cooperation with

allies and friendly nations includes such activities as: conducting combined training and exercises, coordinating military plans and preparations, sharing intelligence -- particularly in support of multilateral peacekeeping efforts or initiatives to contain the inimical behavior of rogue states -- jointly developing new systems to include cooperative research and development programs and controlling exports of sensitive technologies according to common standards.

The new era presents a different set of threats to our security. In this new period, enhancing American security requires, first and foremost, developing and maintaining a strong defense capability of forces ready to fight. We are developing integrated approaches for dealing with threats arising from the development of nuclear and other weapons of mass destruction by other nations. Our security also requires a vigorous arms control effort and a strong intelligence capability. We have implemented a strategy for multilateral peace operations. We have clarified rigorous guidelines for when and how to use military force in this era.

We also face security risks that are not solely military in nature. An emerging class of transnational environmental and natural resource issues, and rapid population growth and refugee flows, are increasingly affecting international stability and consequently will present new challenges to U.S. strategy. Other increasingly interconnected, transnational phenomena such as terrorism, narcotics trafficking and organized crime also have security implications both for present and long-term American policy: the destructive forces we face inside our borders often have their origins overseas in rogue nations that breed and harbor terrorists, in countries where drugs are produced and in international organized crime cartels, which are principally headquartered outside our borders; and free and open societies, in a world brought closer together by a technology revolution where information, money and people can move rapidly and easily, are inherently more challenged by these kinds of forces.

We cannot protect ourselves against drug-related crime, track down terrorists, seize international criminals or stop the flow of illegal arms or weapons-related materials without both cooperation among the agencies within our government and the help of countries that are the origin of these forces and whose peace and freedoms are also jeopardized. That is why the President proposed new legislation and initiatives for the U.S. government last year, while also unveiling a new international proposal to work more closely with foreign governments in order to respond more effectively in fighting these forces that challenge our security from within and without.

Finally, the threat of intrusions to our military and commercial information systems poses a significant risk to national security and is being addressed.

Maintaining a Strong Defense Capability

U.S. military forces are critical to the success of our strategy. This nation has unparalleled military capabilities: the United States is the only nation able to conduct large-scale and effective military operations far beyond its borders. This fact, coupled with our unique position as the security partner of choice in many regions, provides a foundation for regional stability through mutually beneficial security partnerships. Our willingness and ability to play a leading role in defending common interests also help ensure that the United States will remain an influential voice in international affairs -- political, military and economic -- that affect our well-being, so long as we retain the military wherewithal to underwrite our commitments credibly.

To protect and advance U.S. interests in the face of the dangers and opportunities outlined earlier, the United States must deploy robust and flexible military forces that can accomplish a variety of tasks:

Detering and Defeating Aggression in Major Regional Conflicts. Our forces must be able to help offset the military power of regional states with interests opposed to those of the United States and its allies. To do this, we must be able to credibly deter and defeat aggression by projecting and sustaining U.S. power in more than one region if necessary.

Providing a Credible Overseas Presence. U.S. forces must also be forward deployed or stationed in key overseas regions in peacetime to deter aggression and advance U.S. strategic interests. Such overseas presence demonstrates our commitment to allies and friends, underwrites

regional stability, ensures familiarity with overseas operating environments, promotes combined training among the forces of friendly countries and provides timely initial response capabilities.

Countering Weapons of Mass Destruction. We are devoting greater efforts to stemming the proliferation of weapons of mass destruction and their delivery means, limiting the spread of weapons-related materials and technology, and strengthening accounting and security procedures for global stocks of fissile materials. At the same time, we must improve our capabilities to deter, defend against and prevent the use of such weapons and protect ourselves against their effects.

Contributing to Multilateral Peace Operations. When our interests call for it, the United States must also be prepared to participate in multilateral efforts to resolve regional conflicts and bolster new democratic governments. Thus, our forces must be ready to participate in peacekeeping, peace enforcement and other operations in support of these objectives.

Supporting Counterterrorism Efforts, Fighting Drug Trafficking and Other National Security Objectives. A number of other tasks remain that U.S. forces have typically carried out with both general purpose and specialized units. These missions include: counterterrorism, noncombatant evacuation, counter-narcotics operations, special forces assistance to nations and humanitarian and disaster relief operations.

To meet all of these requirements successfully, our forces must be capable of responding quickly and operating effectively as a joint team. That is, they must be ready to fight and win. This imperative demands highly qualified and motivated people; modern, well-maintained equipment; realistic training; strategic mobility; sufficient support and sustainment capabilities; timely intelligence; and a healthy investment in science and technology.

Major Regional Contingencies

The focus of our planning for major theater conflict is on deterring and, if necessary, fighting and defeating aggression by potentially hostile regional powers, such as North Korea, Iran or Iraq. Such states are capable of fielding sizable military forces which can cause serious imbalances in military power within regions important to the United States, with allied or friendly states often finding it difficult to match the power of a potentially aggressive neighbor. To deter aggression, prevent coercion of allied or friendly governments and, ultimately, defeat aggression should it occur, we must prepare our forces to confront this scale of threat, preferably in concert with our allies and friends, but unilaterally if necessary. To do this, we must have forces that can deploy quickly and supplement U.S. forward-based and forward-deployed forces, along with regional allies, in halting an invasion and defeating the aggressor, just as we demonstrated by our rapid response in October 1994 when Iraq threatened aggression against Kuwait.

The forces the Administration fields today are sufficient, in concert with regional allies, to defeat aggression in two nearly simultaneous major regional conflicts. Programmed enhancements will sustain and strengthen that capability to meet future threats. As a nation with global interests, it is important that the United States maintain forces with aggregate capabilities on this scale. Obviously, we seek to avoid a situation in which an aggressor in one region might be tempted to take advantage when U.S. forces are heavily committed elsewhere. More basically, maintaining a 'two war' force helps ensure that the United States will have sufficient military capabilities to deter or defeat aggression by a coalition of hostile powers or by a larger, more capable adversary than we foresee today. The need to deter or defeat aggression in two theaters was demonstrated by the real prospect of near simultaneous hostilities with Iraq and North Korea in the late summer of 1994. The threat of such near simultaneous hostilities and our rapid response in reinforcing our presence and deploying additional forces showed we have a correct and realistic defense strategy. And because tomorrow's threats are less clear, a strategy for deterring and defeating aggression in more than one theater ensures we maintain the flexibility to meet unknown future threats, while our continued engagement represented by that strategy helps preclude such threats from developing in the first place.

We will never know with certainty how an enemy might fight or precisely what demands might be placed on our own forces in the future. The contributions of allies or coalition partners will

vary from place to place and over time. Thus, balanced U.S. forces are needed in order to provide a wide range of complementary capabilities and to cope with the unpredictable and unexpected. Our forces must remain ready and modern to meet future, as well as present, threats or challenges. Integral to these efforts is the development of new systems and capabilities, incorporating state-of-the-art technology and new and more effective combat organizations.

Overseas Presence

The need to deploy U.S. military forces abroad in peacetime is also an important factor in determining our overall force structure. We will maintain robust overseas presence in several forms, such as permanently stationed forces and pre-positioned equipment, deployments and combined exercises, port calls and other force visits, as well as military-to-military contacts. These activities provide several benefits. Specifically they:

- Give form and substance to our bilateral and multilateral security commitments.

- Demonstrate our determination to defend U.S. and allied interests in critical regions, deterring hostile nations from acting contrary to those interests.

- Provide forward elements for rapid response in crises as well as the bases, ports and other infrastructure essential for deployment of U.S.-based forces by air, sea and land.

- Enhance the effectiveness of coalition operations, including peace operations, by improving our ability to operate with other nations.

- Allow the United States to use its position of trust to prevent the development of power vacuums and dangerous arms races, thereby underwriting regional stability by precluding threats to regional security.

- Facilitate regional integration, since nations that may not be willing to work together in our absence may be willing to coalesce around us in a crisis.

- Promote an international security environment of trust, cooperation, peace and stability, which is fundamental to the vitality of developing democracies and free-market economies for America's own economic well-being and security.

Through training programs, combined exercises, military contacts, interoperability and shared defense with potential coalition partners, as well as security assistance programs that include judicious foreign military sales, we can strengthen the local self-defense capabilities of our friends and allies. Through active participation in regional security dialogues, we can reduce regional tensions, increase transparency in armaments and improve our bilateral and multilateral cooperation.

By improving the defense capabilities of our friends and demonstrating our commitment to defend common interests, these activities enhance deterrence, encourage responsibility-sharing on the part of friends and allies, decrease the likelihood that U.S. forces will be necessary if conflict arises and raise the odds that U.S. forces will find a relatively favorable situation should a U.S. response be required. U.S. overseas presence visibly supports our strategy of engagement, and we must continually assess the best approaches to achieving its objectives.

Counterterrorism, Fighting Drug

Trafficking and Other Missions

While the missions outlined above will remain the primary determinants of our general purpose and nuclear force structure, U.S. military forces and assets will also be called upon to perform a wide range of other important missions as well. Some of these can be accomplished by conventional forces fielded primarily for theater operations. Often, however, these missions call for specialized units and capabilities.

At the same time, the challenges to the security of our citizens, our borders and our democratic institutions from destructive forces such as terrorists and drug traffickers is greater today because of access to modern technology. Cooperation, both within our government and with other nations, is vital in combating these groups that traffic in organized violence.

In October 1995, the President announced a new initiative to work more closely with foreign governments to fight these forces that threaten our security from without and within. Along with

other provisions, it includes an invitation to join in the negotiation and endorsement of a declaration on citizen security, which would include a no-sanctuary pledge to terrorists and drug traffickers; a counterterrorism pact; an antinarcotics offensive; and a pledge to end the trafficking of illegal arms and of lethal nuclear, biological and chemical materials. We will continue to share intelligence in anticorruption and money-laundering programs to fight drug trafficking at its source; seek legislation that would prevent arms traders from fueling regional conflicts and subverting international embargoes; and provide increased manpower and funding, strengthened legislation and additional sanctions on states that sponsor terrorism to help protect our citizens.

Combating Terrorism

As long as terrorist groups continue to target American citizens and interests, the United States will need to have specialized units available to defeat such groups. From time to time, we might also find it necessary to strike terrorists at their bases abroad or to attack assets valued by the governments that support them.

Our policy in countering international terrorists is to make no concessions to terrorists, continue to pressure state sponsors of terrorism, fully exploit all available legal mechanisms to punish international terrorists and help other governments improve their capabilities to combat terrorism.

Countering terrorism effectively requires close, day-to-day coordination among Executive Branch agencies. Under the Clinton Administration, the efforts of the Departments of State, Justice and Defense, the FBI and CIA have been coordinated, with increased funding and manpower focused on the problem. Positive results will come from integration of intelligence, diplomatic and rule-of-law activities, and through close cooperation with other governments and international counterterrorist organizations.

Improving U.S. intelligence capabilities is a significant part of the U.S. response, as the evolving nature of the threat presents new challenges to the intelligence community. Terrorists, whether from well-organized groups or the kind of more loosely organized group responsible for the World Trade Center bombing, have the advantage of being able to take the initiative in the timing and choice of targets. Terrorism involving weapons of mass destruction represents a particularly dangerous potential threat that must be countered.

The United States has made concerted efforts to punish and deter terrorists. On June 26, 1993, following a determination that Iraq had plotted an assassination attempt against former President Bush, President Clinton ordered a cruise missile attack against the headquarters of Iraq's intelligence service in order to send a firm response and deter further threats. Similarly, the United States obtained convictions against defendants in the bombing of the World Trade Center. In the last three years, more terrorists have been arrested and extradited to the United States than during the totality of the previous three Administrations. We are still determined to apprehend many others, including the suspected perpetrators of the Pan Am 103 bombing who are being sheltered in Libya, and those involved in the deadly attack on U.S. Government employees at CIA Headquarters in 1994.

A growing number of nations have responded to the Administrations message urging international cooperation in the fight against terrorism. Our success in hunting down terrorists is in large measure due to a growth of international intelligence sharing and increased international law enforcement efforts. At the Halifax Summit in 1995, the heads of state from the G-7 and Russia agreed to work more closely in combating terrorism. This led to the December 1995 ministerial in Ottawa, which announced a P-8 pledge to adopt all current counterterrorism treaties by the year 2000, to cooperate more closely in detecting forged documents and strengthening border surveillance, to share information more fully and effectively and to work together in preventing the use by terrorists of nuclear, biological and chemical weapons.

Iran's support of terrorism is a primary threat to peace in the Middle East and a major threat to innocent citizens everywhere. The President is determined to step up U.S. efforts bringing international pressure to bear on Iran for its support of terrorism. President Clinton imposed an

embargo against Iran, depriving it of the benefits of trade and investment with the United States. The embargo's immediate effect was to further disrupt an Iranian economy already reeling from mismanagement, corruption and stagnant oil prices. The United States also has sought the support of our friends and allies to adopt policies to limit Teheran's threatening behavior. The G-7 has joined us in condemning Iran's support for terrorism, and we have secured commitments from Russia and other members of the post-COCOM "Wassenaar Arrangement" export control regime not to sell weapons to Iran that have sensitive, dual-use technologies with military end-uses.

U.S. leadership and close coordination with other governments and international bodies will continue, as also demonstrated by the UN Security Council sanctions against Libya for the Pan Am 103 and UTA 772 bombings, an international convention dealing with detecting and controlling plastic explosives, and two important counterterrorism treaties -- the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Aviation and the Convention for the Suppression of Unlawful Attacks Against the Safety of Maritime Navigation.

Fighting Drug Trafficking

The Administration has undertaken a new approach to the global scourge of drug abuse and trafficking that will better integrate domestic and international activities to reduce both the demand and the supply of drugs. Ultimate success will depend on concerted efforts and partnerships by the public, all levels of government and the American private sector with other governments, private groups and international bodies.

The U.S. shift in strategy from the past emphasis on transit interdiction to a more evenly balanced effort with source countries to build institutions, destroy trafficking organizations and stop supplies of illicit drugs is showing positive results. The leaders of the most influential South American drug mafias, the Medellin and Cali Cartels, have been apprehended. The President also has invoked the International Emergency Economic Powers Act to undercut their financial underpinnings, freezing their assets in the United States and barring U.S. persons from doing business with them. He has announced a major initiative to combat money laundering throughout the globe, and at his direction, the government has identified the front companies and frozen the assets of the Cali Cartel to cut off its economic lifelines and to stop people from dealing unknowingly with its companies.

In addition, the United States, in cooperation with key producing countries, has undertaken initiatives to reinforce its interdiction activities near the source of production. To help root out the corruption in which narcotics trafficking thrives, we are working to support and strengthen democratic institutions abroad. We are also cooperating with governments that demonstrate political will to confront the narcotics threat.

Two comprehensive strategies have been developed, one to deal with the problem of cocaine and another to address the growing threat from high-purity heroin entering this country. We will engage more aggressively with international organizations, financial institutions and nongovernmental organizations in counternarcotics cooperation.

At home and in the international arena, prevention, treatment and economic alternatives must work hand-in-hand with law enforcement and interdiction activities. Long-term efforts will be maintained to help nations develop healthy economies with fewer market incentives for producing narcotics. The United States has increased efforts abroad to foster public awareness and support for governmental cooperation on a broad range of activities to reduce the incidence of drug abuse. Public awareness of a demand problem in producing or trafficking countries can be converted into public support and increased governmental law enforcement to reduce trafficking and production. There has been a significant attitudinal change and awareness in Latin America and the Caribbean, particularly as producer and transit nations themselves become plagued with the ill effects of consumption.

Other Missions

The United States government is also responsible for protecting the lives and safety of Americans abroad. In order to carry out this responsibility, selected U.S. military forces are trained

and equipped to evacuate Americans from such situations as the outbreak of civil or international conflict and natural or man-made disasters. For example, U.S. Marines evacuated Americans from Monrovia, Liberia, in August of 1990, and from Mogadishu, Somalia, in December of that year. In 1991, U.S. forces evacuated nearly 20,000 Americans from the Philippines over a three-week period following the eruption of Mount Pinatubo. In 1994, U.S. Marines, coupled with U.S. airlift, deployed to Burundi to help ensure the safe evacuation of U.S. citizens from ethnic fighting in Rwanda.

U.S. forces also provide invaluable training and advice to friendly governments threatened by subversion, lawlessness or insurgency. At any given time, we have small teams of military experts deployed in roughly 25 countries helping host governments cope with such challenges.

U.S. military forces and assets are frequently called upon to provide assistance to victims of floods, storms, drought and other humanitarian disasters. Both at home and abroad, U.S. forces provide emergency food, shelter, medical care and security to those in need.

Finally, the United States will continue as a world leader in space through its technical expertise and innovation. Over the past 30 years, as more and more nations have ventured into space, the United States has steadfastly recognized space as an international region. Since all nations are immediately accessible from space, the maintenance of an international legal regime for space, similar to the concept of freedom of the high seas, is especially important. Numerous attempts have been made in the past to impose legal limitations on access to space by countries that are unable, either technologically or economically, to join space-faring nations. As the commercial importance of space is developed, the United States can expect further pressure from nonparticipants to redefine the status of space, similar to what has been attempted with exclusive economic zones constraining the high seas.

Retaining the current international character of space will remain critical to achieving U.S. national security goals. Our main objectives in this area include:

- Continued freedom of access to and use of space;

- Maintaining the U.S. position as the major economic, political, military and technological power in space;

- Detering threats to U.S. interests in space and defeating aggressive or hostile acts against U.S. space assets if deterrence fails;

- Preventing the spread of weapons of mass destruction to space;

- Enhancing global partnerships with other space-faring nations across the spectrum of economic, political and security issues.

Deciding When and How to Employ U.S. Forces

Our strategy calls for the preparation and deployment of American military forces in the United States and abroad to support U.S. diplomacy in responding to key dangers -- those posed by weapons of mass destruction, regional aggression and threats to the stability of states.

Although there may be many demands for U.S. involvement, the need to husband scarce resources requires that we must carefully select the means and level of our participation in particular military operations. And while it is unwise to specify in advance all the limitations we will place on our use of force, we must be as clear as possible about when and how we will use it.

There are three basic categories of national interests that can merit the use of our armed forces. The first involves America's vital interests, that is, interests that are of broad, overriding importance to the survival, security and vitality of our national entity -- the defense of U.S. territory, citizens, allies and our economic well-being. We will do whatever it takes to defend these interests, including -- when necessary -- the unilateral and decisive use of military power. This was demonstrated clearly in the Persian Gulf through Desert Storm and, more recently, Vigilant Warrior, when Iraq threatened aggression against Kuwait in October 1994.

The second category includes cases in which important, but not vital, U.S. interests are threatened. That is, the interests at stake do not affect our national survival, but they do affect importantly our national well-being and the character of the world in which we live. In such cases,

military forces should only be used if they advance U.S. interests, they are likely to be able to accomplish their objectives, the costs and risks of their employment are commensurate with the interests at stake and other means have been tried and have failed to achieve our objectives. Such uses of force should also be selective and limited, reflecting the relative saliency of the interests we have at stake. Haiti and Bosnia are the most recent examples in this category.

The third category involves primarily humanitarian interests. Here, our decisions focus on the resources we can bring to bear by using unique capabilities of our military rather than on the combat power of military force. Generally, the military is not the best tool to address humanitarian concerns. But under certain conditions, the use of our armed forces may be appropriate: when a humanitarian catastrophe dwarfs the ability of civilian relief agencies to respond; when the need for relief is urgent and only the military has the ability to jump-start the longer-term response to the disaster; when the response requires resources unique to the military; and when the risk to American troops is minimal. The relief operation in Rwanda is a good case in point. U.S. military forces performed unique and essential roles, stabilized the situation and then got out, turning the operation over to the international relief community.

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

In other situations posing a less immediate threat, our military engagement must be targeted selectively on those areas that most affect our national interests -- for instance, areas where we have a sizable economic stake or commitments to allies and are as where there is a potential to generate substantial refugee flows into our nation or our allies'.

Second, in all cases, the costs and risks of U.S. military involvement must be judged to be commensurate with the stakes involved. We will be more inclined to act where there is reason to believe that our action will bring lasting improvement. On the other hand, our involvement will be more circumscribed when other regional or multilateral actors are better positioned to act than we are. Even in these cases, however, the United States will be actively engaged at the diplomatic level. But in every case, we will consider several critical questions before committing military force: Have we considered nonmilitary means that offer a reasonable chance of success? Is there a clearly defined, achievable mission? What is the environment of risk we are entering? What is needed to achieve our goals? What are the potential costs -- both human and financial -- of the engagement? Do we have a reasonable likelihood of support from the American people and their elected representatives? Do we have timelines and milestones that will reveal the extent of success or failure, and in either case, do we have an exit strategy?

The decision on how we use force has a similar set of derived guidelines:

First, when we send American troops abroad, we will send them with a clear mission and, for those operations that are likely to involve combat, the means to achieve their objectives decisively, having answered the questions: What types of U.S. military capabilities should be brought to bear, and is the use of military force carefully matched to our political objectives?

Second, as much as possible, we will seek the help of our allies and friends or of relevant international institutions. If our most important national interests are at stake, we are prepared to act alone. But especially on those matters touching directly the interests of our allies, there should be a proportionate commitment from them. Working together increases the effectiveness of each nation's actions, and sharing the responsibilities lessens everyone's load.

These, then, are the calculations of interest and cost that have influenced our past uses of military power and will guide us in the future. Every time this Administration has used force, it has balanced interests against costs. And in each case, the use of our military has put power behind our diplomacy, allowing us to make progress we would not otherwise have achieved.

One final consideration regards the central role the American people rightfully play in how the United States wields its power abroad: the United States cannot long sustain a fight without the support of the public, and close consultations with Congress are important to this effort. This is true

for humanitarian and other nontraditional interventions, as well as war. Modern media communications confront every American with images that both stir the impulse to intervene and raise the question of an operation's costs and risks. When it is judged in America's interest to intervene, we must use force with an unwavering commitment to our objective. While we must continue to reassess any operation's costs and benefits as it unfolds and the full range of options, reflexive calls for early withdrawal of our forces as soon as casualties arise endangers our objectives as well as our troops. Doing so invites any rogue actor to attack our troops to try to force our departure from areas where our interests lie.

Combating the Spread and Use of Weapons of Mass Destruction and Missiles Weapons of mass destruction -- nuclear, biological and chemical -- along with their associated delivery systems, pose a major threat to our security and that of our allies and other friendly nations. Thus, a key part of our strategy is to seek to stem the proliferation of such weapons and to develop an effective capability to deal with these threats. We also need to maintain robust strategic nuclear forces and to implement existing strategic arms agreements.

Nonproliferation and Counterproliferation

A critical priority for the United States is to stem the proliferation of nuclear, biological and chemical weapons and their missile delivery systems. Countries' weapons programs, and their levels of cooperation with our nonproliferation efforts, will be among our most important criteria in judging the nature of our bilateral relations.

Through programs such as the Nunn-Lugar Cooperative Threat Reduction effort and other denuclearization initiatives, important progress has been made to build a more secure international environment by combating the threat posed by the possible theft or diversion of nuclear warheads or their components. One striking example was the successful transfer in 1994 of nearly six hundred kilograms of vulnerable nuclear material from Kazakhstan to safe storage in the United States. Kazakhstan was concerned about the security of the material and requested U.S. assistance in removing it to safe storage. The Departments of Defense and Energy undertook a joint mission to retrieve the uranium. At the direction of the President, the two Departments have intensified their cooperative programs with Russia and other new independent states to enhance the security of nuclear material. These programs encompass both efforts to improve overall systems for nuclear material protection, control and accounting and targeted efforts to address specific proliferation risks. Under an agreement we secured with Russia, it is converting tons of highly enriched uranium from dismantled weapons into commercial reactor fuel and has begun delivering that fuel to the United States. With the United States and Russia, Ukraine is implementing the Trilateral Statement, which provides for the transfer of all nuclear warheads from Ukraine to Russia for dismantlement in return for fair compensation. Three-quarters of the nuclear weapons located in Ukraine at the beginning of 1994 have now been transferred to Russia for dismantlement. All the nuclear warheads in Kazakhstan have been removed, and most are out of Belarus.

A key objective of our nonproliferation strategy was realized in May 1995 when a consensus of the parties to the Nuclear Non-Proliferation Treaty (NPT) extended the Treaty indefinitely and without conditions. That result ensured that all Americans today, as well as all succeeding generations, can count on the continuation of the Treaty that serves as the bedrock of all global efforts to halt the spread of nuclear weapons.

Achieving a zero-yield Comprehensive Test Ban Treaty as soon as possible, achieving a cut-off of fissile material production for nuclear weapons purposes and strengthening the Nuclear Suppliers Group and the International Atomic Energy Agency (IAEA) are important goals. They complement our comprehensive efforts to discourage the accumulation of fissile materials, to seek to strengthen controls and constraints on those materials, and over time, to reduce worldwide stocks.

To combat missile proliferation, the United States seeks prudently to broaden membership of the Missile Technology Control Regime (MTCR). The Administration supports the earliest possible ratification and entry into force of the Chemical Weapons Convention (CWC) as well as new

measures to deter violations of and enhance compliance with the Biological Weapons Convention (BWC). We also support improved export controls for nonproliferation purposes both domestically and multilaterally.

The proliferation problem is global, but we must tailor our approaches to specific regional contexts. We have concluded an Agreed Framework to bring North Korea into full compliance with its nonproliferation obligations, including the NPT and IAEA safeguards. The agreement also requires North Korea to freeze and eventually dismantle its indigenous nuclear program under IAEA monitoring. We will continue efforts to prevent Iran from advancing its weapons of mass destruction objectives and to thwart Iraq from reconstituting its previous programs. The United States seeks to cap, reduce and, ultimately, eliminate the nuclear and missile capabilities of India and Pakistan. In the Middle East and elsewhere, we encourage regional arms control agreements that address the legitimate security concerns of all parties. These tasks are being pursued with other states that share our concern for the enormous challenge of stemming the proliferation of such weapons.

The United States has signed bilateral agreements with Russia, Ukraine and South Africa, which commit these countries to adhere to the guidelines of the MTCR. We also secured China's commitment to observe the MTCR guidelines and its agreement not to transfer MTCR-controlled, ground-to-ground missiles. Russia has agreed not to transfer space-launch vehicle technology with potential military applications to India. South Africa has agreed to dismantle its Category I (500 kilogram payload, 300 kilometer range) missile systems and has joined the NPT and accepted full-scope safeguards. Hungary, the Czech Republic, the Slovakia Republic, Poland and Romania have joined the Australia Group (which controls the transfer of items that could be used to make chemical or biological weapons). Hungary, Argentina, Russia, Brazil and South Africa have joined the MTCR. Argentina, Brazil and Chile have brought the Treaty of Tlatelolco into force. There has been major progress on the dismantlement and removal of intercontinental ballistic missiles (ICBMs) located in Ukraine, Belarus and Kazakhstan. Our Cooperative Threat Reduction (CTR) program has made a significant contribution to this effort.

Thus, the United States seeks to prevent additional countries from acquiring chemical, biological and nuclear weapons and the means to deliver them, and will use the full range of its intelligence capabilities to detect such activities. However, should such efforts fail, U.S. forces must be prepared to deter, prevent and defend against their use. As agreed at the January 1994 NATO Summit, we are working with our Allies to develop a policy framework to consider how to reinforce ongoing prevention efforts and to reduce the proliferation threat and protect against it.

The United States will retain the capacity to retaliate against those who might contemplate the use of weapons of mass destruction so that the costs of such use will be seen as outweighing the gains. However, to minimize the impact of proliferation of weapons of mass destruction on our interests, we will need the capability not only to deter their use against either ourselves or our allies and friends but also, where necessary and feasible, to prevent it.

This will require improved defensive and offensive capabilities. To minimize the vulnerability of our forces abroad to weapons of mass destruction, we are placing a high priority on improving our ability to locate, identify and disable arsenals of weapons of mass destruction, production and storage facilities for such weapons and their delivery systems. We also have vigorous and highly effective theater missile defense development programs designed to protect against conventional weapons and weapons of mass destruction. Although the intelligence community does not believe that an intercontinental-range missile threat to our homeland is likely to emerge from rogue states in the foreseeable future, we are developing a national missile defense deployable readiness program so we can respond quickly (within 2-3 years) should a sooner-than-expected threat materialize.

Nuclear Forces

In September 1994, the President approved the recommendations of the Pentagon's Nuclear Posture Review (NPR). A key conclusion of this review is that the United States will retain a triad

of strategic nuclear forces sufficient to deter any future hostile foreign leadership with access to strategic nuclear forces from acting against our vital interests and to convince it that seeking a nuclear advantage would be futile. Therefore, we will continue to maintain nuclear forces of sufficient size and capability to hold at risk a broad range of assets valued by such political and military leaders. The President approved the NPR's recommended strategic nuclear force posture as the U.S. START II force. The forces are: 500 Minuteman ICBMs, 14 Trident submarines all with D-5 missiles, 20 B-2 and 66 B-52 strategic bombers, and a non-nuclear role for the B-1s. This force posture allows us the flexibility to reconstitute or reduce further, as conditions warrant. The NPR also reaffirmed the current posture and deployment of nonstrategic nuclear forces, and the United States has eliminated carrier and surface ship nuclear weapons capability.

Arms Control

Arms control is an integral part of our national security strategy. Arms control can help reduce incentives to initiate attack; enhance predictability regarding the size and structure of forces, thus reducing fear of aggressive intent; reduce the size of national defense industry establishments and thus permit the growth of more vital, nonmilitary industries; ensure confidence in compliance through effective monitoring and verification; and, ultimately, contribute to a more stable and calculable balance of power.

In the area of strategic arms control, prescribed reductions in strategic offensive arms and the steady shift toward less destabilizing systems remain indispensable. Ukraine's December 1994 accession to the Nuclear Non-proliferation Treaty -- joining Belarus and Kazakhstan's decision to be non-nuclear weapon states -- was followed immediately by the exchange of instruments of ratification and brought the START I treaty into force at the December 1994 CSCE summit, paving the way for the Senate's advice and consent for ratification of the 1993 START II Treaty on January 26, 1996. Under START II, the United States and Russia will each be left with between 3,000 and 3,500 deployed strategic nuclear warheads, which is a two-thirds reduction from the Cold War peak. Presidents Clinton and Yeltsin have agreed that once START II is ratified by both countries, both nations will immediately begin to deactivate or otherwise remove from combat status, those systems whose elimination will be required by that treaty, rather than waiting for the treaty to run its course through the year 2003. START II ratification will also open the door to the next round of strategic arms control, in which we will consider what further reductions in, or limitations on, remaining U.S. and Russian nuclear forces should be carried out. We will also explore strategic confidence-building measures and mutual understandings that reduce the risk of accidental war.

The full and faithful implementation of other existing arms control agreements, including the Anti-Ballistic Missile (ABM) Treaty, Strategic Arms Reduction Talks I (START I), Biological Weapons Convention (BWC), Intermediate-range Nuclear Forces (INF) Treaty, Conventional Forces in Europe (CFE) Treaty, several nuclear testing agreements, the 1994 Vienna Document on Confidence and Security-Building Measures (CSBMs), Open Skies, the Environmental Modification Convention (EnMod), Incidents at Sea and many others will remain an important element of national security policy. The ongoing negotiation initiated by the United States to clarify the ABM Treaty by establishing an agreed demarcation between strategic and theater ballistic missiles, and updating the Treaty to reflect the break-up of the Soviet Union as well as the Administration's efforts to resolve the CFE flank issue on the basis of a map realignment, reflects the Administration's commitment to maintaining the integrity and effectiveness of crucial arms control agreements.

Future arms control efforts may become more regional and multilateral. Regional arrangements can add predictability and openness to security relations, advance the rule of international law and promote cooperation among participants. They help maintain deterrence and a stable military balance at regional levels. The U.S. is prepared to promote, help negotiate, monitor and participate in regional arms control undertakings compatible with American national security interests. We will generally support such undertakings but will not seek to impose regional arms control accords against the wishes of affected states. In this regard, the United States, United

Kingdom and France announced they would sign the protocols to the South Pacific Nuclear Free Zone in the first half of 1996.

As arms control, whether regional or global, becomes increasingly multilateral, the Conference on Disarmament (CD) in Geneva will play an even more important role. The United States will support measures to increase the effectiveness and relevance of the CD. Arms control agreements can head off potential arms races in certain weapons categories or in some environments. We will continue to seek greater transparency, responsibility and, where appropriate, restraint in the transfer of conventional weapons and global military spending. The UN register of conventional arms transfers is a start in promoting greater transparency of weapons transfers and buildups, but more needs to be done.

In February 1995, the President approved a comprehensive policy on transfers of conventional arms that balances legitimate arms sales to support the national security of U.S. allies and friends and the need for multilateral restraint in transferring arms that would undermine stability. The United States has also led international efforts to create the multilateral "Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-use Goods and Technology" -- the successor to the Coordinating Committee for East-West Trade (COCOM) -- to provide a regime for transparency and restraint on dangerous transfers of conventional arms and dual-use technologies. Measures to reduce over-sized defense industrial establishments, especially those parts involved with weapons of mass destruction, will also contribute to stability in the post-Cold War world. The Administration has pursued defense conversion agreements with the former Soviet Union states, and defense conversion is also on the agenda with China. The United States has also proposed a regime to reduce the number and availability of the world's long-lived antipersonnel mines whose indiscriminate and irresponsible use has reached crisis proportions. In addition, the Administration is leading the international effort to strengthen the laws governing landmine use in the 1980 Convention on Conventional Weapons. The Administration obtained Senate consent to ratification of this Convention in March 1995.

Peace Operations

In addition to preparing for major regional contingencies and overseas presence, we must prepare our forces for peace operations to support democracy or conflict resolution. The United States, along with others in the international community, will seek to prevent and contain localized conflicts before they require a military response. U.S. support capabilities such as airlift, intelligence and global communications have often contributed to the success of multilateral peace operations, and they will continue to do so. U.S. combat units are less likely to be used for most peace operations, but in some cases their use will be necessary or desirable and justified by U.S. national interests as guided by the Presidential Decision Directive, 'U.S. Policy on Reforming Multilateral Peace Operations,' and outlined below.

Multilateral peace operations are an important component of our strategy. From traditional peacekeeping to peace enforcement, multilateral peace operations are sometimes the best way to prevent, contain or resolve conflicts that could otherwise be far more costly and deadly.

Peace operations often have served, and continue to serve, important U.S. national interests. In some cases, they have helped preserve peace between nations, as in Cyprus and the Golan Heights. In others, peacekeepers have provided breathing room for fledgling democracies, as in Cambodia, El Salvador and Namibia. And in Latin America, the United States, along with fellow Guarantors of the 1942 Rio Protocol Argentina, Brazil and Chile, has contributed to a border monitoring effort to stop fighting between Peru and Ecuador and help achieve a lasting resolution of their border dispute.

At the same time, however, we must recognize that some types of peace operations make demands on the UN that exceed the organization's capabilities. The United States is working with the UN headquarters and other member states to ensure that the UN embarks only on peace operations that make political and military sense and that the UN is able to manage effectively those peace operations it does undertake. We support the creation of a professional UN peace operations

headquarters with a planning staff, access to timely intelligence, a logistics unit that can be rapidly deployed and a modern operations center with global communications. The United States has reduced our peacekeeping payments to 25 percent while working to ensure that other nations pay their fair share. We are also working to ensure that peacekeeping operations by appropriate regional organizations such as NATO and the OSCE can be carried out effectively.

In order to maximize the benefits of UN peace operations, the United States must make highly disciplined choices about when and under what circumstances to support or participate in them. The need to exercise such discipline is at the heart of President Clinton's policy on Reforming Multilateral Peace Operations. The President's policy review on peace operations -- the most thorough ever undertaken by an Administration -- requires the United States to undertake a rigorous analysis of requirements and capabilities before voting to support or participate in peace operations. The United States has not hesitated to use its position on the Security Council to ensure that the UN authorizes only those peace operations that meet these standards.

Most UN peacekeeping operations do not involve U.S. forces. On those occasions when we consider contributing U.S. forces to a UN peace operation, we will employ rigorous criteria, including the same principles that would guide any decision to employ U.S. forces. In addition, we will ensure that the risks to U.S. personnel and the command and control arrangements governing the participation of American and foreign forces are acceptable to the United States.

The question of command and control is particularly critical. There may be times when it is in our interest to place U.S. troops under the temporary operational control of a competent UN or allied commander. The United States has done so many times in the past -- from the siege of Yorktown in the Revolutionary War to the battles of Desert Storm. However, under no circumstances will the President ever relinquish his command authority over U.S. forces.

Improving the ways the United States and the UN decide upon and conduct peace operations will not make the decision to engage any easier. The lesson we must take away from our first ventures in peace operations is not that we should forswear such operations but that we should employ this tool selectively and more effectively. In short, the United States views peace operations as a means to support our national security strategy, not as a strategy unto itself.

The President is firmly committed to securing the active support of the Congress for U.S. participation in peace operations. The Administration has set forth a detailed blueprint to guide consultations with Congress. With respect to particular operations, the Administration will undertake consultations on questions such as the nature of expected U.S. military participation, the mission parameters of the operation, the expected duration and budgetary implications. In addition to such operation-specific consultations, the Administration has also conducted regular monthly briefings for congressional staff and will deliver an Annual Comprehensive Report to Congress on Peace Operations. Congress is critical to the institutional development of a successful U.S. policy on peace operations, including the resolution of funding issues that have an impact on military readiness.

Two other points deserve emphasis. First, the primary mission of our Armed Forces is not peace operations; it is to deter and, if necessary, to fight and win conflicts in which our most important interests are threatened. Second, while the international community can create conditions for peace, the responsibility for peace ultimately rests with the people of the country in question.

Strong Intelligence Capabilities

U.S. intelligence capabilities are critical instruments of our national power and integral to implementing our national security strategy. Strong intelligence capabilities are needed to protect our nation by providing warning of threats to U.S. national security, by providing support to the policy and military communities to prevail over these threats and by identifying opportunities for advancing our national interests through support to diplomacy. Decisionmakers, military commanders and policy analysts at all levels rely on the intelligence community to collect information unavailable from other sources and to provide strategic and tactical analysis to help surmount challenges to our national interests and security.

Because of the change in the security environment since the end of the Cold War, intelligence must address a wider range of threats and policy needs. In this demanding environment, the intelligence community must maintain its global reach, refine and further focus its collection efforts and work even more closely with the policy departments. Moreover, its analytic effort must provide a coherent framework to help senior U.S. officials manage a complex range of military, political and economic issues. Intelligence emphasis must be placed on preserving and enhancing those collection and analytic capabilities that provide unique information against those states and groups that pose the most serious threats to U.S. security.

To build greater focus, direction and responsiveness into these intelligence activities, the President last year signed a Presidential Decision Directive (PDD) on intelligence priorities. This Directive established for the first time a series of categories of intelligence needs. This PDD is a flexible document designed to accommodate shifting priorities within the categories. Current Presidential priorities include:

- Warning and management of threats that pose a direct or immediate threat to U.S. interests.

- "Rogue states" whose policies are consistently hostile to the United States.

- Countries that possess strategic nuclear forces that can pose a threat to the United States and its allies.

- Command and control of nuclear weapons and control of nuclear fissile materials.

- Transnational threats such as proliferation of weapons of mass destruction, international narcotics trafficking, international terrorism and international organized crime.

- Ongoing or potential major regional conflicts where the United States has national security interests.

- Intensified counterintelligence against hostile foreign intelligence services.

U.S. intelligence must not only monitor traditional threats but also assist the policy community to forestall new and emerging threats, especially those of a transnational nature. In carrying out these responsibilities, the intelligence community must:

- Support U.S. military operations worldwide. Whenever U.S. forces are deployed, the highest priority is to ensure that our military commanders receive the timely information required to execute successfully their mission while minimizing the loss of American lives.

- Support diplomatic efforts in pursuit of U.S. foreign policy objectives by providing policymakers and diplomats timely intelligence on political developments in key areas such as the Middle East, the Balkans and North Korea.

- Provide worldwide capabilities to detect, identify and deter efforts of foreign nations to develop weapons of mass destruction and ancillary delivery systems.

- Gather information on terrorist activities aimed at U.S. persons or interests and help thwart such activities whether conducted by well-organized groups or loose associations of disaffected individuals intent on striking at the United States.

- Provide worldwide capabilities to gather timely intelligence on current and emerging information technologies or infrastructure that may potentially threaten U.S. interests at home or abroad.

- Contribute where appropriate to policy efforts aimed at bolstering our economic prosperity.

- Provide the timely information necessary to monitor treaties, promote democracy and free markets, forge alliances and track emerging threats.

The collection and analysis of economic intelligence will play an increasingly important role in helping policymakers understand economic trends. Economic intelligence can help by identifying threats to private U.S. economic enterprises from foreign intelligence services as well as unfair trading practices. Intelligence must also identify emerging threats that could affect the international economy and the stability of some nation states, such as the upsurge in international organized crime and illegal trafficking in narcotics.

The development and implementation of U.S. policies to promote democracy abroad relies on sound intelligence support. In order to forecast adequately dangers to democracy abroad, the

intelligence community and policy departments must track political, economic, social and military developments in those parts of the world where U.S. interests are most heavily engaged and where collection of information from open sources is inadequate. This often leads to early warning of potential crises and facilitates preventive diplomacy.

Improving the management of intelligence resources and focusing on the principal concerns of policymakers and military commanders enhances the value of intelligence and contributes to our national well-being. The establishment, for example, of the National Imagery and Mapping Agency will provide a more integrated imagery capability that will be especially important in providing warning of threats to U.S. and allied interests and in supporting crisis management and military operations. Intelligence producers must develop closer relationships with the users of intelligence to make products more responsive to current consumer needs. This includes identifying emerging threats to modern information systems and supporting the development of protection strategies. The continuous availability of intelligence, especially during crises, is of crucial importance. Also underlying all intelligence activities must be an increased awareness of, and enhanced capabilities in, counterintelligence. Finally, to enhance the study and support of worldwide environmental, humanitarian and disaster relief activities, technical intelligence assets -- especially imagery -- must be directed to a greater degree toward collection of data on these subjects.

Fighting International Organized Crime

International organized crime jeopardizes the global trend toward peace and freedom, undermines fragile new democracies, saps the strength from developing countries and threatens our efforts to build a safer, more prosperous world. The rise of organized crime in the new independent states of the former Soviet Union and Central Europe weakens new democracies and poses a direct threat to U.S. interests, particularly in light of the potential for the theft and smuggling by organized criminals of nuclear materials left within some of these nations.

The Administration has launched a major initiative to combat international organized crime. Criminal enterprises are presently moving vast sums of illegal gains through the international financial system with impunity. In addition to invoking the International Emergency Economic Powers Act to undercut the financial underpinnings of criminal enterprises, the President has ordered an action plan to combat money laundering throughout the globe by directing the government to identify and put on notice nations that tolerate money laundering. We intend to work with these nations to bring their banks and financial systems into conformity with the international standards against moneylaundering -- or we will consider sanctions. The Justice Department is also drafting legislation, which will be submitted to Congress, to provide U.S. agencies with the tools they need to respond to organized criminal activity.

Because the threat of organized crime comes from abroad as well as at home, we will work with other nations to keep our citizens safe. The President's invitation at the United Nations to all countries to join the United States in fighting international organized crime by measures of their own and by negotiating and endorsing an international declaration on citizens' safety -- a declaration which would include a "no-sanctuary for organized criminals" pledge -- is an effort to enhance our international cooperative efforts to protect our people.

International crime organizations target nations whose law enforcement agencies lack the experience and capacity to stop them. To help police in the new democracies of Central Europe, Hungary and the United States established an international law enforcement academy in Budapest. The President also proposed last year at the United Nations an effective police partnership that would establish a network of such centers around the world to share the latest crime-fighting techniques and technology.

The President's initiative also targeted the criminal or quasi-legal enterprises that have begun to develop an enormous gray-market trade in illegal weapons. By forging documents or diverting deliveries of armaments, these networks have been able to move weapons to areas of conflict or instability. The graymarket continues to fuel insurgencies and subvert international arms

embargoes. These networks serve criminals and terrorists alike, and parasitically feed off and ultimately threaten, the open markets and open societies that we have worked so hard to advance.

National Security Emergency Preparedness

We will do all we can to prevent destructive forces such as terrorism, the proliferation of weapons of mass destruction, threats to our information systems and catastrophes from within such as natural disasters, from endangering our citizens. But we must also be prepared to respond effectively if an emergency does occur in order to ensure the survivability of our institutions and national infrastructure, protect lives and property and preserve our way of life. National security emergency preparedness is imperative, and we must continue to work aggressively to ensure appropriate threat mitigation and response capabilities, including the ability to restore to normalcy elements of our society affected by national security emergencies or disasters resulting in widespread disruption, destruction, injury or death. To this end, comprehensive, all-hazard emergency preparedness planning by all Federal departments and agencies continues to be a crucial national security requirement.

The Environment and Sustainable Development

The more clearly we understand the complex interrelationships between the different parts of our world's environment, the better we can understand the regional and even global consequences of local changes to the environment. Increasing competition for the dwindling reserves of uncontaminated air, arable land, fisheries and other food sources and water, once considered 'free' goods, is already a very real risk to regional stability around the world. The range of environmental risks serious enough to jeopardize international stability extends to massive population flight from man-made or natural catastrophes, such as Chernobyl or the East African drought, and to large-scale ecosystem damage caused by industrial pollution, deforestation, loss of biodiversity, ozone depletion, desertification, ocean pollution and, ultimately, climate change. Strategies dealing with environmental issues of this magnitude will require partnerships between governments and nongovernmental organizations, cooperation between nations and regions, sustained scientific research and a commitment to a strategically focused, long-term policy for emerging environmental risks.

The decisions we make today regarding military force structures typically influence our ability to respond to threats 20 to 30 years in the future. Similarly, our current decisions regarding the environment and natural resources will affect the magnitude of their security risks over at least a comparable period of time, if not longer. The measure of our difficulties in the future will be settled by the steps we take in the present.

As a priority initiative, the U.S. successfully led efforts at the Cairo Conference to develop a consensus Program of Action to address the continuous climb in global population, including increased availability of family planning and reproductive health services, sustainable economic development, the empowerment of women to include enhanced educational opportunities and a reduction in infant and child mortality. Rapid population growth in the developing world and unsustainable consumption patterns in industrialized nations are the root of both present and potentially even greater forms of environmental degradation and resource depletion. A conservative estimate of the globe's population projects 8.5 billion people on the planet by the year 2025. Even when making the most generous allowances for advances in science and technology, one cannot help but conclude that population growth and environmental pressures will feed into immense social unrest and make the world substantially more vulnerable to serious international frictions.

Promoting Prosperity at Home

A central goal of our national security strategy is to promote America's prosperity through efforts both at home and abroad. Our economic and security interests are increasingly inseparable. Our prosperity at home depends on engaging actively abroad. The strength of our diplomacy, our ability to maintain an unrivaled military, the attractiveness of our values abroad -- all these depend in part on the strength of our economy.

Enhancing American Competitiveness

Our primary economic goal is to strengthen the American economy. The first step toward that goal was reducing the federal deficit and the burden it imposes on the economy and future generations. The economic program passed in 1993 has restored investor confidence in the United States and strengthened our position in international economic negotiations. Under the Clinton economic plan, the federal budget deficit as a percentage of the Gross Domestic Product was lowered from 4.9 percent in Fiscal Year 1992 to 2.4 percent in Fiscal Year 1995 -- the lowest since 1979. And Fiscal Year 1995 was the first time that the deficit has been reduced three years in a row since the Truman Administration. We are building on this deficit reduction effort with other steps to improve American competitiveness: investing in science and technology; assisting integration of the commercial and military industrial sectors; improving information networks and other vital infrastructure; and improving education and training programs for America's workforce. We are structuring our defense R&D effort to place greater emphasis on dual-use technologies that allow the military to capitalize on commercial-sector innovation for lower cost, higher quality and increased performance. We are also reforming the defense acquisition system so that we can develop and procure weapons and materiel more efficiently.

Strengthening Macroeconomic Coordination

As national economies become more integrated internationally, the United States cannot thrive in isolation from developments abroad. International economic expansion is benefiting from G-7 macroeconomic policy coordination. Our work to strengthen an effective, cooperative G-7 dialogue has led to better economic growth in the G-7 countries. In the United States, economic trends point to continued economic strength and sustained expansion. Conditions for growth among our G-7 partners appear to be in place for most countries, and inflation is well under control.

Enhancing Access to Foreign Markets

The success of American business and our ability to create quality jobs for our workers is more than ever dependent upon success in exporting to international markets. The ability to compete internationally also assures that our companies will continue to innovate and increase productivity, which in turn will lead to improvements in our own living standards. But to compete abroad, our firms need access to foreign markets, just as foreign industries have access to our open market. We vigorously pursue measures to increase access for our goods and services -- through bilateral, regional and multilateral arrangements.

Export Strategy and Advocacy Program

In 1993, the Administration published a report creating America's first national export strategy and making 65 specific recommendations for reforming the way government works with the private sector to expand exports. Among the recommendations were significant improvements in advocacy, export financing, market information systems and product standards education. Our objective is to expand U.S. exports to over \$1.2 trillion by the year 2000, which would mean some 5 million new American jobs and a total of some 16 million jobs supported by exports by the turn of the century.

Our export strategy is working. Since this Administration took office, the United States has regained its position from Germany as the world's largest exporter. We have designed and begun implementing new approaches to promoting exports, notably our strategy of focusing upon the ten "Big Emerging Markets" that will take more than a quarter of the world's imports by the year 2010. Our strong export performance has supported as many as 2 million new, export-related jobs since January 1993. But we know that we need to export more in the years ahead if we are to reduce further our trade deficit and raise living standards with high-wage jobs.

Export Controls

Another critical element in boosting U.S. exports is reforming the outdated export licensing system. In September 1993, we liberalized controls on more than \$30 billion of computer exports, and in March 1994, we eliminated controls on virtually all civilian telecommunications equipment to the former Soviet Union, Central and Eastern Europe and China. The Administration is also seeking comprehensive reform of the Export Administration Act, which governs the process of

export licensing. The goal of this reform is to strengthen our ability to combat the proliferation of weapons of mass destruction and protect other national interests, while removing unnecessarily burdensome licensing requirements left over from the Cold War. In 1995, we eliminated controls on the export of computers to our closest allies and liberalized controls on other computer exports consistent with our national security interests.

Expanding the Realm of Open Markets

The conclusion of NAFTA, the Uruguay Round of GATT, the Bogor Declaration of the 1994 APEC leaders meeting and 1995 Osaka Action Plan, the Summit of the Americas' Action Plan and the U.S.-EU Transatlantic Marketplace represent unprecedented progress toward more open markets both at the regional and global levels. The Administration intends to continue its efforts in further enhancing U.S. access to foreign markets. The World Trade Organization (WTO) will provide a new institutional lever for securing such access. Emerging markets, particularly along the Pacific Rim, present vast opportunities for American enterprise, and APEC now provides a suitable vehicle for the exploration of such opportunities. Similarly, the United States convened the Summit of the Americas to seize the opportunities created by the movement toward open markets throughout the hemisphere. The Transatlantic Marketplace launched with the European Union in Madrid in December 1995, will further expand our economic ties. All such steps in the direction of expanded trading relationships will be undertaken in a way consistent with protection of the international environment and towards the goal of sustainable development here and abroad.

The North American Free Trade Agreement

On December 3, 1993, President Clinton signed the North American Free Trade Act (NAFTA), which creates a free trade zone among the United States, Canada and Mexico. NAFTA has already created nearly 310,000 American jobs because of exports to our NAFTA partners. NAFTA has also increased Mexico's capacity to cooperate with our nation on a wide range of issues that cross our 2,000 mile border -- including the environment, narcotics trafficking and illegal immigration. This Free Trade Act helped insulate our trade relationship with Mexico and protect and increase U.S. exports to that country -- and the jobs they support -- during the 1995 Mexican financial crisis and the subsequent economic recession and adjustment period. We have also begun negotiations with Chile on expanding NAFTA's membership.

Asia Pacific Economic Cooperation

Our economic relations depend vitally on our ties with the Asia Pacific region, which is the world's fastest-growing economic area. In November 1993, President Clinton convened the first-ever summit of the leaders of the economies that constitute the Asia Pacific Economic Cooperation (APEC) forum. U.S. initiatives in the APEC forum will open new opportunities for economic cooperation and permit U.S. companies to expand their involvement in substantial infrastructure planning and construction throughout the region. The trade and investment framework agreed to in 1993 provided the basis for enhancing the 'open regionalism' that defines APEC. At the second leaders meeting in November 1994, APEC leaders embraced the goal of free and open trade and investment throughout the region by 2020. A third meeting in Osaka, Japan, in 1995 adopted an action agenda for facilitating and measuring progress toward that goal.

Uruguay Round of GATT

The successful conclusion in December 1993 of the Uruguay Round of the negotiations under the General Agreement on Tariffs and Trade (GATT), after seven years and three "final" deadlines, significantly strengthened the world trading system. The Uruguay Round accord is the largest, most comprehensive trade agreement in history. It will reduce tariffs by 40 percent and extend trade rules to agriculture, services and international property rights. The U.S. economy is expected to gain \$150 billion per year in GNP once the Uruguay Round is fully phased in, which will create hundreds of thousands of new U.S. jobs and expand opportunities for U.S. businesses. Working with Congress, the President secured U.S. approval of this pathbreaking agreement and the resulting World Trade Organization, which provides a forum to resolve disputes openly. The President remains committed to ensuring that the commitments in the Uruguay Round agreement are fulfilled.

U.S. - Japan Framework Agreement

The Administration continues to make progress with Asia's largest economy and America's second largest trading partner in increasing market access and strengthening sustainable economic growth internationally. Since the U.S.-Japan Framework for Economic Partnership was established by President Clinton and Prime Minister Miyazawa in 1993, we have reached 20 market access agreements with Japan covering a range of key sectors, such as medical technologies, telecommunications, insurance, flat glass, financial services and intellectual property rights. Our merchandise exports to Japan in the sectors covered by these agreements have expanded at a rate that is more than double that of export growth to Japan in the noncovered sectors. In August 1995, we concluded a landmark agreement in automobile and auto parts trade, the largest sector of our bilateral trade deficit, and last summer we took steps to support market access for U.S. transport services.

The Administration is committed to ensuring that competitive American goods and services have fair access to the Japanese market. In addition, the Administration is working with Japan to address common challenges to sustainable economic development through the Frameworks Common Agenda for Cooperation in Global Perspective. Partnerships have been strengthened in the environment, human health and advanced technology development, and new initiatives were launched this year that address education, food security, counter-terrorism, natural disaster mitigation, combating emerging infectious diseases and nation-building. This Administration will continue to seek partnerships that help both nations fulfill our international responsibilities as the world's two largest economies.

Summit of the Americas

America's economy benefits enormously from the opportunity offered by the commitment of the 34 democratic nations of the Western Hemisphere to negotiate by 2005 a Free Trade Area of the Americas (FTAA). The Western Hemisphere is our largest export market, constituting over 35 percent of all U.S. sales abroad. The action plan will accelerate progress toward free, integrated markets that will create new, high-wage jobs and sustain economic growth for America. The June 1995 Trade Ministerial created seven working groups to begin preparations for the negotiation of the FTAA.

U.S.-EU Transatlantic Marketplace

On December 3, 1995, President Clinton launched the New Transatlantic Agenda at the U.S.-EU Summit in Madrid, Spain. As part of this agenda, the United States and the European Union (EU) agreed to take concrete steps to reduce barriers to trade and investment through the creation of a New Transatlantic Marketplace. The United States and the EU also will explore the possibility of agreeing on further tariff reductions and accelerated reductions in tariffs already agreed to in the Uruguay Round; negotiate agreements on mutual recognition of certification and testing procedures; conclude a customs cooperation and mutual assistance agreement; carry out a joint study of tariff and nontariff barriers to trade and options for their elimination; and work together in the Organization of Economic Cooperation and Development (OECD) and the WTO to achieve agreements on foreign investment and telecommunications services.

OECD Multilateral Investment Agreement

In May 1995, the United States helped launch OECD negotiations of a Multilateral Agreement on Investment, which will be a state-of-the-art investment agreement. The negotiations are intended to conclude by 1996. There is already broad consensus that the agreement will be based on high standards, including national and most-favored-nation treatment, and that exceptions would be limited and narrowly drawn. We are seeking to establish clear legal standards on expropriation, access to binding international arbitration for disputes and unrestricted investment-related transfers across borders. If successful, these negotiations would help further our efforts on investment issues in Asia and in the WTO.

Preparing International Economic Institutions for the 21st Century

At the initiative of President Clinton at the Naples Economic Summit in 1994, the G-7 undertook an intensive review of the international financial and economic institutions to consider how to prepare them for the 21st Century. At the following year's summit in Halifax, Canada, the G-7 proposed a number of important reforms and initiatives. These include measures to improve our capacity to prevent and mitigate international financial crises; the creation of a more effective early warning and prevention system with an emphasis on improved disclosure of financial and economic data; the establishment of a new Emergency Financing Mechanism to provide the means for a quick and surgical international response to crises with systemic implications; a doubling of the resources available under the General Arrangement to Borrow, including from new participants with a stake in the system; and instituting a review of procedures that might facilitate the orderly resolution of international debt crises in a financial environment characterized by a greater diversity of creditors and financial instruments. Another important area considered at Halifax concerns international financial regulation. The G-7 leaders committed to intensify cooperation among financial authorities to limit systemic risk and pledged to develop and enhance safeguards, standards, transparency and systems to reduce risk.

At Halifax, the G-7 leaders also endorsed a blueprint for reforms of the World Bank and the regional development banks -- reforms that the United States has been promoting for two and a half years. Key elements include: substantially increasing the share of resources devoted to basic social programs that invest in people and are a powerful force for poverty reduction, such as primary education for girls and basic health care; focus on safeguarding the environment; support for development of the private sector and the use of more innovative financial instruments to catalyze private capital flows; and internal reforms of the multilateral development banks, including consolidation, decentralization, increased transparency and cost reduction.

Providing for Energy Security

The United States depends on oil for more than 40% of its primary energy needs. Roughly half of our oil needs are met with imports, and a large share of these imports come from the Persian Gulf area. The experiences of the two oil shocks and the Gulf War show that an interruption of oil supplies can have a significant impact on the economies of the United States and its allies. Appropriate economic responses can substantially mitigate the balance of payments and inflationary impacts of an oil shock; appropriate security policy responses to events such as Iraq's invasion of Kuwait can limit the magnitude of the crisis.

Over the longer term, the United States' dependence on access to foreign oil sources will be increasingly important as our resources are depleted. The U.S. economy has grown roughly 75% since the first oil shock; yet during that time our oil consumption has remained virtually stable and oil production has declined. High oil prices did not generate enough new oil exploration and discovery to sustain production levels from our depleted resource base. These facts show the need for continued and extended reliance on energy efficiency and conservation and development of alternative energy sources. Conservation measures notwithstanding, the United States has a vital interest in unrestricted access to this critical resource.

Promoting Sustainable Development Abroad

Broad-based economic development not only improves the prospects for democratic development in developing countries but also expands the demands for U.S. exports. Economic growth abroad can alleviate pressure on the global environment, reduce the attraction of illegal narcotics trade and improve the health and economic productivity of global populations.

The environmental consequences of ill-designed economic growth are clear. Environmental damage will ultimately block economic growth. Rapid urbanization is outstripping the ability of nations to provide jobs, education and other services to new citizens.

The continuing poverty of a quarter of the world's people leads to hunger, malnutrition, economic migration and political unrest. Widespread illiteracy and lack of technical skills hinder employment opportunities and drive entire populations to support themselves on increasingly fragile and damaged resource bases. New diseases, such as AIDS, and other epidemics which can

be spread through environmental degradation, threaten to overwhelm the health facilities of developing countries, disrupt societies and stop economic growth. Developing countries must address these realities with national sustainable development policies that offer viable alternatives. U.S. leadership is of the essence to facilitate that process. If such alternatives are not developed, the consequences for the planet's future will be grave indeed.

Domestically, the United States is working hard to halt local and cross-border environmental degradation. In addition, the United States is fostering environmental technology that targets pollution prevention, control and cleanup. Companies that invest in energy efficiency, clean manufacturing and environmental services today will create the high-quality, high-wage jobs of tomorrow. By providing access to these types of technologies, our exports can also provide the means for other nations to achieve environmentally sustainable economic growth. At the same time, we are taking ambitious steps at home to better manage our natural resources and reduce energy and other consumption, decrease waste generation and increase our recycling efforts.

Internationally, the Administration's foreign assistance program focuses on four key elements of sustainable development: broad-based economic growth; the environment; population and health; and democracy. We will continue to advocate environmentally sound private investment and responsible approaches by international lenders. As mentioned above, the Multilateral Development Banks (MDB's) are now placing increased emphasis upon sustainable development in their funding decisions, to include a commitment to perform environmental assessments on projects for both internal and public scrutiny. In particular, the Global Environmental Facility (GEF), established in 1994, provides a source of financial assistance to the developing world for climate change, biodiversity and oceans initiatives that will benefit all the world's citizens, including Americans.

The U.S. is taking specific steps in all of these areas:

In June 1993, the United States signed the Convention on Biological Diversity, which aims to protect and utilize the world's genetic inheritance. The Interior Department created a National Biological Service to help protect species and to help the agricultural and biotechnical industries identify new sources of food, fiber and medications.

New policies are being implemented to ensure the sustainable management of U.S. forests by the year 2000, as pledged internationally. In addition, U.S. bilateral forest assistance programs are being expanded, and the United States is promoting sustainable management of tropical forests.

In the wake of the 1992 United Nations Conference on Environment and Development, the United States has undertaken initiatives to reduce land-based sources of marine pollution, maintain populations of marine species at healthy and productive levels and protect endangered marine mammals and coral reefs.

The United States has focused technical assistance and encouraged nongovernmental environmental groups to provide expertise to the new independent states of the former Soviet Union and Central and Eastern European nations that have suffered the most acute environmental crises. The Agency for International Development, the Environmental Protection Agency and other U.S. agencies are engaged in technical cooperation with many countries around the world to advance these goals. The United States has also been working bilaterally with a number of developing countries to promote their sustainable development and to work jointly on global environmental issues.

The Administration is leading a renewed global effort to address population problems and promote international consensus for stabilizing world population growth. Our comprehensive approach stresses family planning and reproductive health care, maternal and child health, education and improving the status of women. The 1994 International Conference on Population and Development held in Cairo, endorsed these approaches as important strategies in achieving our global population goals. At the 1995 UN Conference on Women in Beijing, the United States promoted women's -- and children's -- international rights.

With regard to the United Nations, the G-7 leaders at the Halifax Summit in 1995 endorsed an ambitious effort to modernize the organization's economic and social functions through better

coordination, consolidation of related agencies, rethinking agency mandates and creating an effective management culture in a smaller and more focused Secretariat. Following President Clinton's call for a UN reform commission, the UN General Assembly established the High Level Working Group on Strengthening the UN System in September 1995.

In April 1993, President Clinton pledged that the United States would reduce our greenhouse gas emissions to 1990 levels by the year 2000, in accordance with the Framework Convention on Climate Change. In March 1995, we and other parties to the Convention agreed to negotiate steps to be taken beyond the year 2000. We are resolved to deal forcefully with this threat to our planet while preserving U.S. economic competitiveness.

The United States and other countries have agreed to protect the ozone layer by phasing out use of the major ozone-depleting substances. In 1995, we also agreed with other nations to decrease use of additional ozone-depleting chemicals.

Promoting Democracy

All of America's strategic interests -- from promoting prosperity at home to checking global threats abroad before they threaten our territory -- are served by enlarging the community of democratic and free-market nations. Thus, working with new democratic states to help preserve them as democracies committed to free markets and respect for human rights, is a key part of our national security strategy.

One of the most gratifying and encouraging developments of the past 15 years is the explosion in the number of states moving away from repressive governance and toward democracy. Since the success of many of those experiments is by no means assured, our strategy of enlargement must focus on the consolidation of those regimes and the broadening of their commitment to democracy. At the same time, we seek to increase respect for fundamental human rights in all states and encourage an evolution to democracy where that is possible.

The enlargement of the community of market democracies respecting human rights and the environment is manifest in a number of ways:

More than 30 nations in Central and Eastern Europe, the former Soviet Union, Latin America, Africa and East Asia have, over the past 10 years, adopted the structures of a constitutional democracy and held free elections;

The nations of the Western Hemisphere have proclaimed their commitment to democratic regimes and to the collective responsibility of the nations of the OAS to respond to threats to democracy.

In the Western Hemisphere, only Cuba is not a democratic state.

Nations as diverse as South Africa and Cambodia have resolved bitter internal disputes with agreement on the creation of constitutional democracies.

The first element of our enlargement strategy is to work with the other democracies of the world and to improve our cooperation with them on security and economic issues. We also seek their support in enlarging the realm of democratic nations.

The core of our strategy is to help democracy and free-markets expand and survive in other places where we have the strongest security concerns and where we can make the greatest difference. This is not a democratic crusade; it is a pragmatic commitment to see freedom take hold where that will help us most. Thus, we must target our effort to assist states that affect our strategic interests, such as those with large economies, critical locations, nuclear weapons or the potential to generate refugee flows into our own nation or into key friends and allies. We must focus our efforts where we have the most leverage. And our efforts must be demand-driven -- they must focus on nations whose people are pushing for reform or have already secured it.

Russia is a key state in this regard. If we can support and help consolidate democratic and market reforms in Russia -- and in the other new independent states -- we can help turn a former threat into a region of valued diplomatic and economic partnership. Our intensified interaction with Ukraine has helped move that country onto the path of economic reform, which is critical to its long-term stability. In addition, our efforts in Russia, Ukraine and the other states support and

facilitate our efforts to achieve continued reductions in nuclear arms and compliance with international nonproliferation accords.

The new democracies in Central and Eastern Europe are another clear example, given their proximity to the great democratic powers of Western Europe, their importance to our security and their potential markets. Eventual integration into European security and economic organizations, such as NATO and the EU, will help lock in and preserve the impressive progress in instituting democratic and market-economic reforms that these nations have made.

Since our ties across the Pacific are no less important than those across the Atlantic, pursuing enlargement in the Asia Pacific theater is a third example. We will work to support the emerging democracies of the region and to encourage other states along the same path.

Continuing the great strides toward democracy and markets in our hemisphere is also a key concern and was behind the President's decision to host the Summit of the Americas in December 1994. As we continue such efforts, we should be on the lookout for states whose entry into the camp of market democracies may influence the future direction of an entire region; South Africa now holds that potential with regard to sub-Saharan Africa.

How should the United States help consolidate and enlarge democracy and markets in these states? The answers are as varied as the nations involved, but there are common elements. We must continue to help lead the effort to mobilize international resources, as we have with Russia, Ukraine and the other new independent states. We must be willing to take immediate public positions to help staunch democratic reversals, as we have in Haiti and Guatemala. We must give democratic nations the fullest benefits of integration into foreign markets, which is part of why NAFTA and the Uruguay Round of GATT ranked so high on our agenda. And we must help these nations strengthen the pillars of civil society, improve their market institutions and fight corruption and political discontent through practices of good governance.

At the same time as we work to ensure the success of emerging democracies, we must also redouble our efforts to guarantee basic human rights on a global basis. At the 1993 United Nations Conference on Human Rights, the United States forcefully and successfully argued for a reaffirmation of the universality of such rights and improved international mechanisms for their promotion. In the wake of this gathering, the UN has named a High Commissioner for Human Rights, and the rights of women have been afforded a new international precedence. The United States has taken the lead in assisting the UN to set up international tribunals to enforce accountability for the war crimes in the former Yugoslavia and in Rwanda. And the President has endorsed the creation of a Permanent Criminal Court to address violations of international humanitarian law.

The United States also continues to work for the protection of human rights on a bilateral basis. To demonstrate our own willingness to adhere to international human rights standards, the United States ratified the international convention prohibiting discrimination on the basis of race and the President signed the international convention on the rights of the child. The Administration is seeking Senate consent to ratification for the convention prohibiting discrimination against women. The United States played a major role in promoting women's rights internationally at the UN Women's Conference in September.

In all these efforts, a policy of engagement and enlargement should take on a second meaning: we should pursue our goals through an enlarged circle not only of government officials but also of private and nongovernmental groups. Private firms are natural allies in our efforts to strengthen market economies. Similarly, our goal of strengthening democracy and civil society has a natural ally in labor unions, human rights groups, environmental advocates, chambers of commerce and election monitors. Just as we rely on force multipliers in defense, we should welcome these diplomacy multipliers, such as the National Endowment for Democracy.

Supporting the global movement toward democracy requires a pragmatic and long-term effort focused on both values and institutions. The United States must build on the opportunities achieved through the successful conclusion of the Cold War. Our long-term goal is a world in which each of

the major powers is democratic, with many other nations joining the community of market democracies as well.

Our efforts to promote democracy and human rights are complemented by our humanitarian assistance programs which are designed to alleviate human suffering and to pave the way for progress towards establishing democratic regimes with a commitment to respect for human rights and appropriate strategies for economic development. We are encouraging ideas such as the suggestion of Argentina's President Menem for the creation of an international civilian rapid response capability for humanitarian crises, including a school and training for humanitarian operations.

Through humanitarian assistance and policy initiatives aimed at the sources of disruption, we seek to mitigate the contemporary migration and refugee crises, foster long-term global cooperation and strengthen involved international institutions. The United States will provide appropriate financial support and will work with other nations and international bodies, such as the International Red Cross and the UN High Commissioner for Refugees, in seeking voluntary repatriation of refugees -- taking into full consideration human rights concerns as well as the economic conditions that may have driven them out in the first place. Helping refugees return to their homes in Mozambique, Afghanistan, Eritrea, Somalia and Guatemala, for example, is a high priority.

Relief efforts will continue for people displaced by the conflict in Bosnia and other republics of the former Yugoslavia. We will act in concert with other nations and the UN against the illegal smuggling of aliens into this country. In concert with the tools of diplomatic, economic and military power, our humanitarian and refugee policies can bear results, as was evident in Haiti. We provided temporary safe haven at Guantanamo Naval Base for those Haitians who feared for their safety and left by sea until we helped restore democracy.

III. Integrated Regional Approaches

The United States is a genuinely global power. Our policy toward each of the world's regions reflects our overall strategy tailored to their unique challenges and opportunities. This section highlights the application of our strategy to each of the world's regions; our broad objectives and thrust, rather than an exhaustive list of all our policies and interests. It illustrates how we integrate our commitment to the promotion of democracy and the enhancement of American prosperity with our security requirements to produce a mutually reinforcing policy.

Europe and Eurasia

Our strategy of engagement and enlargement is central to U.S. policy toward Europe. European stability is vital to our own security, a lesson we have learned twice at great cost this century. Vibrant European economies mean more jobs for Americans at home and investment opportunities abroad. With the collapse of the Soviet empire and the emergence of many new democratizing states in its wake, the United States has an unparalleled opportunity to contribute toward a free and undivided Europe. Our goal is an integrated democratic Europe cooperating with the United States to keep the peace and promote prosperity.

The first and most important element of our strategy in Europe must be security through military strength and cooperation. The Cold War is over, but war itself is not over.

We must work with our allies to ensure that the hard-won peace in the former Yugoslavia will survive and flourish after four years of war. U.S. policy is focused on five goals: sustaining a political settlement in Bosnia that preserves the country's territorial integrity and provides a viable future for all its peoples; preventing the spread of the conflict into a broader Balkan war that could threaten both allies and the stability of new democratic states in Central and Eastern Europe; stemming the destabilizing flow of refugees from the conflict; halting the slaughter of innocents; and helping to support NATO's central role in Europe while maintaining our role in shaping Europe's security architecture.

Our leadership paved the way to NATO's February 1994 ultimatum that ended the heavy Serb bombardment of Sarajevo, Bosnia's capital. Our diplomatic leadership then brought an end to the fighting between the Muslims and Croats in Bosnia and helped establish a bicomunal Bosnian-

Croat Federation. In April 1994, we began working with the warring parties through the Contact Group (United States, Russia, United Kingdom, France and Germany) to help the parties reach a negotiated settlement.

This past summer, following Bosnian Serb attacks on the safe areas of Srebrenica and Zepa and in response to the brutal shelling of Sarajevo, the United States led NATO's heavy and continuous air strikes. At the same time, President Clinton launched a new diplomatic initiative aimed at ending the conflict for good. Intensive diplomatic efforts by our negotiators forged a Bosnia-wide cease-fire and got the parties to agree to the basic principles of peace. Three dedicated American diplomats -- Robert Frasure, Joseph Kruzel and Nelson Drew -- lost their lives in that effort.

Three intensive weeks of negotiations, led by the United States last November, produced the Dayton Peace Agreement. In the agreement, the parties committed to put down their guns; to preserve Bosnia as a single state; to investigate and prosecute war criminals; to protect the human rights of all citizens; and to try to build a peaceful, democratic future. And they asked for help from the United States and the international community in implementing the peace agreement.

Following the signature of the peace agreement in Paris on December 14, U.S. forces deployed to Bosnia as part of a NATO-led peace implementation force (IFOR). These forces, along with those of some 25 other nations, including all of our NATO allies, are working to ensure a stable and secure environment so that the parties have the confidence to carry out their obligations under the Dayton agreement. IFOR's task is limited to assisting the parties in implementing the military aspects of the peace agreement, including monitoring the cease-fire, monitoring and enforcing the withdrawal of forces and establishing and manning the zone of separation.

We anticipate a one-year mission for IFOR in Bosnia. The parties to the agreement have specific dates by which each stage of their obligations must be carried out, starting with the separation of forces within 30 days after IFOR assumes authority from UNPROFOR, continuing with the removal of forces and heavy weapons to garrisons within 120 days.

During the second six months, IFOR will continue to maintain a stable and secure environment and prepare for and undertake an orderly drawdown of forces, while the parties themselves will continue to work with the international community to carry out the nonmilitary activities called for by the agreement. We believe that by the end of the first year we will have helped create a secure environment so that the people of Bosnia can travel freely throughout the country, vote in free elections and begin to rebuild their lives.

Civilian tasks of rebuilding, reconstruction, return of refugees and human rights monitoring, which are absolutely essential to making the peace endure, have been undertaken by the entire international community under civilian coordination. International aid agencies are helping the people of Bosnia rebuild to meet the immediate needs of survival. There also is a long-term international reconstruction effort to repair the devastation brought about by years of war. This broad civilian effort is helping the people of Bosnia to rebuild, reuniting children with their parents and families with their homes and will allow the Bosnian people to choose freely their own leaders. It will give them a much greater stake in peace than war, so that peace takes on a life and a logic of its own.

We expect to contribute some \$600 million over the next 3-4 years to reconstruction and relief funding. In view of the large role that U.S. forces are playing in implementing the military aspects of the agreement, we believe it is appropriate for Europe to contribute the largest share of the funds for reconstruction. The European Union has taken the lead in these efforts in tandem with the international financial institutions, in particular the World Bank. The Japanese and Islamic countries also are prepared to make significant contributions.

An important element of our exit strategy for IFOR is our commitment to achieving a stable military balance within Bosnia and among the states of the former Yugoslavia by the time IFOR withdraws. This balance will help reduce the incentives of the parties to return to war. This balance

should be achieved, to the extent possible, through arms limitations and reductions, and the Dayton agreement contains significant measures in this regard.

But even with the implementation of the arms control provisions, the armed forces of the Federation, which have been the most severely constrained by the arms embargo, will still be at a disadvantage. Accordingly, we have made a commitment to the Bosnian government that we will play a leadership role in ensuring that the Federation receives the assistance necessary to adequately defend itself when IFOR leaves. However, because we want to assure the impartiality of IFOR, providing arms and training to Federation forces will not be done by either IFOR or U.S. military forces. The approach we intend to pursue for the United States is to coordinate the efforts of third countries and to lead an international effort, with U.S. involvement in the execution of the program to be done by contractors.

Our efforts in this connection already have begun. An assessment team to evaluate the needs of the Federation visited Bosnia in November and made recommendations regarding the Federation's defense requirements. A special task force has been established at the Department of State to work with other interested states and to identify the best sources of essential equipment and training. We will proceed with this effort in a manner that is consistent with the UN resolution lifting the arms embargo, which allows planning and training to proceed immediately but prohibits the introduction of weapons to the region for three months and the transfer of heavy weapons for six months.

As we work to resolve the tragedy of Bosnia and ease the suffering of its victims, we also need to transform European and transatlantic institutions so they can better address such conflicts and advance Europe's integration. Many institutions will play a role, including the European Union (EU), the Western European Union (WEU), the Council of Europe (CE), the Organization for Security and Cooperation in Europe (OSCE) and the United Nations. But NATO, history's greatest political-military alliance, must be central to that process.

The NATO alliance will remain the anchor of American engagement in Europe and the linchpin of transatlantic security. That is why we must keep it strong, vital and relevant. For the United States and its allies, 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 endures even though the Cold War has receded into the past. And that is why its benefits are so clear to Europe's new democracies.

Only NATO has the military forces, the integrated command structure, the broad legitimacy and the habits of cooperation that are essential to draw in new participants and respond to new challenges. One of the deepest transformations within the transatlantic community over the past half-century occurred because the armed forces of our respective nations trained, studied and marched through their careers together. It is not only the compatibility of our weapons but the camaraderie of our warriors that provide the sinews behind our mutual security guarantees and our best hope for peace. In this regard, we applaud France's decision to resume its participation in NATO's defense councils.

The United States has significantly reduced the level of U.S. military forces stationed in Europe. We have determined that a force of roughly 100,000 U.S. military personnel assigned to the U.S. European Command will preserve U.S. influence and leadership in NATO and provide a deterrent posture that is visible to all Europeans. While we continue to examine the proper mix of forces, this level of permanent presence, augmented by forward deployed naval forces and reinforcements available from the United States, is sufficient to respond to plausible crises and contributes to stability in the region. Such a force level also provides a sound basis for U.S. participation in multinational training and preserves the capability to deter or respond to larger threats in Europe and to support limited NATO operations out of area.

NATO's mission is evolving, and the Alliance will continue to adapt to the many changes brought about in the aftermath of the end of the Cold War. Today, NATO plays a crucial role helping to manage ethnic and national conflict in Europe. With U.S. leadership, NATO has

provided the muscle behind efforts to bring about a peaceful settlement in the former Yugoslavia. NATO air power enforced the UN-mandated no-fly zone and provided support to UN peacekeepers. NATO is now helping to implement the peace after the parties reached an agreement.

With the adoption of the U.S. initiative, Partnership for Peace, at the January 1994 summit, NATO is playing an increasingly important role in our strategy of European integration, extending the scope of our security cooperation to the new democracies of Central and Eastern Europe and the former Soviet Union. Twenty-seven nations, including Russia, have already joined the Partnership, which will pave the way for a growing program of military cooperation and political consultation. Partner countries are sending representatives to NATO headquarters near Brussels and to a military coordination cell at Mons -- the site of Supreme Headquarters Allied Powers Europe (SHAPE). Combined exercises have taken place in virtually all of the Partners' countries and NAT nations. In keeping with our strategy of enlargement, PFP is open to all former members of the Warsaw Pact as well as other European states. Each partner will set the scope and pace of its cooperation with NATO. To facilitate progress toward PFP objectives, the U.S. Warsaw Initiative Program is directing \$100 million to Partner nations this year.

The success of NATO's Partnership for Peace process and the increasing links developed between NATO and Partner nations have also begun to lay the foundation for the Partners to contribute to real-world NATO missions such as the IFOR operation, Joint Endeavor. The participation of over a dozen Partner nations in IFOR demonstrates the value of our efforts to date and will contribute to the further integration of Europe.

The North Atlantic Treaty has always been open to the addition of members who shared the Alliance's purposes and its values, its commitment to respect borders and international law and who could add to its strength; indeed, NATO has expanded three times since its creation. In January 1994, President Clinton made it plain that "the question is no longer whether NATO will take on new members but when and how we will do so." The following December, we and our Allies began a steady, measured and transparent process that will lead to NATO enlargement. During 1995, the Alliance carried out the first phase in this process, by conducting a study of the process and principles that would guide the bringing in of new members. This enlargement study was completed in September and presented to interested members of the Partnership for Peace (PFP).

At its December 1995 foreign ministers meeting in Brussels, NATO announced the launching of the second phase of the enlargement process. All interested members of the Partnership for Peace will be invited, beginning in early 1996, to participate in intensive bilateral consultations with NATO aimed at helping them prepare for possible NATO membership. Participation will not guarantee that a participant will be invited to begin accession talks with NATO. Any such decision will be taken by NATO at a time of its own choosing, based on an overall assessment of Alliance security and interests. As part of this phase, NATO will also expand and deepen the Partnership for Peace, both as a means to further the enlargement process, but also to intensify relations between NATO and all members of the PFP. The second phase in the enlargement process will continue through 1996 and be reviewed and assessed by NATO foreign ministers at their December 1996 meeting.

Enlarging the Alliance will promote our interests by reducing the risk of instability or conflict in Europe's eastern half -- the region where two world wars and the Cold War began. It will help assure that no part of Europe will revert to a zone of great power competition or a sphere of influence. It will build confidence and give new democracies a powerful incentive to consolidate their reforms. And each potential member will be judged according to the strength of its democratic institutions and its capacity to contribute to the goals of the Alliance.

As the President has made clear, NATO enlargement will not be aimed at replacing one division of Europe with a new one; rather, its purpose is to enhance the security of all European states, members and nonmembers alike. In this regard, we have a major stake in ensuring that Russia is engaged as a vital participant in European security affairs. We are committed to a growing, healthy NATO-Russia relationship, including a mechanism for regular consultations on

common concerns. The current NATO-Russia cooperation on Bosnia is a great stride forward. Also, we want to see Russia closely involved in the Partnership for Peace. Recognizing that no single institution can meet every challenge to peace and stability in Europe, we have begun a process that will strengthen the OSCE and enhance its conflict prevention and peacekeeping capabilities.

The second element of the new strategy for Europe is economic. The United States seeks to build on vibrant and open-market economies, the engines that have given us the greatest prosperity in human history over the last several decades in Europe and in the United States. To this end, we strongly support the process of European integration embodied in the European Union and seek to deepen our partnership with the EU in support of our economic goals, but also commit ourselves to the encouragement of bilateral trade and investment in countries not part of the EU. The United States supports appropriate enlargement of the European Union and welcomes the European Union's Customs Union with Turkey.

The nations of the European Union face particularly significant economic challenges with nearly 20 million people unemployed and, in Germany's case, the extraordinarily high costs of unification. Among the Atlantic nations, economic stagnation has clearly eroded public support in finances for outward-looking foreign policies and for greater integration. We are working closely with our West European partners to expand employment and promote long-term growth, building on the results of the Detroit Jobs Conference and the Naples G-7 Summit in 1994. In December 1995, the U.S. and EU launched the New Transatlantic Agenda, which moves the U.S.-EU relationship from consultation to joint action on a range of shared interests, including promoting peace, stability, democracy and development; responding to global challenges; and contributing to the expansion of world trade and closer economic relations.

In Northern Ireland, the Administration is implementing a package of initiatives to promote the peace process, including a successful trade mission, a management intern exchange program and cooperation to promote tourism. The White House Conference on Trade and Investment, held in May 1995, has led to new partnerships between firms in the United States and Northern Ireland that benefit both economies. The President's visit to Northern Ireland in November 1995, the first ever by an American President, drew an unprecedented wave of popular support for peace. We are continuing our support for investment and trade in Northern Ireland to create jobs that will underpin hopes for peace and reconciliation.

As we work to strengthen our own economies, we must know that we serve our own prosperity and our security by helping the new market reforms in the new democracies in Europe's East, which will help to deflate the region's demagogues. It will help ease ethnic tensions; it will help new democracies take root.

In Russia, Ukraine and the other new independent states of the former Soviet Union, the economic transformation they are undertaking is historical. The Russian Government has made substantial progress toward privatizing the economy (over 60 percent of the Russian Gross Domestic Product is now generated by the private sector) and reducing inflation, and Ukraine has taken bold steps of its own to institute much-needed economic reforms. But much remains to be done to build on the reform momentum to assure durable economic recovery and social protection. President Clinton has given strong and consistent support to this unprecedented reform effort and has mobilized the international community to provide structural economic assistance; for example, by securing agreement by the G-7 to make available four billion dollars in grants and loans as Ukraine has implemented economic reform. Through the Gore-Chernomyrdin Commission, the United States is working closely with Russia in priority areas, including defense, trade and science and technology.

The short-term difficulties of taking Central and Eastern Europe into Western economic institutions will be more than rewarded if they succeed and if they are customers for America's and Western Europe's goods and services tomorrow. That is why this Administration has been committed to increase support substantially for market reforms in the new states of the former Soviet Union and why we have continued our support for economic transition in Central and

Eastern Europe, while also paying attention to measures that can overcome the social dislocations which have resulted largely from the collapse of the Soviet-dominated regional trading system. One step was a White House sponsored Trade and Investment Conference for Central and Eastern Europe, which took place in Cleveland in January, 1995.

Ultimately, the success of market reforms to the East will depend more on trade and investment than official aid. No one nation has enough resources to markedly change the future of those countries as they move to free market systems. One of our priorities, therefore, is to reduce trade barriers with the former communist states.

The third and final imperative of this new strategy is to support the growth of democracy and individual freedoms that has begun in Russia, the nations of the former Soviet Union and Europe's former communist states. The success of these democratic reforms makes us all more secure; they are the best answer to the aggressive nationalism and ethnic hatreds unleashed by the end of the Cold War. Nowhere is democracy's success more important to us all than in these countries.

This will be the work of generations. There will be wrong turns and even reversals, as there have been in all countries throughout history. But as long as these states continue their progress toward democracy and respect the rights of their own and other people, and they understand the rights of their minorities and their neighbors, we will support their progress with a steady patience.

East Asia and the Pacific

East Asia is a region of growing importance for U.S. security and prosperity; nowhere are the strands of our three-pronged strategy more intertwined nor is the need for continued U.S. engagement more evident. Now more than ever, security, open markets and democracy go hand in hand in our approach to this dynamic region. In 1993, President Clinton laid out an integrated strategy -- a New Pacific Community -- which links security requirements with economic realities and our concern for democracy and human rights.

In thinking about Asia, we must remember that security is the first pillar of our new Pacific community. The United States is a Pacific nation. We have fought three wars there in this century. To deter regional aggression and secure our own interests, we will maintain an active presence, and we will continue to lead. Our deep, bilateral ties with such allies as Japan, South Korea, Australia, Thailand and the Philippines, and a continued American military presence will serve as the foundation for America's security role in the region. Currently, our forces number nearly 100,000 personnel in East Asia. In addition to performing the general forward deployment functions outlined above, they contribute to regional stability by deterring aggression and adventurism.

As a key element of our strategic commitment to the region, we are pursuing stronger efforts to combat the proliferation of weapons of mass destruction on the Korean Peninsula. In October 1994, we reached an important Agreed Framework committing North Korea to halt and eventually eliminate, its existing, dangerous nuclear program -- and an agreement with China, restricting the transfer of ballistic missiles.

Another example of our security commitment to the Asia Pacific region in this decade is our effort to develop multiple new arrangements to meet multiple threats and opportunities. We have supported new regional dialogues -- such as the ASEAN Regional Forum (ARF) -- on the full range of common security challenges. The second ARF Ministerial, held in August 1995, made significant progress in addressing key security issues such as the Korean Peninsula and the South China Sea. It also agreed to intersessional meetings on confidence-building measures such as search and rescue cooperation and peacekeeping. Such regional arrangements can enhance regional security and understanding through improved confidence and transparency. These regional exchanges are grounded on the strong network of bilateral relationships that exist today.

The continuing tensions on the Korean Peninsula remain the principal threat to the peace and stability of the Asian region. We have worked diligently with our South Korean and Japanese allies, with the People's Republic of China and with Russia, and with various UN organizations to resolve the problem of North Korea's nuclear program. Throughout 1995, we successfully took the initial steps to implement the U.S.-North Korea nuclear agreement, beginning with IAEA monitoring of

the North Korean nuclear freeze of its plutonium reprocessing plant and of its construction of two larger plants and an expanded reprocessing facility. In March 1995, a U.S.-led effort with Japan and the Republic of Korea successfully established the Korean Peninsula Energy Development Organization (KEDO), which will finance and supply the light-water reactor project to North Korea. The reactor will, over a ten-year period, replace North Korea's more dangerous, plutonium producing reactors. In December 1995, KEDO and North Korea reached agreement on a comprehensive supply contract for the light-water reactor project as part of the overall plan to replace North Korea's existing, dangerous nuclear program. KEDO also supplied heavy fuel oil to offset the energy from the frozen reactor projects and took measures to safely store spent nuclear fuel in North Korea, pending its final removal under the terms of the Agreed Framework. That effort will be accompanied by a willingness to improve bilateral political and economic ties with the North, commensurate with their continued cooperation to resolve the nuclear issue and to make progress on other issues of concern, such as improved North-South Korean relations and missile proliferation. Our goal remains a non-nuclear, peacefully reunified Korean Peninsula. Our strong and active commitment to our South Korean allies and to the region is the foundation of this effort.

A stable, open, prosperous and strong China is important to the United States and to our friends and allies in the region. A stable and open China is more likely to work cooperatively with others and to contribute positively to peace in the region and to respect the rights and interests of its people. A prosperous China will provide an expanding market for American goods and services. We have a profound stake in helping to ensure that China pursues its modernization in ways that contribute to the overall security and prosperity of the Asia Pacific region. To that end, we strongly promote China's participation in regional security mechanisms to reassure its neighbors and assuage its own security concerns.

In support of these objectives, we have adopted a policy of comprehensive engagement designed to integrate China into the international community as a responsible member and to foster bilateral cooperation in areas of common interest. At the same time, we are seeking to resolve important differences in areas of concern to the United States, such as human rights, proliferation and trade. The United States continues to follow its long-standing "one China" policy; at the same time, we maintain fruitful unofficial relations with the people in Taiwan, a policy that contributes to regional security and economic dynamism. We have made clear that the resolution of issues between Taiwan and the PRC should be peaceful.

On July 11, 1995, the President normalized relations with Vietnam. This step was taken in recognition of the progress that had been made in accounting for missing Americans from the Vietnam war and to encourage continued progress by Vietnam in the accounting process. This action also served to help bring Vietnam into the community of nations. Vietnam's strategic position in Southeast Asia makes it a pivotal player in ensuring a stable and peaceful region. In expanding dialogue with Vietnam, the United States will continue to encourage it along the path toward economic reform and democracy, with its entry into ASEAN a move along this path.

The second pillar of our engagement in Asia is our commitment to continuing and enhancing the economic prosperity that has characterized the region. Opportunities for economic progress continue to abound in Asia and underlie our strong commitment to multilateral economic cooperation, principally through APEC. Today, the 18 member states of APEC -- comprising about one-third of the world's population, including Mexico and Canada -- produce \$13 trillion and export \$1.7 trillion of goods annually, about one-half of the world's totals. U.S. exports to Asian economies reached \$150 billion in 1994, supporting nearly 2.9 million American jobs. U.S. direct investments in Asia totaled over \$108 billion -- about one-fifth of total U.S. direct foreign investment.

A prosperous and open Asia Pacific is key to the economic health of the United States. Annual APEC leaders meetings, initiated in 1993 by President Clinton, are vivid testimonies to the possibilities of stimulating regional economic cooperation. As confidence in APEC's potential grows, it will pay additional dividends in enhancing political and security ties within the region.

We are also working with our major bilateral trade partners to improve trade relations. The U.S. and Japan have successfully completed 20 bilateral trade agreements in the wake of the 1993 Framework Agreement, designed to open Japan's markets more to competitive U.S. goods and reduce the U.S. trade deficit. As U.S.-China trade continues to grow significantly, we must work closely with Beijing to resolve remaining bilateral and multilateral trade problems, such as intellectual property rights and market access. In February 1995, the United States reached a bilateral agreement with China on intellectual property rights, potentially saving U.S. companies billions of dollars in revenues lost because of piracy. China's accession to the WTO is also an important objective for the United States. The United States and other WTO members have made it clear that China must join the WTO on commercial terms.

The third pillar of our policy in building a new Pacific community is to support democratic reform in the region. The new democratic states of Asia will have our strong support as they move forward to consolidate and expand democratic reforms.

Some have argued that democracy is somehow unsuited for Asia or at least for some Asian nations -- that human rights are relative and that they simply mask Western cultural imperialism. These arguments are wrong. It is not Western imperialism but the aspirations of Asian peoples themselves that explain the growing number of democracies and the growing strength of democracy movements everywhere in Asia. We support those aspirations and those movements.

Each nation must find its own form of democracy, and we respect the variety of democratic institutions that have grown in Asia. But there is no cultural justification for torture or tyranny. Nor do we accept repression cloaked in moral relativism. Democracy and human rights are universal yearnings and universal norms, just as powerful in Asia as elsewhere. We will continue to press for improved respect for human rights in such countries as China, Vietnam and Burma.

The Western Hemisphere

The Western Hemisphere, too, is a fertile field for a strategy of engagement and enlargement. Sustained improvements in the security situation there, including the resolution of border tensions, control of insurgencies and containment of pressures for arms proliferation, will be an essential underpinning of political and economic progress in the hemisphere.

The unprecedented triumph of democracy and market economies throughout the region offers an unparalleled opportunity to secure the benefits of peace and stability and to promote economic growth and trade. At the Summit of the Americas, which President Clinton hosted in December 1994, the 34 democratic nations of the hemisphere committed themselves for the first time to the goal of free trade in the region by 2005. They also agreed to a detailed plan of cooperative action in such diverse fields as health, education, science and technology, environmental protection and the strengthening of democratic institutions. A series of follow-on ministerial meetings have already begun the important work of implementing an action plan, with the active participation of the Organization of American States and the Inter-American Development Bank. Over the last year Summit partners have worked together to improve regional security, block the activities of international criminals, counter corruption and increase opportunities for health, education and prosperity for residents of the hemisphere. The Summit ushered in a new era of hemispheric cooperation that would not have been possible without U.S. leadership and commitment.

NAFTA, ratified in December 1994, has strengthened economic ties, with substantial increases in U.S. exports to both Mexico and Canada, creating new jobs and new opportunities for American workers and business. We have also begun negotiations with Chile to join NAFTA. And in the security sphere, negotiations with Canada will extend the North American Air Defense (NORAD) Agreement through 2001.

We remain committed to extending democracy to all of the region's people still blocked from controlling their own destinies. Our overarching objective is to preserve and defend civilian-elected governments and strengthen democratic practices respectful of human rights. Working with the international community, we succeeded in reversing the coup in Haiti and restoring the democratically elected president and government. Over the past year, the United States and the

international community have helped the people of Haiti consolidate their hard-won democracy and organize free and fair elections at all levels. Haitians were able to choose their representatives in the Senate, the Chamber of Deputies and at the local level. And, for the first time in its history, Haiti experienced a peaceful transition between two democratically elected presidents.

With the restoration of democracy in Haiti, Cuba is the only country in the hemisphere still ruled by a dictator. The Cuban Democracy Act remains the framework for our policy toward Cuba; our goal is the peaceful establishment of democratic governance for the people of Cuba. In October, the United States took steps to invigorate our efforts to promote the cause of peaceful change in Cuba. These measures tighten the enforcement of our economic embargo against the Cuban regime and enhance our contacts with the Cuban people through an increase in the free flow of information and ideas. By reaching out to nongovernmental organizations, churches, human rights groups and other elements of Cuba's civil society, we will strengthen the agents of peaceful change.

We are working with our neighbors through various hemispheric organizations, including the OAS, to invigorate regional cooperation. Both bilaterally and regionally, we seek to eliminate the scourge of drug trafficking, which poses a serious threat to democracy and security. We also seek to strengthen norms for defense establishments that are supportive of democracy, respect for human rights and civilian control in defense matters. The Defense Ministerial of the Americas hosted by the United States in July 1995, and "The Williamsburg Principles" which resulted from it, were a significant step in this effort. Working with our Latin American partners who make up the "guarantor countries", we also began to move toward a permanent resolution of the Peru-Ecuador border dispute. In addition, a highly successful Organization of American States conference on regional Confidence and Security Building Measures was held in Santiago, Chile.

Protecting the region's precious environmental resources is also an important priority.

The Middle East, Southwest and South Asia

The United States has enduring interests in the Middle East, especially in pursuing a lasting and comprehensive Middle East peace, assuring the security of Israel and our Arab friends and maintaining the free flow of oil at reasonable prices. Our strategy is harnessed to the unique characteristics of the region and our vital interests there, as we work to extend the range of peace and stability.

We have made solid progress in the past three years. The President's efforts helped bring about many historic firsts -- the handshake of peace between Prime Minister Rabin and Chairman Arafat on the White House lawn has been followed by the Jordan-Israel peace treaty, the Israeli-Palestinian Interim Agreement, progress on eliminating the Arab boycott of Israel and the establishment of ties between Israel and an increasing number of its Arab neighbors. But our efforts have not stopped there; on other bilateral tracks and through regional dialogue we are working to foster a durable peace and a comprehensive settlement, while our support for economic development can bring hope to all the peoples of the region.

In Southwest Asia, the United States remains focused on deterring threats to regional stability, particularly from Iraq and Iran as long as those states pose a threat to U.S. interests, to other states in the region and to their own citizens. We have in place a dual containment strategy aimed at these two states and will maintain our long-standing presence, which has been centered on naval vessels in and near the Persian Gulf and prepositioned combat equipment. Since Operation Desert Storm, temporary deployments of land-based aviation forces, ground forces and amphibious units have supplemented our posture in the Gulf region. The October 1994 deployment for Operation Vigilant Warrior demonstrated again our ability to rapidly reinforce the region in time of crisis and respond quickly to threats to our allies.

We have made clear that Iraq must comply with all the relevant Security Council resolutions. We also remain committed to preventing the oppression of Iraq's people through Operations Provide Comfort and Southern Watch. Our policy is directed not against the people of Iraq but against the aggressive behavior of the government.

Our policy toward Iran is aimed at changing the behavior of the Iranian government in several key areas, including Iran's efforts to obtain weapons of mass destruction and missiles, its support for terrorism and groups that oppose the peace process, its attempts to undermine friendly governments in the region and its dismal human rights record. We remain willing to enter into an authoritative dialogue with Iran to discuss the differences between us.

A key objective of our policy in the Gulf is to reduce the chances that another aggressor will emerge who would threaten the independence of existing states. Therefore, we will continue to encourage members of the Gulf Cooperation Council to work closely on collective defense and security arrangements, help individual GCC states meet their appropriate defense requirements and maintain our bilateral defense agreements.

South Asia has experienced an important expansion of democracy and economic reform, and our strategy is designed to help the peoples of that region enjoy the fruits of democracy and greater stability through efforts aimed at resolving long-standing conflict and implementing confidence-building measures. The United States has engaged India and Pakistan in seeking agreement on steps to cap, reduce and ultimately eliminate their capabilities for weapons of mass destruction and ballistic missiles. Regional stability and improved bilateral ties are also important for America's economic interest in a region that contains a quarter of the world's population and one of its most important emerging markets.

In both the Middle East and South Asia, the pressure of expanding populations on natural resources is enormous. Growing desertification in the Middle East has strained relations over arable land. Pollution of the coastal areas in the Eastern Mediterranean, the Red Sea and the Gulf of Aqaba has degraded fish catches and hindered development. Water shortages stemming from overuse, contaminated water aquifers and riparian disputes threaten regional relations. In South Asia, high population densities and rampant pollution have exacted a tremendous toll on forests, biodiversity and the local environment.

Africa

Africa poses one of our greatest challenges and opportunities to enlarge the community of market democracies. Significant changes have been made in Africa in recent years: multi-party systems have become more common; new constitutions have been promulgated; elections have become more open; the press generally has more freedom today; and the need for budgetary and financial discipline is better understood. Throughout Africa, U.S. policies have supported these developments. Specifically, our policies have promoted democracy, respect for human rights, sustainable economic development and resolution of conflicts through negotiation, diplomacy and peacekeeping. New policies will strengthen civil societies and mechanisms for conflict resolution, particularly where ethnic, religious and political tensions are acute. In particular, we will seek to identify and address the root causes of conflicts and disasters before they erupt.

The compounding of economic, political, social, ethnic and environmental challenges facing Africa can lead to a sense of 'Afro-pessimism.' However, if we can simultaneously address these challenges, we create a synergy that can stimulate development, resurrect societies and build hope. We encourage democratic reform in nations like Zaire and Sudan to allow the people of these countries to enjoy responsive government. In Nigeria, we have strongly condemned the government's brutal human rights violations and support efforts to help encourage a return to democratic rule. In Mozambique and Angola, we have played a leading role in bringing an end to two decades of civil war and promoting national reconciliation. For the first time, there is the prospect that all of southern Africa could enjoy the fruits of peace and prosperity. Throughout the continent -- in Rwanda, Burundi, Liberia, Sudan and elsewhere -- we work with the UN and regional organizations to encourage peaceful resolution of internal disputes.

In 1994, South Africa held its first non-racial elections and created a Government of National Unity. Local government elections throughout most of the country in November 1995 marked the near-end of the process of political transformation. The adoption of a final constitution now remains.

Vice President Gore recently completed his second trip to the African continent and to South Africa, where he conducted the first formal meeting of the U.S.-South Africa Binational Commission formed during the October 1994 state visit of President Mandela. We remain committed to addressing the socio-economic legacies of apartheid, and we view U.S. support for economic advancement and democratization in South Africa as mutually reinforcing.

It is not just in South Africa that we are witnessing democratization. In quieter but no less dramatic ways in countries like Benin, Congo, Malawi, Mali, Namibia and Zambia, we are seeing democratic revolutions in need of our support. We want to encourage the creation of cultures of tolerance, flowering of civil society and the protection of human rights and dignity.

Our humanitarian interventions, along with the international community, will address the grave circumstances in several nations on the continent. USAID's new "Greater Horn of Africa" Initiative is building a foundation for food security and crisis prevention in the Greater Horn of Africa. This initiative has now moved beyond relief to support reconstruction and sustainable development. In Somalia, our forces broke through the chaos that prevented the introduction of relief supplies. U.S. forces prevented the death of hundreds of thousands of Somalis and then turned over the mission to UN peacekeepers from over a score of nations. In Rwanda, Sudan, Angola, Sierra Leone and Liberia, we have taken an active role in providing humanitarian relief to those displaced by violence.

Such efforts by the United States and the international community must be limited in duration and designed to give the peoples of a nation the opportunity to put their own house in order. In the final analysis, the responsibility for the fate of a nation rests with its own people.

We are also working with international financial institutions, regional organizations, private volunteer and nongovernmental organizations and governments throughout Africa to address the urgent issues of population growth, spreading disease (including AIDS), environmental decline, enhancing the role of women in development, eliminating support for terrorism, demobilization of bloated militaries, relieving burdensome debt and expanding trade and investment ties to the countries of Africa. The United States is working closely with other donors to implement wide ranging management and policy reforms at the African Development Bank (AfDB). The AfDB plays a key role in promoting sustainable development and poverty alleviation.

Central to all these efforts will be strengthening the American constituency for Africa, drawing on the knowledge, experience and commitment of millions of Americans to enhance our nation's support for positive political, economic and social change in Africa. For example, the 1994 White House Conference on Africa, the first such gathering of regional experts ever sponsored by the White House, drew together more than 200 Americans from the Administration, Congress, business, labor, academia, religious groups, relief and development agencies, human rights groups and others to discuss Africa's future and the role that the United States can play in it. The President, Vice President, Secretary of State and National Security Advisor all participated in the conference, which produced a wealth of new ideas and new commitment to Africa.

IV. Conclusions

The clear and present dangers of the Cold War made the need for national security commitments and expenditures obvious to the American people. Today the task of mobilizing public support for national security priorities has become more complicated. The complex array of new dangers, opportunities and responsibilities outlined in this strategy come at a moment in our history when Americans are preoccupied with domestic concerns and when budgetary constraints are tighter than at any point in the last half century. Yet, in a more integrated and interdependent world, we simply cannot be successful in advancing our interests -- political, military and economic -- without active engagement in world affairs.

Our nation can never again isolate itself from global developments. Domestic renewal will not succeed if we fail to engage abroad to open foreign markets, promote democracy in key countries and counter and contain emerging threats.

We are committed to enhancing U.S. national security in the most efficient and effective ways possible. We recognize that maintaining peace and ensuring our national security in a volatile world are expensive and require appropriate resources for all aspects of our engagement -- military, diplomatic and economic. The cost of any other course of action, however, would be immeasurably higher.

Our engagement abroad requires the active, sustained bipartisan support of the American people and the U.S. Congress. Of all the elements contained in this strategy, none is more important than this: our Administration is committed to explaining our security interests and objectives to the nation; to seeking the broadest possible public and congressional support for our security programs and investments; and to exerting our leadership in the world in a manner that reflects our best national values and protects the security of this great and good nation.

1997

**Стратегия Национальной Безопасности
для нового века
(Вашингтон, май 1997 г.)**

A NATIONAL SECURITY STRATEGY FOR A NEW CENTURY
MAY 1997

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Preface

Protecting the security of our nation--our people, our territory and our way of life--is my foremost mission and constitutional duty. As we enter the twenty-first century, we have an unprecedented opportunity to make our nation safer and more prosperous. Our military might is unparalleled; a dynamic global economy offers increasing opportunities for American jobs and American investment; and the community of democratic nations is growing, enhancing the prospects for political stability, peaceful conflict resolution and greater hope for the people of the world.

At the same time, the dangers we face are unprecedented in their complexity. Ethnic conflict and outlaw states threaten regional stability; terrorism, drugs, organized crime and proliferation of weapons of mass destruction are global concerns that transcend national borders; and environmental damage and rapid population growth undermine economic prosperity and political stability in many countries.

This report, submitted in accordance with Section 603 of the Goldwater-Nichols Defense Department Reorganization Act of 1986, sets forth a national security strategy to advance our national interests in this era of unique opportunities and dangers. It is premised on the belief that both our domestic strength and our leadership abroad are essential to advancing our goal of a safer, more prosperous America. Building upon America's unmatched strengths, the strategy's three core objectives are:

To enhance our security with effective diplomacy and with military forces that are ready to fight and win.

To bolster America's economic prosperity.

To promote democracy abroad.

To achieve these objectives, we will remain engaged abroad and work with partners, new and old, to promote peace and prosperity. We can--and we must--use America's leadership to harness global forces of integration, reshape existing security, economic and political structures, and build new ones that help create the conditions necessary for our interests and values to thrive.

As we approach this century's end, the blocs and barriers that divided the world for fifty years largely have fallen away. Our responsibility is to build the world of tomorrow by embarking on a period of construction--one based on current realities but enduring American values and interests. In constructing international frameworks, institutions and understandings to guide America and the world far into the next century, the following strategic priorities advance our core national security objectives:

First, we must help foster a peaceful, undivided, democratic Europe. When Europe is stable and at peace, America is more secure. When Europe prospers, so does America.

NATO was created to strengthen Europe's west. Now, it can do the same for Europe's east. This summer, we will hold a special summit to continue the process of adapting our alliance to new demands while enlarging it to take in new members from among Europe's new democracies. Countries that were once our adversaries now can become our allies. We aim to build a strong NATO-Russia partnership that provides for consultation and, when possible, joint action on common security challenges and contributes to a democratic Russia's active participation in the post-Cold War European security system. We will strengthen the Partnership for Peace Program and create an enhanced NATO-Ukraine relationship.

Second, America must look across the Pacific as well as across the Atlantic. Over the last four years, we have made significant progress in creating a stable, prosperous Asia Pacific community. In this endeavor, we must reinforce our close ties to Japan, the Republic of Korea, Australia and our ASEAN friends and allies. As we strengthen our security and promote our prosperity, we must remain alert to the challenges that remain. We must ensure that North Korea continues to implement its agreement to freeze and dismantle its nuclear weapons program, and we

must fund America's contribution to this effort. Together with South Korea, we must advance peace talks with North Korea and bridge that armed divide. And we must sustain the remarkable growth fueled by increasingly open markets and the integration that all the region's economies are attaining through the Asia Pacific Economic Cooperation forum.

We must pursue a deeper dialogue with China. An isolated, inward-looking China is not good for America or the world. A China playing its rightful role as a responsible and active member of the international community is. I will visit China and I have invited China's president to come here not because we agree on everything, but because engaging China is the best way to work on common challenges such as ending nuclear testing--and to deal frankly with fundamental differences such as human rights.

Third, the American people must prosper in the global economy. We have made it our mission to tear down trade barriers abroad in order to create jobs at home. Over the last four years we have concluded more than 200 trade agreements, each one of which opened a foreign market more widely to American products. Today, America is again the world's number one exporter--leading in agriculture and aviation, automobiles and entertainment, semiconductors and software.

Now, we must build on that momentum, especially in Asia and Latin America. If we fail to act now, these emerging economies will find their economic future with other nations--and we will be left behind. That is why I am traveling to Latin America and the Caribbean this year--to continue the work we began at the Summit of the Americas in Miami in building a community of democracies linked by shared values and expanding trade. We must continue to help nations embrace open markets, improve living standards and advance the rule of law and we must support the World Bank and other organizations that multiply our contributions to progress many times over.

Fourth, America must continue to be an unrelenting force for peace--from the Middle East to Haiti, from Northern Ireland to Central Africa. Taking reasonable risks for peace keeps us from being drawn into far more costly conflicts. It encourages other nations to focus on future hopes, not past hatreds. It creates partners willing to seize the opportunities of a new century. The habits of peace crafted in Bosnia must take hold, helped by the NATO-led Stabilization Force that is allowing reconstruction and reconciliation to accelerate.

Fifth, we must continue to move strongly to counter growing dangers to our security: weapons of mass destruction, terrorism, international crime, drugs, illegal arms trafficking, and environmental damage. We are acting to prevent nuclear materials from falling into the wrong hands and to rid the world of antipersonnel landmines and chemical weapons. The American people are more secure because we won historic accords to end nuclear testing and to ban chemical weapons. Together with Russia, we are working to cut our nuclear arsenals by 80 percent from their Cold War height within a decade. We are working with others, with renewed intensity, to improve civil aviation security, to defeat drug traffickers and to stop terrorists before they act--and to hold them accountable if they do. We are protecting the global environment--managing our forests, stopping the spread of toxic chemicals, working to close the hole in the ozone layer, reducing the greenhouse gasses that challenge our health as they change our climate.

Finally, we must have the diplomatic and military tools to meet all these challenges. We must maintain a strong and ready military. We will achieve this by selectively increasing funding for weapons modernization and taking care of our men and women in uniform. They are doing a remarkable job for America--America must do right by them.

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

its own example, we must demonstrate our own commitment to these priority tasks. This is also why we must pay our debts and dues to a reforming United Nations.

Inherent in this final priority is the need to examine our overall national security posture, programs, structure and budget. Within the Department of Defense such a review is currently underway and the State Department and other international affairs agencies are reorganizing to confront the pressing challenges of tomorrow. We need to continue looking across our government to see if during this time of transition we are adequately preparing to meet the national security challenges of the next century.

Each of these six priorities is essential to keeping America strong, secure and prosperous and to advancing our national security objectives. Our strategy requires the patient application of American will and resources. We can sustain that necessary investment only with the continued support of the American people and the bipartisan support of their representatives in Congress--a bipartisanship that was clearly displayed in the recent ratification of the Chemical Weapons Convention. The full participation of Congress is essential to the success of our continuing engagement, and I will consult with members of Congress at every step as we formulate and implement American foreign policy.

America has an unparalleled record of international leadership. Through our leadership comes rewards. The more America leads, the more willing others are to share the risks and responsibilities of forging our futures. We have repeatedly seen this over the last four years--in Bosnia and Haiti where we worked with many other nations for peace and democracy, in the Summit of the Americas and APEC Leaders Forum where we agreed with our partners to build a free and open trading system, and in many other instances. Our achievements of the last four years are the springboard for tomorrow's better world.

We are at the dawn of a new century. Now is the moment to be farsighted as we chart a path into the new millennium. As borders open and the flow of information, technology, money, trade, and people across borders increases, the line between domestic and foreign policy continues to blur. We can only preserve our security and well being at home by being actively involved in the world beyond our borders.

The need for American leadership abroad remains as strong as ever. With the support of the American public, I am committed to sustaining our active engagement abroad in pursuit of our cherished goal--a more secure and prosperous America in a more peaceful and prosperous world where democracy and free markets know no limits.

I. Leadership Today For a Safer, More Prosperous Tomorrow

Our national security strategy must always be judged by its success in meeting the fundamental purposes set out in the Constitution:

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

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

Challenges and Opportunities

The security environment in which we live is dynamic and uncertain, replete with numerous challenges. Ethnic conflict and outlaw states threaten stability in many regions of the world. Weapons of mass destruction, terrorism, organized crime and environmental damage are global concerns that transcend national borders. Yet, this is also a period of great promise. America's core values of representative governance, market economics and respect for fundamental human rights

have been embraced by many nations around the world, creating new opportunities to promote peace, prosperity and greater cooperation among nations. Former adversaries now cooperate with us. The dynamism of the global economy is transforming commerce, culture, communications and global relations.

During the first Clinton Administration we assessed America's role in a radically transformed security environment and outlined a national security strategy to advance our interests. Our strategy highlighted that the demise of communism in the former Soviet Union brought with it unprecedented opportunities in global relations as well as a host of threats and challenges with the potential to grow more deadly in a world grown closer. This strategy took into account the revolution in technology that not only enriches our lives, but makes it possible for terrorists, criminals and drug traffickers to challenge the safety of our citizens and the security of our borders in new ways. Our strategy focused on the security implications for both present and long-term American policy raised by transnational problems that once seemed quite distant--such as resource depletion, rapid population growth, environmental degradation and refugee migration. Faced with these circumstances, we did not set objectives for separate and distinct foreign and domestic policies, but rather for economic and security policies that advance our interests and ideals in a world where the dividing line between domestic and foreign policy is increasingly blurred.

These principles continue to guide us at the beginning of the second Clinton Administration and prompt us to make some general observations about America's role in the world in which we live.

Because we are a nation with global interests, we face a variety of challenges to our interests, often far beyond our shores. We must always retain our superior diplomatic, technological, industrial and military capabilities to address this broad range of challenges so that we can respond together with other nations when we can, and alone when we must. We have seen in the past that the international community is often reluctant to act forcefully without American leadership. In many instances, the United States is the only nation capable of providing the necessary leadership for an international response to shared challenges.

The Imperative of Engagement

These observations make our strategic approach clear. First, we must be prepared and willing to use all appropriate instruments of national power to influence the actions of other states and non-state actors. Second, we must have the demonstrated will and capabilities to continue to exert global leadership and remain the preferred security partner for the community of states that share our interests. In short, American leadership and engagement in the world are vital for our security, and the world is a safer place as a result.

Three-quarters of a century ago, the United States squandered Allied victory in World War I when it embraced isolationism and turned inward. After World War II, and in the face of a new totalitarian threat, America accepted the challenge to lead. We remained engaged overseas and, with our allies, worked to create international structures--from the Marshall Plan, the United Nations, NATO and 42 other defense arrangements, to the International Monetary Fund and the World Bank that enabled us to strengthen our security and prosperity and win the Cold War.

By exerting our leadership abroad, we can make America safer and more prosperous--by deterring aggression, fostering the resolution of conflicts, opening foreign markets, strengthening democracies, and tackling global problems. Without our leadership and engagement, threats would multiply and our opportunities would narrow. Our strategy recognizes a simple truth: we must lead abroad if we are to be secure at home, but we cannot lead abroad unless we are strong at home.

Underpinning that international leadership is the power of our democratic ideals and values. In designing our strategy, we recognize that the spread of democracy supports American values and enhances both our security and prosperity. Democratic governments are more likely to cooperate with each other against common threats and to encourage free and open trade and economic development--and less likely to wage war or abuse the rights of their people. Hence, the trend

toward democracy and free markets throughout the world advances American interests. The United States must support this trend by remaining actively engaged in the world. This is the strategy to take us into the next century.

Implementing the Strategy

Though we must always be prepared to act alone, when necessary, or as a leader of an ad hoc coalition that may form around a specific objective, we cannot always accomplish our foreign policy goals unilaterally. An important element of our security preparedness depends on durable relationships with allies and other friendly nations. Accordingly, a central thrust of our strategy is to strengthen and adapt the security relationships we have with key nations around the world and create new structures when necessary. Examples of these efforts include NATO enlargement, the Partnership for Peace, and the commitment by the Asia Pacific Economic Cooperation (APEC) forum and the Summit of the Americas to expand free trade and investment.

At other times we must harness our diplomatic, military and economic strengths to shape a favorable international environment outside of any formal structures. This approach has borne fruit in areas as diverse as the advancement of peace in the Middle East and Northern Ireland, the elimination of nuclear weapons from Ukraine, Kazakstan and Belarus and in our support for the transformation of South Africa, and is further exemplified through our comprehensive assistance package to Russia and other New Independent States (NIS).

In implementing our strategy for a safer, more prosperous tomorrow, we are guided by the strategic priorities President Clinton laid out in his 1997 State of the Union Address:

- foster an undivided, democratic and peaceful Europe

- forge a strong and stable Asia Pacific community

- continue America's leadership as the world's most important force for peace

- create more jobs and opportunities for Americans through a more open and competitive trading system that also benefits others around the world

- increase cooperation in confronting new security threats that defy borders and unilateral solutions

- strengthen the military and diplomatic tools necessary to meet these challenges

As we stand at the edge of a new century, our national security strategy will continue to make a real difference in the lives of our citizens by promoting a world of open societies and open markets that is supportive of U.S. interests and consistent with American values. We know that there must be limits to America's involvement in the world. We must be selective in the use of our capabilities, and the choices we make always must be guided by advancing our objectives of a more secure, prosperous and free America. But we also recognize that if we withdraw U.S. leadership from the world today, we will have to contend with the consequences of our neglect tomorrow. America cannot walk away from its global interests and responsibilities, or our citizens' security and prosperity will surely suffer.

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

II. Advancing U.S. National Interests

As stated, the goal of the national security strategy is to ensure the protection of our nation's fundamental and enduring needs: protect the lives and safety of Americans; maintain the sovereignty of the United States, with its values, institutions and territory intact; and provide for the prosperity of the nation and its people.

We seek to create conditions in the world where our interests are rarely threatened, and when they are, we have effective means of addressing those threats. In general, we seek a world in which no critical region is dominated by a power hostile to the United States and regions of greatest importance to the U.S. are stable and at peace. We seek a climate where the global economy and open trade are growing, where democratic norms and respect for human rights are increasingly accepted and where terrorism, drug trafficking and international crime do not undermine stability and peaceful relations. And we seek a world where the spread of nuclear, chemical, biological and other potentially destabilizing technologies is minimized, and the international community is willing and able to prevent or respond to calamitous events. This vision of the world is also one in which the United States has close cooperative relations with the world's most influential countries and has the ability to influence the policies and actions of those who can affect our national well-being.

The overall health of the international economic environment directly affects our security, just as stability enhances the prospects for prosperity. This prosperity, a goal in itself, also ensures that we are able to sustain our military forces, foreign initiatives and global influence. It is that engagement and influence that helps ensure the world remains stable so that the international economic system can flourish.

We believe that our strategy will move us closer to the vision outlined above and therefore will achieve our objectives of enhancing our security, bolstering our economic prosperity and promoting democracy.

Enhancing Security

To ensure the safety of our nation, the United States will continue its integrated approach to addressing the numerous threats to our interests and preserve a full range of foreign policy tools. We must maintain superior military forces. Similarly, we must retain a strong diplomatic corps and a foreign assistance program sufficient to maintain American leadership. Our tools of foreign policy must be able to shape the international environment, respond to the full spectrum of potential crises and prepare against future threats. Our military forces will have the ability to respond to challenges short of war, and in concert with regional friends and allies, to win two overlapping major theater wars. We will continue pursuing diplomatic, economic, military, arms control, and nonproliferation efforts that promote stability and reduce the danger of nuclear, chemical, biological and conventional conflict.

Threats to U.S. Interests

The current era presents a diverse set of threats to our enduring goals and hence to our security. These threats are generally grouped into three, often intertwined, categories:

Regional or State-centered Threats: A number of states still have the capabilities and the desire to threaten our vital interests, through either coercion or cross border aggression. In many cases, these states are also actively improving their offensive capabilities, including efforts to obtain nuclear, biological or chemical weapons. In other cases, unstable nations, internal conflicts or failed states may threaten to further destabilize regions where we have clear interests.

Transnational Threats: Some threats transcend national borders. These transnational threats, such as terrorism, the illegal drug trade, illicit arms trafficking, international organized crime, uncontrolled refugee migrations, and environmental damage threaten American interests and citizens, both directly and indirectly. Not all of these are new threats, but advances in technology have, in some cases, made these threats more potent.

Threats from Weapons of Mass Destruction: Weapons of mass destruction pose the greatest potential threat to global security. We must continue to reduce the threat posed by existing arsenals of such weaponry as well as work to stop the proliferation of advanced technologies that place these destructive capabilities in the hands of parties hostile to U.S. and global security interests. Danger exists from outlaw states opposed to regional and global security efforts and transnational actors,

such as terrorists or international crime organizations, potentially employing nuclear, chemical or biological weapons against unprotected peoples and governments.

The Need for Integrated Approaches

No one nation can defeat these threats alone. Accordingly, a central thrust of our strategy is to adapt our security relationships with key nations around the world to combat these threats to common interests. We seek to strengthen cooperation with friends and allies to address these threats by, for example, denying terrorists safe havens, cracking down on money laundering and tightening intelligence cooperation to prevent weapons proliferation, terrorist attacks and international crime.

Building effective coalitions of like-minded nations is not enough. That is why we are continuing to strengthen our own capabilities: so we can more effectively lead the international community in responding to these threats, and act on our own when we must. Our response to these threats is not limited exclusively to any one agency within the U.S. Government. National security preparedness particularly in this era when domestic and foreign policies are increasingly blurred crosses agency lines; thus, our approach places a premium on integrated interagency efforts to enhance U.S. security.

Many aspects of our strategy are focused on shaping the international environment to prevent or deter threats. Diplomacy, international assistance, arms control programs, nonproliferation initiatives, and overseas military presence are examples of shaping activities. A second element of this integrated approach is the requirement to maintain an ability to respond across the full spectrum of potential crises, up to and including fighting and winning major theater wars. Finally, we must prepare today to meet the challenges of tomorrow's uncertain future.

Shaping the International Environment

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

...through Diplomacy

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

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

Military force and the credible possibility of its use are essential to defend our vital interests and keep America safe. But force alone can be a blunt instrument, and there are many problems it cannot solve. To be most effective, force and diplomacy must complement and reinforce each other for there will be many occasions and many places where we must rely on diplomatic shaping activities to protect and advance our interests.

...through International Assistance

From the U.S.-led mobilization to rebuild post-war Europe to the more recent creation of export opportunities across Asia, Latin America and Africa, U.S. foreign assistance has helped expand free markets, assisted emerging democracies, contained environmental hazards and major health threats, slowed population growth and defused humanitarian crises. Crises are averted--and U.S. preventive diplomacy actively reinforced--through U.S. sustainable development programs that promote voluntary family planning, basic education, environmental protection, democratic governance and rule of law, and the economic empowerment of private citizens.

When combined effectively with other bilateral and multilateral activities, U.S. initiatives reduce the need for costly military and humanitarian interventions. Where foreign aid succeeds in consolidating free market policies, substantial growth of American exports has frequently followed. Where crises have occurred, actions such as the Greater Horn of Africa Initiative have helped staunch mass human suffering and created a path out of conflict and dislocation through targeted relief. Other foreign aid programs have worked to help restore elementary security and civic institutions.

...through Arms Control

Arms control efforts are another important shaping tool. By increasing transparency surrounding the size and structure of military forces, arms control efforts build national confidence, reduce incentives to initiate an attack and allow countries to direct resources to safer, more productive relations. Our various arms control initiatives are an essential prevention measure that can yield disproportionately significant results, often eliminating the need for a more substantial U.S. response later.

Reductions in strategic offensive arms and the steady shift toward less destabilizing systems remain essential to our strategy. Under START II, the United States and Russia will each be limited to no more than 3,000-3,500 total deployed strategic nuclear warheads. START II ratification by Russia will open the door to the next round of strategic arms control.

At the Helsinki Summit, Presidents Clinton and Yeltsin agreed to START III guidelines that if adopted will, by the end of 2007, cap the number of strategic nuclear warheads deployed in each country at 2,000-2,500--reducing both our arsenals by 80 percent from Cold War heights. They agreed that START III will, for the first time, require the U.S. and Russia to destroy nuclear warheads, not only the missiles, aircraft and submarines that carry them, and they opened the door to possible reductions in shorter-range nuclear weapons. Also at Helsinki, the Presidents reaffirmed their commitment to the Anti-Ballistic Missile (ABM) Treaty and the necessity of effective theater missile defenses and reached agreement on demarcation between systems to counter strategic and theater ballistic missiles.

Regional and multilateral arms control efforts, such as achieving a comprehensive global ban on antipersonnel landmines as soon as possible, strengthening the 1972 Biological Weapons Convention (BWC) and implementing and enforcing the Chemical Weapons Convention (CWC) increase the security of our citizens and prevent or limit conflict. That is why the Administration aggressively pursued Senate ratification of the CWC. Similarly, Senate approval of the CFE Flank Agreement is important because the agreement underpins new negotiations to adapt the 30-nation CFE Treaty to the changing European security environment. And, Senate approval of the Comprehensive Test Ban Treaty (CTBT) banning all nuclear test explosions is also a priority objective.

Other arms control objectives include securing Indian and Pakistani accession to the CTBT to allow that treaty to enter into force; obtaining Senate approval of protocols to the South Pacific Nuclear Free Zone Treaty and the African Nuclear Weapons Free Zone Treaty, and protocols to the Convention on Conventional Weapons dealing with landmines and blinding lasers; and obtaining Russian, Ukrainian and Belarusian ratification of the Open Skies Treaty.

We also promote, through international organizations such as the Organization for Security and Cooperation in Europe (OSCE), implementation of confidence and security-building measures in regions of tension and instability--even where we are not formal parties to such agreements. Agreements in the Balkans as mandated by the Dayton Accords are excellent examples.

...through Nonproliferation Initiatives

Nonproliferation initiatives, which deter the use of weapons of mass destruction (WMD) nuclear, biological and chemical and stem their spread and that of their component parts or delivery systems, enhance global security. The Administration supports international treaty regimes that prohibit the acquisition of weapons of mass destruction, including the Nuclear Non-Proliferation Treaty (NPT), the CWC and the BWC. We also seek to achieve a Fissile Material Cutoff Treaty to cap the nuclear materials available for weapons purposes.

The Administration also seeks to limit access to sensitive equipment and technologies through participating in and fostering the efforts of multilateral regimes, including the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, the Australia Group (for chemical and biological weapons), the Missile Technology Control Regime (MTCR), and the Nuclear Suppliers Group. We are working to harmonize national export control policies, increase information sharing, refine control lists and expand cooperation against illicit transfers.

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

Through programs, such as the Nunn-Lugar Cooperative Threat Reduction Program and other initiatives, we aim to prevent the theft or diversion of WMD or related material or technology. We are purchasing tons of highly enriched uranium from dismantled Russian nuclear weapons for conversion into commercial reactor fuel for U.S. use. And we are also working together to redirect former Soviet facilities and scientists from military to peaceful purposes.

We are working with China to resolve a number of important proliferation issues and they have committed not to transfer MTCR-controlled missiles. Our priority now is to gain their agreement to implement national export controls that meet international standards.

...through Military Activities

The U.S. military plays an essential role in building coalitions and shaping the international environment in ways that protect and promote U.S. interests. Through means such as the forward stationing or deployment of forces, defense cooperation and security assistance, and training and exercises with allies and friends, our armed forces help to promote regional stability, deter aggression and coercion, prevent and reduce conflicts and threats, and serve as role models for militaries in emerging democracies.

Our military promotes regional stability in numerous ways. In Europe, East Asia and Southwest Asia, where the U.S. has clear, vital interests, the American military helps assure the security of key allies and friends. We are continuing to adapt and strengthen our alliances and coalitions to meet the challenges of an evolving security environment and to improve other countries' peacekeeping capabilities. With countries that are neither staunch friends nor known foes, military cooperation often serves as a positive means of engagement, building security relationships today in an effort to keep these countries from becoming adversaries tomorrow.

Deterrence of aggression and coercion on a daily basis is another crucial aspect of the military's shaping role. Our ability to deter potential adversaries in peacetime rests on several factors, particularly on our demonstrated will and ability to uphold our security commitments when

they are challenged. We have earned this reputation through both our declaratory policy, which clearly communicates costs to potential adversaries, and the credibility of our conventional warfighting capability, as embodied in forces and equipment strategically stationed or deployed forward, our rapidly deployable stateside-based forces, our ability to gain timely access to critical infrastructure overseas, and our demonstrated ability to form and lead effective military coalitions.

U.S. military forces prevent and reduce a wide range of potential conflicts in key regions. An example of such an activity is our deployment to the Former Yugoslav Republic of Macedonia to prevent the spread of violence to that country.

Our armed forces also serve as a role model for militaries in emerging democracies around the world. Through modest military-to-military activities and increasing links between the U.S. military and the military establishments of Partnership for Peace nations, for instance, we are helping to transform military institutions in central and eastern Europe.

Finally, our nuclear deterrent posture is one of the most visible and important examples of how U.S. military capabilities can be used effectively to deter aggression and coercion. Nuclear weapons serve as a hedge against an uncertain future, a guarantee of our security commitments to allies and a disincentive to those who would contemplate developing or otherwise acquiring their own nuclear weapons. In this context, the United States must continue to maintain a robust triad of strategic forces sufficient to deter any hostile foreign leadership with access to nuclear forces and to convince it that seeking a nuclear advantage would be futile.

Responding to Crises

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

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

The second category includes situations where important national interests are at stake. These interests do not affect our national survival, but they do affect our national well-being and the character of the world in which we live. In such cases, we will use our resources to advance these interests insofar as the costs and risks are commensurate with the interests at stake. Our intervention in Haiti and participation in NATO operations in Bosnia are relevant examples.

The third category involves humanitarian interests. In the event of natural or manmade disasters or gross violations of human rights, our nation may act because our values demand it. Moreover, in such cases, the force of our example bolsters support for our leadership in the world. Whenever possible, we seek to avert such humanitarian disasters through diplomacy and cooperation with a wide range of partners, including other governments, international institutions and nongovernmental organizations. By doing so, we may not only save lives but also prevent the drain on resources caused by intervention in a full-blown crisis.

The U.S. military is at once dangerous to our enemies and a bulwark to our friends. Though typically not the best tool to address long-term humanitarian concerns, under certain circumstances our military may provide appropriate and necessary humanitarian assistance. Those circumstances include: a natural or manmade disaster that dwarfs the ability of the normal relief agencies to

respond; the need for relief is urgent and the military has a unique ability to respond quickly; and the U.S. mission is narrowly defined with minimal risk to American lives. In these cases, the United States may intervene when the costs and risks are commensurate with the stakes involved and when there is reason to believe that our action can make a real difference. Such efforts by the United States and the international community will be limited in duration and designed to give the affected country the opportunity to put its house in order. In the final analysis, the responsibility for the fate of a nation rests with its own people.

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

Transnational Threats

Today, American diplomats, law enforcement officials, military personnel and others are called upon to respond to assorted transnational threats that have moved to center stage with the Cold War's end. Combating these dangers which range from terrorism, international crime, and trafficking in drugs and illegal arms, to environmental damage and intrusions in our critical information infrastructures requires far-reaching cooperation among the agencies of our government as well as with other nations.

The United States will continue appropriate sharing of intelligence and information with other nations to counter terrorism, corruption and money-laundering activities, and fight drug trafficking. We will also further seek to prevent arms traders from fueling regional conflicts and subverting international embargoes and will impose additional sanctions on states that sponsor terrorism. International cooperation to combat these transnational threats will be vital for building security in the next century.

Terrorism

U.S. counterterrorism approaches are meant to prevent, disrupt and defeat terrorist operations before they occur, and, if terrorist acts do occur, to respond overwhelmingly, with determined efforts to bring the perpetrators to justice. Our policy to counter international terrorists rests on the following principles: (1) make no concessions to terrorists; (2) bring all pressure to bear on state sponsors of terrorism; (3) fully exploit all available legal mechanisms to punish international terrorists; and (4) help other governments improve their capabilities to combat terrorism.

The U.S. has made concerted efforts to deter and punish terrorists and remains determined to apprehend those who terrorize American citizens. Similarly, as long as terrorists continue to target American citizens and interests, we reserve the right to strike at their bases and attack assets valued by those who support them--a right we exercised in 1993 with the attack against Iraqi intelligence headquarters in response to Baghdad's assassination attempt against former President Bush.

Countering terrorism effectively requires day-to-day coordination within the U.S. Government and close cooperation with other governments and international organizations. We have seen positive results from the increasing integration of intelligence, diplomatic, investigative and prosecutorial activities among the Departments of State, Justice, Defense, Treasury, Transportation, and the CIA. The Administration is also working with Congress to increase the ability of these agencies to combat terrorism through augmented funding and manpower.

Placing terrorism at the top of the diplomatic agenda has increased international information sharing and law enforcement efforts. At the 1996 Lyon Summit the industrial powers joined in condemning Iran's support for terrorism and continued efforts to achieve global adoption of all current counterterrorism treaties by the year 2000. Last year Congress and the President worked together to enact the Iran-Libya Sanctions Act which will increase economic pressure on these two state sponsors of terrorism. We further seek to uncover, reduce or eliminate foreign terrorist capabilities in our country; eliminate terrorist sanctuaries; counter state-supported terrorism and

subversion of moderate regimes through a comprehensive program of diplomatic, economic and intelligence activities; improve aviation security worldwide and at U.S. airports; ensure better security for all U.S. transportation systems; and improve protection for our personnel assigned overseas.

Drug Trafficking

The U.S. response to the global scourge of drug abuse and drug trafficking is to integrate domestic and international efforts to reduce both the demand and the supply of drugs. Its ultimate success will depend on concerted efforts by the public, all levels of government and the private sector together with other governments, private groups and international organizations. Domestically, we seek to educate and enable America's youth to reject illegal drugs; increase the safety of America's citizens by substantially reducing drug-related crime and violence; reduce health and social costs to the public of illegal drug use; and shield America's air, land and sea frontiers from the drug threat.

Abroad, the U.S. National Drug Control Strategy seeks to reduce cultivation of drug producing crops, interdict the flow of drugs at the source and in the transit zone (particularly in Central and South America, the Caribbean and Mexico), and stop drugs from entering our country. The strategy includes efforts to strengthen democratic institutions; root out corruption; destroy trafficking organizations; prevent money laundering; eradicate illegal drug crops in this hemisphere, Asia and the Middle East; and encourage alternate crop development. The United States is aggressively engaging international organizations, financial institutions and non-governmental organizations in counternarcotics cooperation. For instance, the President has invoked the International Emergency Economic Powers Act (IEEPA) to attack the finances, companies and individuals owned or controlled by the Cali Cartel as well as other Colombian drug cartels, freezing their assets in the United States, identifying front companies and barring Americans from doing business with them.

Our strategy recognizes that at home and abroad, prevention, treatment and economic alternatives must go hand-in-hand with law enforcement and interdiction. Long-term efforts will be maintained to help nations develop economies with fewer market incentives for producing drugs. We have also increased efforts abroad to foster public awareness and support for foreign governments' efforts to reduce drug abuse.

International Organized Crime

International organized crime undermines fragile new democracies as well as developing nations and challenges our own security. In parts of the former Soviet Union, for instance, organized crime poses a threat to our interests because of the potential for theft and smuggling of inherited nuclear materials remaining in those countries.

To fight organized crime, we seek to mount an international effort to combat the major international criminal cartels, most notably those based in Italy, the former Soviet Union, Colombia, Southeast Asia, and Nigeria. In particular, in the context of the P-8 and bilaterally, we are promoting legal assistance and extradition cooperation. We also are working to combat money laundering and other criminal activities in the major offshore financial centers, create indigenous criminal investigation and prosecution capabilities in key countries and implement specific plans to address several other financial crimes, including counterfeiting, large-scale international fraud and embezzlement, computer intrusion of banks and cellular phones, and alien smuggling.

The Administration has launched a major initiative to stop criminal organizations from moving funds through the international financial system. We will identify and put on notice nations that fail to bring their financial systems into conformity with international standards and appropriate Financial Action Task Force (FATF) recommendations. We also seek to target the criminal enterprises that are developing the gray market trade in illegal weapons. By using forged documents and diverting deliveries of armaments, these networks serve criminals and terrorists alike and move weapons to areas of conflict and instability, often subverting international arms embargoes.

International organized crime organizations target nations whose law enforcement agencies lack the capacity and experience to stop them. To help the new democracies of Central Europe, the United States and Hungary established an international law enforcement academy in Budapest. The President proposed last year at the United Nations to establish a network of such centers around the world to share the latest crime-fighting techniques and technology.

Environmental and Security Concerns

Environmental threats do not heed national borders and can pose long-term dangers to our security and well-being. Natural resource scarcities often trigger and exacerbate conflict. Environmental threats such as climate change, ozone depletion and the transnational movement of dangerous chemicals directly threaten the health of U.S. citizens. We must work closely with other countries to respond aggressively to these and other environmental threats. <

Decisions today regarding the environment and natural resources can affect our security for generations; consequently, our national security planning is incorporating environmental analyses as never before. In addition, we have a full diplomatic agenda, working unilaterally, regionally and multilaterally to forge agreements to protect the global environment.

Smaller-Scale Contingencies

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

The U.S. military conducts smaller-scale contingency operations to vindicate national interests. These operations encompass the full range of military operations short of major theater warfare, including humanitarian assistance, peacekeeping, disaster relief, no-fly zones, reinforcing key allies, limited strikes, and interventions. These operations will likely pose the most frequent challenge for U.S. forces and cumulatively require significant commitments over time. These operations will also put a premium on the ability of the U.S. military to work closely and effectively with other U.S. Government agencies, nongovernmental organizations, regional and international security organizations and coalition partners.

Not only must the U.S. military be prepared to successfully conduct multiple concurrent operations worldwide, it must also be prepared to do so in the face of challenges such as terrorism, information operations, and the threat or use of weapons of mass destruction. U.S. forces must also remain prepared to withdraw from contingency operations if needed to deploy to a major theater war. Accordingly, U.S. forces will remain multi-mission capable and will be trained and managed with multiple missions in mind.

At times it will be in our national interest to proceed in partnership with others to preserve, maintain and restore peace. American participation in peace operations takes many forms, such as the NATO coalition in Bosnia, the American-led UN force in Haiti and our involvement in a multilateral coalition in the Sinai.

The question of command and control in contingency operations is particularly critical. Under no circumstances will the President ever relinquish his constitutionally mandated command authority over U.S. forces, but there may be times when it is in our interest to place U.S. forces under the temporary operational control of a competent allied or United Nations commander. This is consistent with well-established practice from the siege of Yorktown during the Revolutionary War to the battles of Operation DESERT STORM.

Major Theater Warfare

At the high end of responding to crises is fighting and winning major theater wars. This mission will remain the ultimate test of our Total Force our active and reserve military components and one in which it must always succeed. For the foreseeable future, the United States, in concert with regional allies, must remain able to deter credibly and defeat large-scale, cross-border aggression in two distant theaters in overlapping time frames.

As long as countries like Iraq and North Korea remain capable of threatening vital U.S. interests, this requirement is only prudent. Maintaining such a capability should, when we are heavily engaged in one region, deter opportunism elsewhere and provide a hedge against the possibility that we might encounter larger or more difficult than expected threats. A strategy for deterring and defeating aggression in two theaters ensures we maintain the flexibility to meet unknown future threats, while continued global engagement helps preclude such threats from developing.

Fighting and winning major theater wars entails three particularly challenging requirements. First, we must maintain the ability to rapidly defeat initial enemy advances short of enemy objectives in two theaters, in close succession. The U.S. must maintain this ability to ensure that we can seize the initiative, minimize territory lost before an invasion is halted, and ensure the integrity of our warfighting coalitions.

Second, the United States must plan and prepare to fight and win under conditions where an adversary may use asymmetric means against us unconventional approaches that avoid or undermine our strengths while exploiting our vulnerabilities. This is of particular importance and a significant challenge. Because of our dominance in the conventional military arena, adversaries who challenge the United States are likely to do so using asymmetric means, such as WMD, information operations or terrorism.

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

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

Preparing Now for an Uncertain Future

At the same time we address the problems of today, we must prepare now for tomorrow's uncertain future. This requires that we support shaping and responding requirements in the near term, while at the same time evolving our unparalleled capabilities to ensure we can effectively shape and respond to meet future challenges. Key to this evolution is the need to foster innovation in new operational concepts, capabilities, technologies and organizational structures; modernize our forces; and take prudent steps today to position ourselves to respond more effectively to unlikely but significant future threats.

We must continue aggressive efforts to construct appropriate twenty-first century national security programs and structures. The Quadrennial Defense Review is doing this within the Department of Defense, and the State Department and other international affairs agencies are similarly reorganizing to confront the pressing challenges of tomorrow as well as those we face today. We need to continue looking across our government to see if during this time of transition we are adequately preparing to meet the national security challenges of the next century.

It is critical that we renew our commitment to America's diplomacy-- to ensure we have the diplomatic representation required to support our global interests. This is central to retaining our ability to remain an influential voice on international issues that affect our well-being. We will

preserve that influence so long as we retain the diplomatic capabilities, military wherewithal and economic base to underwrite our commitments credibly.

The United States is approaching the point where a major modernization of our military forces is required. The military procurement buys of the late-70s and early-80s permitted us to defer large-scale recapitalization of the force for over a decade. In order to maintain the technological superiority of U.S. forces, we must selectively increase modernization funding to both introduce new systems, and replace aging Cold War-era equipment as it reaches the end of its service life.

Closely related to our modernization efforts is the requirement to invest in selected research and prototype systems while monitoring trends in likely future threats. These prudent steps provide insurance against the possibility that some of our efforts to shape the international environment in ways favorable to U.S. interests do not succeed. Although such insurance is certainly not free, it is a relatively inexpensive way to manage risk in an uncertain, resource-constrained environment--that is, the risk of being unprepared to meet a new threat, the risk of developing the wrong capabilities, and the risk of producing a capability too early and having it become obsolete by the time it is needed.

The United States cannot hedge against every conceivable future threat. Instead, we should focus our insurance efforts on threats that, while unlikely, would have highly negative consequences for U.S. security and would be very expensive to counter were they to emerge. Our current research and development effort to position the U.S. to deploy a credible national missile defense system within three years of a deployment decision is an example of this approach.

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

Overarching Capabilities

Critical to our nation's ability to shape the international environment and respond to the full spectrum of crises--today and tomorrow--are technologies, capabilities and requirements to enable the continued worldwide application of U.S. national power.

Intelligence

Our intelligence capabilities are critical instruments for implementing our national security strategy. Comprehensive intelligence capabilities are needed to provide warning of threats to U.S. national security, give analytical support to the policy and military communities, provide near-real time intelligence in times of crisis while retaining global perspective, and to identify opportunities for advancing our national interests.

Today, intelligence operations must cover a wider range of threats and policy needs than ever before and work more closely with policymaking agencies. We place a high priority on preserving and enhancing those intelligence collection and analytic capabilities that provide information on states and groups that pose the most serious threats to U.S. security.

Current intelligence priorities include states whose policies and actions are hostile to the United States; countries that possess strategic nuclear forces or control nuclear weapons, other WMD or nuclear fissile materials; transnational threats; potential regional conflicts that might affect U.S. national security interests; intensified counterintelligence against foreign intelligence collection inimical to U.S. interests; and threats to U.S. forces and citizens abroad.

Intelligence support is also required to develop and implement U.S. policies to promote democracy abroad, protect the environment, identify threats to modern information systems, monitor arms control agreements, and support worldwide humanitarian efforts. The fusion of all intelligence disciplines will provide the most effective collection and analysis of data on these subjects.

Space

We are committed to maintaining our leadership in space. Uninhibited access to and use of space is essential for preserving peace and protecting U.S. national security as well as civil and commercial interests. It is essential to our ability to shape and respond to current and future changes in the international environment. Our space policy objectives include deterring threats to our interest in space and defeating hostile efforts against U.S. space assets if deterrence fails, preventing the spread of weapons of mass destruction to space, and enhancing global partnerships with other space-faring nations across the spectrum of economic, political and security issues.

Missile Defense

We have highly effective missile defense development programs designed to protect our country, deployed U.S. forces and our friends and allies against ballistic missiles armed with conventional weapons or WMD. These programs and systems complement and strengthen our deterrence and nonproliferation efforts by reducing incentives for potential proliferators to develop or use WMD. Significantly, Presidents Clinton and Yeltsin agreed at the Helsinki Summit to maintain the ABM Treaty as a cornerstone of strategic stability, yet adapt it to meet the threat posed by shorter-range missiles a threat we seek to counter through our theater missile defense (TMD) systems. The agreement is consistent with planned U.S. TMD programs, all of which have been certified by the United States as compliant with the ABM Treaty.

Although the intelligence community does not believe it likely that any hostile state will develop an intercontinental-range missile capability that could threaten our nation in the foreseeable future, we are developing missile defense programs that position the U.S. to deploy a credible national missile defense system should a threat materialize.

Information Infrastructure

The national security posture of the United States is increasingly dependent on our information infrastructures. These infrastructures are highly interdependent and are increasingly vulnerable to tampering and exploitation. Concepts and technologies are being developed and employed to protect and defend against these vulnerabilities; we must fully implement them to ensure the future security of not only our national information infrastructures, but our nation as well.

National Security Emergency Preparedness

We will do all we can to prevent destructive forces such as terrorism, WMD use, sabotage of our information systems and natural disasters from endangering our citizens. But if an emergency occurs, we must also be prepared to respond effectively to protect lives and property and ensure the survival of our institutions and national infrastructure. National security emergency preparedness is imperative, and comprehensive, all-hazard emergency planning by Federal departments and agencies continues to be a crucial national security requirement.

Promoting Prosperity

The second core objective of our national security strategy is to promote America's prosperity through efforts both at home and abroad. Our economic and security interests are inextricably linked. Prosperity at home depends on our leadership in the global economy. The strength of our diplomacy, our ability to maintain an unrivaled military, the attractiveness of our values abroad all depend in part on the strength of our economy.

Enhancing American Competitiveness

Our primary economic goal remains to strengthen the American economy. We will continue to pursue deficit reduction with a goal of balancing the federal budget by 2002. By cutting the deficit and balancing the budget, government borrows less, freeing capital for private sector investment. We seek to create a business environment in which the innovative and competitive efforts of the private sector can flourish; encourage the development, commercialization and use of civilian technology; invest in a world-class infrastructure for the twenty-first century, including the national information infrastructure for our knowledge-based economy; invest in education and

training to develop a workforce capable of participating in our rapidly changing economy; and continue our efforts to open foreign markets to U.S. goods and services.

Enhancing Access to Foreign Markets

Our prosperity as a nation in the twenty-first century also depends upon our ability to compete and win in international markets. The rapidly expanding global economy presents enormous opportunities for American companies and workers. Over the next decade the global economy is expected to grow at three times the rate of the U.S. economy. Growth will be particularly powerful in emerging markets. Our economic future will increasingly rest on tapping into these global opportunities.

In a world where over 95 percent of the world's consumers live outside the United States, we must export to sustain economic growth at home. If we do not seize these opportunities, our competitors surely will. We must therefore continue working hard over the next four years to secure and enforce agreements that enable Americans to compete fairly in foreign markets.

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

Over the next four years, the Administration will continue to press our trading partners-- multilaterally, regionally and bilaterally to expand export opportunities for U.S. workers, farmers and companies. We will position ourselves at the center of a constellation of trade relationships-- such as the World Trade Organization, APEC, the Transatlantic Marketplace and the Free Trade Area of the Americas (FTAA). We will seek to negotiate agreements in sectors where the U.S. is most competitive, as we did in the Information Technology Agreement and the WTO Telecommunications Services Agreement. We will remain vigilant in enforcing the trade agreements reached with our trading partners. That is why the U.S. Trade Representative and the Department of Commerce created offices in 1996 dedicated to ensuring foreign governments are fully implementing their commitments under these agreements.

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

We have completed the Information Technology Agreement which goes far toward eliminating tariffs on high technology products and amounts to a global annual tax cut of \$5 billion. We also concluded a landmark WTO agreement that will dramatically liberalize world trade in telecommunications services. Under this agreement, covering over 99 percent of WTO member telecommunications revenues, a decades old tradition of telecommunications monopolies and closed markets will give way to market opening deregulation and competition principles championed by the United States. We would use fast track authority to negotiate agreements in other such sectors where the U.S. is most competitive. We will attempt to conclude by the end of 1997 a new agreement to open trade in financial services. The WTO agenda also envisions further negotiations to reform agriculture and liberalize trade in services in 1999.

In the WTO we also have a full agenda of accession negotiations-- countries seeking to join the WTO. As always, the United States is setting high standards for accession in terms of adherence to the rules and market access. Accessions offer an opportunity to help ground new economies in the rules-based trading system. This is why we will take an active role in the accession process dealing with the 28 applicants currently seeking WTO membership. The Administration believes that it is in our interest that China become a member of the WTO; however, we have been steadfast in leading the effort to ensure that China's accession to the WTO occurs on a commercial basis.

China maintains many barriers that must be eliminated, and we need to ensure that necessary reforms are agreed to before accession occurs. Russia's WTO accession could play a crucial part in confirming, and assuring, Russia's transition to a market economy, enhanced competitiveness and successful integration into the world economy.

North America: Since the passage of the North American Free Trade Agreement (NAFTA), our exports to Mexico have risen significantly while the Agreement helped stabilize Mexico through its worst financial crisis in modern history. Considering Mexico is our third-largest trading partner, it is imperative that its market remain open to the United States and NAFTA helps to ensure that. We will continue working with Mexico and interested private parties to consolidate NAFTA's gains and continue the mutually beneficial trade with our largest trading partner and neighbor to the north, Canada.

Latin America: Latin America has become the second fastest growing economic region in the world, and by 2010, our exports to Latin America and Canada will likely exceed those to Europe and Japan combined. In 1994 hemispheric leaders committed to negotiate the FTAA by 2005; since then, considerable progress has been made in laying the groundwork. We are also committed to delivering on the President's promise to negotiate a comprehensive free trade agreement with Chile because of its extraordinary economic performance and its logical position as our next trade partner in this hemisphere. Our ability to do so with fast track negotiating authority in hand will be viewed as a litmus test for trade expansion and U.S. interest in leading the hemisphere toward the creation of the FTAA.

Asia Pacific: Our economic strength depends on our ability to seize opportunities in the Asia Pacific region. This region is the world's fastest-growing economic area with half of the world's GDP (including the U.S., Canada and Mexico). Fully 60 percent of U.S. merchandise exports went to APEC economies in 1996 30 percent to Asian countries. U.S. initiatives in APEC will open new opportunities for economic cooperation and permit U.S. companies to expand their involvement in substantial infrastructure planning and construction throughout the region. While our progress in APEC has been gratifying, we will explore options to encourage all Asia Pacific nations to pursue open markets.

China: The emergence of a politically stable, economically open and secure China is in America's interest. Our focus will be on integrating China into the market-based world economic system. An important part of this process will be opening China's highly protected market through lower border barriers and removal of distorting restraints on economic activity. We have negotiated landmark agreements to combat piracy and advance the interests of our creative industries. We have also negotiated and vigorously enforced agreements on textile trade.

Japan: The Administration continues to make progress with Asia's largest economy in increasing market access. We have reached market access agreements with Japan covering a range of key sectors, from autos and auto parts to telecommunications and intellectual property rights. While our exports to Japan are at record levels, we must now ensure that these agreements are fully implemented. We must also encourage domestic demand-led growth in Japan and further deregulation that opens more sectors of Japan's economy to competition.

Europe: Together, Europe and the United States produce over half of all global goods and services. As part of the New Transatlantic Agenda launched at the 1995 U.S.-EU Summit in Madrid, the U.S. and the EU agreed to take concrete steps to reduce barriers to trade and investment through the creation of a New Transatlantic Marketplace, with a focus on non-tariff barriers which impede transatlantic commerce. The Transatlantic Business Dialogue comprised of American and European business leaders contributed to the Summit's priorities by focusing on an agreement necessary to reduce barriers in U.S. trade and investment. Our business community strongly supports our current negotiations to complete Mutual Recognition Agreements to eliminate redundant testing and certification requirements between the United States and the EU in sectors where trade totals over \$40 billion.

Through OECD negotiations of a Multilateral Agreement on Investment, we are seeking to establish clear legal standards on expropriation, access to binding international arbitration for disputes and unrestricted investment-related transfers across borders. These negotiations help further our efforts related to investment issues in Asia and in the WTO.

Export Strategy and Advocacy Program

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

The export strategy is working, with the United States regaining its position as the world's largest exporter. While our strong export performance has supported millions of new, export-related jobs, we must export more in the years ahead if we are to further strengthen our trade balance position and raise living standards with high-wage jobs. Our objective remains to expand U.S. exports to over \$1.2 trillion by the year 2000, which will mean over five million new American jobs and a total of over 16 million jobs supported by exports.

Export Control Reform

Through reforming the export licensing system, we seek to support U.S. exporters' efforts to compete on a level playing field with their foreign competition by removing unnecessarily burdensome licensing requirements left over from the Cold War. We seek continued appropriate refinements to the dual-use and munitions licensing process and enactment of a new Export Administration Act, while still ensuring that our nonproliferation interests are safeguarded. We will also, as part of our multilateral export control efforts, push partners to adopt and follow similar practices to advance mutually beneficial nonproliferation efforts.

Other Economic Objectives

We are confronting bribery and corruption by seeking to have OECD members criminalize the bribery of foreign officials and eliminate the tax deductibility of foreign bribes and by promoting greater transparency in government procurement regimes. To date, our efforts on procurement have been concentrated in the World Bank and the regional development banks. Our initiative at the recent WTO meeting in Singapore to pursue an agreement on transparency in all WTO member procurement regimes should make an additional important contribution to our efforts.

On trade and labor we have made important strides. The Singapore WTO Ministerial endorsed the importance of core labor standards sought by the United States since the Eisenhower Administration the right to organize, the right to bargain collectively and prohibitions against child labor and forced labor. We will continue pressing for a working party on labor issues in the WTO.

We continue seeking assurances that liberalization of trade does not come at the expense of environmental protection. Our leadership in the Uruguay Round negotiations led to the incorporation of environmental provisions into the WTO Agreements and creation of the Committee on Trade and Environment, where governments continue the task of ensuring that trade and environment are mutually supportive. In addition, with U.S. leadership, countries participating in the FTAA are engaged in sustainable development initiatives to ensure that economic growth does not come at the cost of environmental protection.

Strengthening Macroeconomic Coordination

Our strategy recognizes that as national economies become more integrated internationally, the United States cannot thrive in isolation from developments abroad. Working with other countries and international economic institutions, we have improved our capacity to prevent and mitigate international financial crises. These efforts include the creation of a more effective early warning and prevention system with an emphasis on improved disclosure of financial and economic data; a doubling of resources available to respond in the event crises occur; and a review of

procedures that might facilitate the orderly resolution of international debt crises. The G-7 has also made progress on improving cooperation among financial regulatory authorities and strengthening supervision of major financial institutions. These steps should help limit the risk of major financial institution collapse and limit damage to other institutions in the event a crisis occurs.

The G-7 is also promoting a range of World Bank and regional development bank reforms that the United States has been urging for a number of years. Key elements include substantially increasing the share of resources devoted to basic social programs that reduce poverty; safeguarding the environment; supporting development of the private sector and open markets; promotion of good governance, including measures to fight corruption; and internal reforms of the Multilateral Development Banks (MDBs) to make them more efficient. Furthermore, international financial institutions such as the International Monetary Fund (IMF) and MDBs have played a strong role in recent years in countries and regions of key interest to the United States, such as Russia, the Middle East, Haiti and Bosnia.

Providing for Energy Security

The United States depends on oil for more than 40 percent of its primary energy needs. Roughly half of our oil needs are met with imports, and a large, though diminishing, share of these imports come from the Persian Gulf area. However, we are also undergoing a fundamental shift in our reliance on imported oil away from the Middle East. Venezuela is now the number one foreign supplier to the United States; Canada, Mexico and Venezuela combined supply more than twice as much oil to the United States as the Arab OPEC countries; and Venezuela and Colombia are each undertaking new oil production ventures. The Caspian Basin, with potential oil reserves of 200 billion barrels, also promises to play an increasingly important role in meeting rising world energy demand in coming decades. While we must keep these developments in mind, we cannot lose sight of the fact that for the long term, the vast majority of the proven oil reserves still reside in the Middle East and that the global oil market is largely interdependent.

Over the longer term, U.S. dependence on access to these foreign oil sources will be increasingly important as our resources are depleted. The U.S. economy has grown roughly 75 percent since the first oil shock; during that time our oil consumption has remained virtually stable but domestic oil production has declined. High oil prices did not generate enough new oil exploration and discovery to sustain production levels from our depleted resource base. Conservation measures notwithstanding, the United States has a vital interest in ensuring access to this critical resource.

Promoting Sustainable Development Abroad

Sustainable development improves the prospects for democracy in developing countries and expands the demand for U.S. exports. It alleviates pressure on the global environment, reduces the attraction of the illegal drug trade and improves health and economic productivity.

Rapid urbanization is outstripping the ability of many nations to provide jobs, education and other services to their citizens. The continuing poverty of a quarter of the world's people leads to hunger, malnutrition, economic migration and political unrest. New diseases, such as AIDS, and other epidemics that can spread through environmental damage, threaten to overwhelm the health facilities of developing countries, disrupt societies and stop economic growth.

U.S. foreign assistance focuses on four key elements of sustainable development: broad-based economic growth, the environment, population and health, and democracy. We will continue to advocate environmentally sound private investment and responsible approaches by international lenders. The MDBs are now placing increased emphasis upon sustainable development in their funding decisions, including assisting borrowing countries to better manage their economies. The Global Environmental Facility provides a source of financial assistance to the developing world for climate change, biodiversity and oceans initiatives that will benefit all the world's citizens.

Environment and Sustainable Development

Environmental and natural resource issues can impede sustainable development efforts and promote regional instability. That is why the U.S. will aggressively lead efforts to address this issue at the June 1997 UN General Assembly Special Session on Environment and Development. Environmental damage in countries of the NIS and Central and Eastern Europe continues to impede their ability to emerge as prosperous, independent countries. In addition, the effects of climate change and ozone depletion know no borders and can pose grave dangers to our nation and the world. We seek to accomplish the following:

- forge an international consensus to address the challenge of global climate change, as evidenced by threats such as rising sea levels, the spread of tropical disease and more frequent and severe storms;

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

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

- implement the Program of Action on population growth developed at the 1994 Cairo Conference;

- expand bilateral forest assistance programs and promote sustainable management of tropical forests;

- focus technical assistance and encourage nongovernmental environmental groups to provide expertise to the NIS and Central and Eastern European nations that have suffered the most acute environmental crises;

- achieve Senate ratification of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes;

- lead a renewed global effort to address population problems and promote international consensus for stabilizing world population growth; and

- achieve Senate ratification of the Biodiversity Convention and take steps to slow or stop biodiversity loss. These steps include supporting agricultural research to relieve pressures on forests, working with MDBs and others to prevent biodiversity loss in key regions, and use of the Convention on International Trade in Endangered Species (CITES) to protect threatened species.

Promoting Democracy

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

Emerging Democracies

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

By helping consolidate democratic and market reforms in the NIS, we are assisting them to develop into valued diplomatic and economic partners. Our intensified interaction with Ukraine has helped move that country onto the path of economic reform, which is critical to its long-term stability. In addition, our efforts in Russia, Ukraine and elsewhere facilitate our goal of achieving continued reductions in nuclear arms and compliance with international nonproliferation accords.

The new democracies in Central and Eastern Europe are similarly key. Eventual integration into European security and economic organizations, such as NATO and the EU, will help lock in and preserve the impressive progress these nations have made in instituting democratic and market-economic reforms.

Continuing to nurture advances toward democracy and markets in our own hemisphere remains a priority, as reflected by the President's trips to Latin America and the Caribbean this year and the preparations for the Summit of the Americas in Santiago next year. In the Asia Pacific region, economic dynamism is increasingly associated with political modernization, democratic evolution and the widening of the rule of law--and it has global impacts. We are particularly attentive to states whose entry into the camp of market democracies may influence the future direction of an entire region; South Africa now holds that potential with regard to sub-Saharan Africa.

The methods for assisting emerging democracies are as varied as the nations involved. We must continue leading efforts to mobilize international economic and political resources, as we have with Russia, Ukraine and the other NIS. We must take firm action to help counter attempts to reverse democracy, as we have in Haiti, Guatemala and Paraguay. We must give democratic nations the fullest benefits of integration into foreign markets, which is part of the reason NAFTA and the Uruguay Round of GATT ranked so high on our agenda and why we are now working to forge the FTAA. We must help these nations strengthen the pillars of civil society, supporting administration of justice and rule of law programs, assisting the development of democratic civil-military relations and providing human rights training to foreign police and security forces. And we must seek to improve their market institutions and fight corruption and political discontent by encouraging good governance practices.

Adherence to Universal Human Rights and Democratic Principles

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

We must also work with multilateral institutions to ensure that international human rights principles protect the most vulnerable or traditionally oppressed groups in the world women, children, workers, refugees and persons persecuted on the basis of their religious beliefs or ethnic descent. To this end, we will seek to strengthen and improve international mechanisms that promote human rights, such as the UN Human Rights Commission, and will intensify our efforts to establish a Permanent Criminal Court to address violations of international humanitarian law building on the efforts of the International War Crimes Tribunals for the former Yugoslavia and Bosnia.

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

The United States will continue to speak out against human rights abuses and we will carry on human rights dialogues with countries willing to engage us constructively. In appropriate circumstances, we must be prepared to take strong measures against human rights violators. These include economic sanctions, as have been maintained against Nigeria, Iraq, Burma and Cuba; visa restrictions; and restrictions on the sales of arms that we believe may be used to perpetrate human rights abuses.

Finally, the United States itself must continue to demonstrate its willingness to adhere to international human rights standards. In particular, we must move forward on ratification of the convention prohibiting discrimination against women and the convention on the rights of the child.

Humanitarian Assistance

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

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

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

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

III. Integrated Regional Approaches

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

Europe and Eurasia

European stability is vital to our own security. Our objective is to complete the construction of a truly integrated, democratic and secure Europe, with a democratic Russia as a full participant. This would complete the mission the United States launched 50 years ago with the Marshall Plan and the creation of the North Atlantic Treaty Organization. NATO remains the anchor of American engagement in Europe and the linchpin of transatlantic security. As a guarantor of European democracy and a force for European stability, NATO must play the leading role in promoting a more integrated, secure Europe prepared to respond to new challenges. We will maintain approximately 100,000 military personnel in Europe to preserve U.S. influence and leadership in NATO, sustain our vital transatlantic ties, provide a visible deterrent, respond to crises and contribute to regional stability. The increasing links between NATO and Partnership for Peace nations form the foundation for Partners to contribute to real-world NATO missions, as many are doing in the Stabilization Force (SFOR) operation in Bosnia.

At the July 1997 NATO Summit in Madrid, the Alliance will move forward on its agenda for NATO's adaptation and enlargement. We will invite one or more aspiring members to begin accession talks, with the goal of full entry for the first new members by NATO's 50th anniversary in 1999. At the same time, we will intensify efforts to work with countries not included in the first group of invitees, such as enhancing the Partnership for Peace, launching the Euro-Atlantic Partnership Council and developing an enhanced NATO-Ukraine relationship. We also want to finalize various aspects of the Alliance's internal adaptation, including a new command structure and arrangements for a stronger European security and defense identity within--rather than separate from--NATO. Parallel to NATO enlargement, we seek to define a new and coherent NATO-Russia partnership one that ensures Russia's full participation in the post-Cold War European security system.

Enlarging the Alliance will promote our interests by reducing the risk of instability or conflict in Europe's eastern half. It will help ensure that no part of Europe will revert to a zone of great power competition or a sphere of influence. It will build confidence and give new democracies a powerful incentive to consolidate their reforms. NATO enlargement will not be aimed at replacing one division of Europe with a new one; rather, its purpose is to enhance the security of all European states.

We will also continue to strengthen the OSCE's role in conflict prevention and crisis management and seek closer cooperation with our European partners in dealing with non-military security threats through our New Transatlantic Agenda with the EU.

Balkans: At the same time as we work to construct a comprehensive European security architecture, we must also focus on regional security challenges. We remain committed to the goals of the Dayton Accords. In Bosnia we seek to help create conditions-- through political reconciliation and economic revitalization--for a self-sustaining peace, one that can ensure stability in the country and the Balkans as a whole and permit a timely exit of NATO military forces from Bosnia at the end of SFOR's mission. We support the efforts of the International Criminal Tribunal for the former Yugoslavia and aim to see Bosnia's Balkan neighbors embarked on the path of democracy and market reform--including Serbia's restoration of autonomy to Kosovo and the return of civil society and democracy to Albania.

Southeastern Europe: There are significant security challenges in southeastern Europe. The interrelated issues of Cyprus, Greek-Turkish disagreements in the Aegean, and Turkey's relationship with Europe have serious consequences for regional stability and the evolution of European political and security structures; thus, our immediate goals are to stabilize the region by reducing long-standing Greek-Turkish tensions and to pursue a comprehensive settlement on Cyprus. A democratic, secular, stable and Western-oriented Turkey has supported U.S. efforts to enhance stability in Bosnia, the NIS and the Middle East, as well as to contain Iran and Iraq. Its continued ties to the West and its support for our overall strategic objectives in one of the world's most sensitive regions is critical. We continue to support Turkey's active, constructive role within NATO and Europe.

Northern Ireland: In Northern Ireland, we will continue our efforts to encourage an end to the conflict that has claimed more than 3,200 lives over the past 25 years, and are committed to support the efforts of the British and Irish Governments to bring about a just and lasting settlement. The United States will continue to push for real progress, standing with those who take risks for peace and helping bring tangible benefits of peace to those whose lives will be affected.

NIS: The United States has vital security interests in the evolution of Russia, Ukraine and the other NIS into stable, modern democracies, peacefully and prosperously integrated into a world community where representative government, the rule of law, free and fair trade and cooperative security are the norm. An important element in this evolution will be the development of an effective NATO-Russian partnership. In making the most of post-Communist pluralism providing support to reformers wherever they are to be found, notably including the non-governmental sector and the regions outside national capitals we must remain steady in pursuing four strategic objectives:

- reducing the threat of nuclear war and the spread of nuclear weapons and materials, as well as other weapons of mass destruction;

- helping the NIS continue their transition toward democratic, market economies integrated into the community of free-trading democracies;

- bringing Russia, Ukraine and the other NIS into a new, post-Cold War European security order; and

- cooperating with all states of the NIS in ending ethnic and regional conflict while bolstering their independence.

The United States strongly supports the process of European integration embodied in the European Union and seeks to deepen our economic partnership with the EU. At the same time, we are encouraging bilateral trade and investment in non-EU countries, while supporting appropriate enlargement of the European Union. We recognize that EU nations face significant economic challenges with nearly 20 million people unemployed, and that economic stagnation has eroded public support for funding outward-looking foreign policies and greater integration. We are working closely with our West European partners to expand employment and promote long-term growth in the G-7, and to support the New Transatlantic Agenda, which moves the U.S.-EU relationship from consultation to joint action on a range of shared interests.

In supporting historic market reforms in Central and Eastern Europe and in the NIS, we both strengthen our own economy and help new democracies take root. Poland, economically troubled as recently as 1989, now symbolizes the new dynamism and rapid growth that extensive, democratic, free market reforms make possible. Today, more than 70 percent of Russia's GDP is generated by the private sector, while Ukraine's economic reforms have helped consolidate Ukrainian statehood and democratization. But much remains to be done to assure durable economic recovery and social protection. We will continue to mobilize the international community to provide structural economic assistance. Through the Gore-Chernomyrdin Commission, the United States is working closely with Russia in priority areas, including defense conversion, the environment, trade and investment, and scientific and technological cooperation.

Ultimately, the success of market reforms in the countries recently emerged from communism will depend more on trade and investment than official aid. One of our priorities, therefore, is to reduce trade barriers. At the Helsinki Summit, Presidents Clinton and Yeltsin defined an ambitious reform agenda covering key tax, energy and commercial laws crucial for Russia to realize its potential for attracting foreign investment. Further, the Presidents outlined steps that would accelerate Russian membership on commercial terms in key economic organizations such as the WTO and the Paris Club. It is in both Russia's interest and ours that we work with the Russian government toward passage of key economic and commercial legislation, as we continue to support American investment and Russia's integration into various international economic institutions.

Ukraine is also at an important point in its economic transition--one that will affect its integration with Europe and the prosperity of its people. Two challenges stand out: first, to instill respect for the rule of law so that international principles of the marketplace and democratic governance prevail; and, second, to gain international support as it seeks to close down Chornobyl and reform its energy sector. We seek support from the international community to help Ukraine's economic transformation and its goal of attracting foreign investment and stimulating domestic growth.

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

Democratic reforms in the NIS and Europe's former communist states are the best answer to the aggressive nationalism and ethnic hatreds unleashed by the end of the Cold War. Already, the prospect of joining or rejoining the Western democratic family has dampened the forces of nationalism and strengthened the forces of democracy and reform in many countries of the region.

The independence, sovereignty and territorial integrity of the twelve NIS, as well as of the three Baltic states, are especially important to American interests. So is their political and economic reform. Our instruments for advancing these goals are our bilateral relationships, our leadership of international institutions and the billions of dollars in private and multilateral resources that we can

help mobilize. But the circumstances affecting the smaller countries depend in significant measure on the fate of reform in the largest and most powerful Russia. The United States will continue to vigorously promote Russian reform and discourage any reversal in the progress that has been made. Our economic and political support for the Russian government depends on its commitment to reform, including democratization, market economics and a foreign policy of comity, especially with respect to other former Soviet republics.

East Asia and the Pacific

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

Our military presence has been essential to maintaining the stability that has enabled most nations in the Asia Pacific region to build thriving economies for the benefit of all. To deter regional aggression and secure our own interests, we will maintain an active presence. Our treaty alliances with Japan, South Korea, Australia, Thailand, and the Philippines, and our commitment to keeping approximately 100,000 U.S. military personnel in the region, serve as the foundation for America's continuing security role.

We have supported new regional dialogues such as the ASEAN Regional Forum (ARF) on the full range of common security challenges. By meeting on confidence-building measures such as search and rescue cooperation and peacekeeping, the ARF can help enhance regional security and understanding.

Japan: The United States and Japan reaffirmed last year that our bilateral security relationship remains the cornerstone for achieving common security objectives and for maintaining a stable and prosperous environment for the Asia Pacific region as we enter the twenty-first century. This security cooperation extends to promoting regional peace and stability, seeking universal adherence to the Nuclear Non-Proliferation Treaty, and addressing the dangers posed by transfers of destabilizing conventional arms and sensitive dual-use goods and technologies. Our continued progress in assisting open trade between our two countries and our broad-ranging international cooperation exemplified by the Common Agenda provide a sound underpinning for our relations in the next century.

Korean Peninsula: Tensions on the Korean Peninsula remain the principal threat to the peace and stability of the East Asia region. A peaceful resolution of the Korean conflict with a non-nuclear peninsula is in our strategic interest. A parallel strategic interest is the elimination of a chemical/biological threat on the peninsula. A productive North-South dialogue would be a positive step in this direction. We are working to create conditions of stability by maintaining the U.S.-Republic of Korea treaty alliance and our military presence; freezing and eventually dismantling the North Korean nuclear program under the Agreed Framework; developing bilateral contacts with the North aimed at drawing the North into a set of more normal relations with the region and the rest of the world; and following through on the offer of four-party peace talks among the United States, China, and North and South Korea. Over the next four years, we will maintain solidarity with our South Korean ally, ensure that an isolated and struggling North Korea does not opt for a military solution to its problems, and emphasize America's commitment to shaping a peaceful and prosperous Korean Peninsula. At the same time, we are willing to improve bilateral political and economic ties with the North, commensurate with its continued cooperation to resolve the nuclear issue, engagement in North-South dialogue, continued efforts to recover remains of American servicemen missing since the Korean War, and cessation of its chemical and biological programs and ballistic missile proliferation activities.

China: An overarching U.S. interest is China's emergence as a stable, open, secure and peaceful state. The prospects for peace and prosperity in Asia depend heavily on China's role as a responsible member of the international community. China's integration into the international

system of rules and norms will influence its own political and economic development, as well as its relations with the rest of the world. Our success in working with China as a partner in building a stable international order depends on establishing a productive relationship that will build sustained domestic support. We have already enhanced our cooperation in key areas, such as working for peace and stability in Korea, extending the NPT and completing the CTBT, and combating alien smuggling and drugs. Our key security objectives include:

- sustaining the strategic dialogue begun by the recent series of high-level exchanges with attention to core interests on both sides;

- resumption of the cross-Strait dialogue between Beijing and Taipei, and a smooth transition in Hong Kong;

- PRC adherence to international nonproliferation norms, establishment of a comprehensive export control system, and the conditions that would permit implementation of the 1985 agreement on the peaceful use of nuclear energy; and

- the PRC's constructive role in international security affairs through active cooperation in APEC, ARF and the Northeast Asia Security Dialogue.

Southeast Asia: Our strategic interest in Southeast Asia centers on developing regional and bilateral security and economic relationships that assist in conflict prevention and resolution and expand U.S. participation in the region's dynamic growth. Our policy combines two approaches: first, maintaining our increasingly productive relationship with the Association of Southeast Asian Nations (Singapore, Malaysia, Thailand, Indonesia, the Philippines, Brunei, Vietnam) especially our security dialogue under the ARF; and second, pursuing bilateral objectives with ASEAN's individual members and other Southeast Asian nations, designed to prevent political or military instability, establish market-oriented economic reforms, resist the flow of heroin from Burma, and encourage democratic reforms and improvements in human rights practices. Our security aims in Southeast Asia are twofold: (1) maintaining robust security alliances with Canberra, Manila and Bangkok, as well as sustaining security access arrangements with Singapore and other ASEAN countries; and (2) healthy, pragmatic relations with a strong, cohesive ASEAN capable of supporting regional stability and prosperity.

We are committed to sustaining the Asia Pacific region's remarkable dynamism. Opportunities for economic growth abound in Asia and underlie our strong commitment to multilateral economic cooperation. Today, the 18 member economies of APEC--comprising about one-third of the world's population produce \$13 trillion and export \$1.7 trillion of goods annually, about one-half of the global totals. U.S. exports to Asian economies support millions of American jobs, while U.S. direct investments in Asia represent about one-fifth of total U.S. direct foreign investment. A prosperous and open Asia Pacific is key to the economic health of the United States. Annual APEC leaders meetings are a vivid testament to the possibilities of stimulating regional economic growth and cooperation--fostering trade and investment liberalization, while at the same time enhancing political and security ties within the region.

We are also working with major bilateral trade partners to improve trade relations. The United States and Japan have successfully completed over 20 bilateral trade agreements under the 1993 Framework Agreement, designed to open Japan's markets to U.S. goods. As U.S.-China trade continues to grow, we place a high priority on bilateral and multilateral trade issues, such as intellectual property rights and market access.

Our economic objectives include: continued progress within APEC toward liberalizing trade and investment, increased exports to Asian countries through market-opening measures and leveling the playing field for U.S. business, and WTO accession for the PRC and Taiwan on satisfactory commercial terms.

Some have argued that democracy is unsuited for Asia or at least for some Asian nations that human rights are relative and that Western nations' support for international human rights standards simply mask a form of cultural imperialism. The democratic aspirations and achievements of Asian

peoples themselves prove these arguments incorrect. We will continue to support those aspirations and to promote respect for human rights in all nations.

Each nation must find its own form of democracy, and we respect the variety of democratic institutions that have emerged in Asia. But there is no cultural justification for tyranny, torture or the denial of fundamental freedoms. Our strategy includes efforts to:

- pursue a constructive, goal-oriented approach to achieving progress on human rights and rule of law issues with China;

- foster a meaningful dialogue between the ruling authorities in Burma and the democratic opposition;

- promote improved respect for human rights and strengthened democratic processes in Indonesia and political reconciliation in East Timor;

- build democratic institutions and encourage respect for human rights in Cambodia; and

- promote improved respect for human rights in Vietnam and achieve the fullest possible accounting of missing U.S. service members.

The Western Hemisphere

The end of armed conflict in Central America and other improvements in regional security have coincided with remarkable political and economic progress throughout the hemisphere. Our hemisphere enters the twenty-first century with an unprecedented opportunity to build a future of stability and prosperity building on the fact that every nation in the hemisphere except Cuba is democratic and committed to free market economies.

We are advancing regional security cooperation in a variety of ways, such as bilateral security dialogues, Organization of American States (OAS) and Summit of the Americas initiatives, regional confidence and security building measures, exercises and exchanges with key militaries, and regular Defense Ministerials. As co-guarantor of the Peru-Ecuador peace process we have brought the parties closer to negotiating a permanent resolution of the decades-old border dispute. And, we are working to ensure a successful passage of stewardship of the Panama Canal to the Panamanian government.

The principal security concerns in the hemisphere are transnational in nature, such as drug trafficking, organized crime and money laundering, illegal immigration, and instability generated from corruption and political or social conflict. Bilaterally and regionally, we seek to eliminate the scourge of drug trafficking which poses a serious threat to the sovereignty, democracy and national security of nations in the hemisphere. As part of our comprehensive partnership with Mexico, we continue to increase counterdrug and law enforcement cooperation, while in the Caribbean we are intensifying a coordinated effort on counternarcotics, law enforcement and gun smuggling.

The 1994 Summit of the Americas in Miami produced hemispheric agreement on a package of measures that included continued economic reform and enhanced cooperation on issues such as the environment, counternarcotics and anti-corruption. Celebrating the region's embrace of democracy and free markets, the President used that historic event to commit the U.S. to a more mature and cooperative relationship with the hemisphere. The Summit's centerpiece was the leaders' commitment to negotiate the Free Trade Area of the Americas by 2005 and other steps to ensure that democracy's benefits are shared by all.

The Summit brought a surge in hemispheric cooperation on issues such as energy, financial integration and the environment where U.S. agencies have used the Summit Action Plan to establish new relationships with their Latin American and Caribbean counterparts. The hemispheric response to the 1996 coup attempt in Paraguay--a response led by the OAS, members of the Southern Cone Common Market (MERCOSUR) and the U.S.--also demonstrated the degree to which our democracy and economic integration agendas have become mutually reinforcing. Having opened a new chapter in U.S. relations with Latin America and the Caribbean, we must carry forward the momentum to the 1998 Summit in Chile and continue building towards the Miami vision of an integrated hemisphere of free market democracies. The Administration seeks to do its part in

advancing this vision by consolidating NAFTA's gains, obtaining congressional fast track negotiating authority and negotiating a comprehensive free trade agreement with Chile.

At the same time, we must be sensitive to the concern by some small states, such as those in the Eastern Caribbean, about the impact of an increasingly integrated and more competitive hemispheric economy. To this end, we must make progress on achieving the benefits of the Caribbean Basin Initiative (CBI) to help prepare that region for participation in the FTAA.

Our ability to sustain the historic progress of the hemispheric agenda depends in part on meeting the challenges posed by weak democratic institutions, spiraling unemployment and crime rates, and serious income disparities. In many Latin American countries, citizens will not fully realize the benefits of political liberalization and economic growth without regulatory, judicial, law enforcement and educational reforms, as well as increased efforts to integrate indigenous populations into the formal economy.

Regarding Cuba, the United States remains committed to promoting a peaceful transition to democracy and forestalling a mass migration exodus that would endanger the lives of migrants and safety of our nation. While maintaining pressure on the regime to make political and economic reforms, we seek to encourage the emergence of a civil society to assist transition to democracy when the change comes. A growing optimism among Cubans that positive change is possible also helps discourage illegal migration. And, as the Cuban people feel greater incentive to take charge of their own future, they are more likely to stay at home and build the informal and formal structures that will make transition easier. Meanwhile, we remain firmly committed to bilateral migration accords that seek to ensure that migration be through legal and safe means.

The restoration of democracy in Haiti remains a shining example of the positive trends in our hemisphere. In Haiti we continue to support respect for human rights and economic growth by a Haitian government capable of managing its own security, paving the way for a Presidential election in 2000 that is free, fair and representative. We are committed to work with our partners in the region and the international community to support Haiti's economic and political development. Haiti will benefit from a Caribbean-wide acceleration of growth and investment, stimulated in part by enhancement of CBI benefits.

Finally, we also seek to strengthen norms for defense establishments that are supportive of democracy, transparency, respect for human rights and civilian control in defense matters. Through continued engagement with regional armed forces, facilitated by our own modest military activities and presence in the region, we are helping to transform military institutions. Through initiatives such as the Defense Ministerial of the Americas and expanded efforts to increase civilian expertise in defense affairs, we are reinforcing the positive trend in civil-military relations.

The Middle East, Southwest and South Asia

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

The Middle East Peace Process: An historic transformation has taken place in the political landscape of the Middle East: peace agreements are taking hold, requiring concerted implementation efforts. The United States as an architect and sponsor of the peace process has a clear national interest in seeing the process deepen and widen to include all Israel's neighbors. We will continue our steady, determined leadership standing with those who take risks for peace, standing against those who would destroy it, lending our good offices where we can make a difference and helping bring the concrete benefits of peace to people's daily lives. Future progress will require movement in the following inter-related areas:

continued Israeli-Palestinian engagement on remaining issues in the Interim Agreement, and negotiation of permanent status issues;

resuming Israeli-Syrian negotiations and beginning Israeli-Lebanese negotiations with the objective of achieving peace treaties; and

normalization of relations between Arab states and Israel.

Southwest Asia: In Southwest Asia, the United States remains focused on deterring threats to regional stability and protecting the security of our regional partners, particularly from Iraq and Iran. We will maintain our military presence using a combination of air, land and sea forces and the demonstrated ability to reinforce rapidly the region in time of crisis.

We would like to see Iraq's reintegration into the international community; however, we have made clear that Iraq must comply with all relevant United Nations Security Council resolutions. We also remain committed to enforcing the no-fly zones through Operations NORTHERN WATCH and SOUTHERN WATCH. Our policy is directed not against the people of Iraq but against the aggressive behavior of the government. Until that behavior changes, our goal is containing the threat Saddam Hussein poses to Iraq's neighbors, its people, the free flow of Gulf oil and broader U.S. interests in the Middle East.

As for Iran, our policy is aimed at changing the behavior of the Iranian government in several key areas, including its efforts to obtain weapons of mass destruction and missiles, its support for terrorism and groups that oppose the peace process, its attempts to undermine friendly governments in the region, and its development of offensive military capabilities which threaten our Gulf Cooperation Council (GCC) partners and the flow of oil. Pending changes in Iran's behavior, our goal is to contain and reduce its ability to threaten our interests. We also seek to coordinate with key allies to maximize pressures on Iran to change its course.

A key objective of our policy in the Gulf is to reduce the chances that another aggressor will emerge who would threaten the independence of existing states. We will continue to encourage members of the Gulf Cooperation Council to work closely on collective defense and security arrangements, help individual GCC states meet their appropriate defense requirements and maintain our bilateral defense agreements.

Roughly half of our oil needs are met with imports, and a large share of these imports are from the Persian Gulf region. Previous oil shocks and the Gulf War show the impact that an interruption of oil supplies can have on the world's economy. Appropriate responses to events such as Iraq's invasion of Kuwait can limit the magnitude of the crisis. But over the longer term, U.S. dependence on access to these and other foreign oil sources will remain important as our resources are depleted. The United States must remain ever vigilant to ensure unrestricted access to this critical resource. In the Gulf, where global access to critical resources is key, we will continue to demonstrate U.S. commitment and resolve.

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

We will encourage the spread of democratic values throughout the Middle East and Southwest and South Asia and will pursue this objective by a constructive dialogue with countries in the region. We will promote responsible indigenous moves toward increasing political participation and enhancing the quality of governance and will continue to vigorously challenge many governments in the region to improve their dismal human rights records.

Africa

In recent years, U.S. policies have supported significant changes in Africa: multi-party democracies are more common; new constitutions have been promulgated; elections are becoming more frequent and open; the press is more free today; and the need for budgetary and financial discipline is better understood. While we will not be able to address every challenge or reap every opportunity Africa poses, we must identify those issues where we can make a difference and which most directly affect our interests and target our resources efficiently.

Serious transnational security threats emanate from Africa, including: state-sponsored terrorism, narcotics trafficking, international crime, environmental damage and disease. These threats can only be addressed through effective, sustained engagement in Africa. We have already made significant progress in countering some of these threats--investing in efforts to combat environmental damage and disease; leading international efforts to halt the proliferation of land mines; securing the indefinite and unconditional extension of the NPT; and supporting establishment of the African Nuclear Weapons Free Zone. We have also worked to counter the proliferation of weapons of mass destruction in Africa as elsewhere. We continue to work for an end to Sudanese support for terrorism, to reduce the flow of narcotics through Africa, to curtail international criminal activity based in Africa and to diminish the influence of Libya and Iran in Africa.

Our policy toward Libya is designed to limit its efforts to obtain WMD, its support for terrorism, its attempts to undermine other governments in the region and its development of military capabilities which threaten its neighbors. In addition, we seek full Libyan compliance with appropriate UN Security Council Resolutions. Pending changes in Libya's behavior, our goal is to reduce its ability to threaten our interests and those of our friends and allies.

One of the key impediments to development in Africa has been the persistence of conflict. Our efforts to resolve conflict include working to achieve lasting peace in Angola and an end to Liberia's civil war. The area with the greatest potential for serious conflict remains the Great Lakes region, which could result in the permanent destabilization of Zaire or a broader regional war. There also remains the risk of another genocide in the Great Lakes region. The United States continues to be actively engaged in trying to negotiate a peaceful resolution to the conflicts in Zaire, Burundi and elsewhere in the region. In 1996, the United States launched an innovative proposal the African Crisis Response Force (ACRF) initiative to build African capabilities to conduct effective peacekeeping and humanitarian operations. We will continue working with donor and African partners to turn this concept into reality.

In the broadest terms, we seek a stable, economically dynamic Africa. This will be impossible to achieve unless and until Africa is fully integrated into the global economy. Our aim, therefore, is to assist African nations to implement economic reforms, create favorable climates for trade and investment, and achieve sustainable development. In addition, we encourage U.S. companies to trade with and invest in Africa. To this end, we have proposed a "Partnership for Economic Growth and Opportunity in Africa" to support the economic transformation underway in Africa. The Administration will work closely with Congress to implement key elements of this initiative aimed, in particular, at helping African countries pursuing growth-oriented policies sustain growth and development.

We seek to spur economic growth and promote trade and investment by examining new ways to improve the economic policies of African nations and by sustaining critical bilateral and multilateral development assistance. While further integrating Africa into the global economy has obvious political and economic benefits, it will also directly serve U.S. interests by continuing to expand an already important new market for U.S. exports. The more than 600 million people of sub-Saharan Africa (SSA) represent one of the world's largest remaining untapped markets. The United States exports more to SSA than to all of the former Soviet Union combined; yet, the U.S.

enjoys only seven percent market share in Africa. Increasing both the U.S. market share and the size of the African market will bring tangible benefits to U.S. workers and create wealth in Africa.

In Africa as elsewhere, democracies have proved more peaceful, stable and reliable partners and more likely to pursue sound economic policies. We will continue to work to sustain the important progress achieved to date and to broaden the growing circle of African democracies. In addition, we will work with our allies to find an effective formula for promoting stability, democracy and respect for human rights in Nigeria, and also in central Africa where widespread unrest and atrocities continue; to support a sustainable democratic transition in Zaire; and to help South Africa achieve its economic, political and democratic goals by continuing to provide substantial bilateral assistance, providing support through the Binational Commission and by aggressively promoting U.S. trade with and investment in South Africa.

IV. Conclusions

Today, closer to the start of the twenty-first century than to the end of the Cold War, we are embarking on a period of construction to build new frameworks, partnerships and institutions--and adapt existing ones--that strengthen America's security and prosperity. We are working to construct new cooperative security arrangements, rid the world of weapons that target whole populations, build a truly global economy, and promote democratic values and economic reform. Ours is a moment of historic opportunity to create a safer, more prosperous tomorrow--to make a difference in the lives of our citizens.

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

Our international leadership focuses on six strategic priorities. Taken together, these priorities form the roadmap to security, peace and prosperity into the next century:

- Foster a peaceful, undivided, democratic Europe

- Forge a strong and stable Asia Pacific community

- Build a new, open trading system for the twenty-first century one that benefits America and the world

- Keep America the world's leading force for peace

- Increase cooperation in confronting security threats that disregard national borders

- Strengthen the diplomatic and military tools required to address these challenges

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

1998

**Стратегия Национальной Безопасности
для нового века
(Вашингтон, октябрь 1998 г.)**

A NATIONAL SECURITY STRATEGY FOR A NEW CENTURY
THE WHITE HOUSE
OCTOBER 1998

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Preface

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

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

To seize these opportunities, and move against the threats of this new global era, we are pursuing a forward-looking national security strategy attuned to the realities of our new era. This report, submitted in accordance with Section 603 of the Goldwater-Nichols Defense Department Reorganization Act of 1986, sets forth that strategy. Its three core objectives are:

- To enhance our security.

- To bolster America's economic prosperity.
- To promote democracy abroad.

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

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

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

Although we have accomplished much on the readiness front, much more needs to be done. Our military leadership and I are constantly reevaluating the readiness of our forces and addressing problems in individual readiness areas as they arise. I have instructed the Office of Management and Budget and the National Security Council to work with the Department of Defense to formulate a multi-year plan with the necessary resources to preserve military readiness, support our troops, and modernize the equipment needed for the next century. I am confident that our military is—and will continue to be—capable of carrying out our national strategy and meeting America’s defense commitments around the world.

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

Protecting our citizens and critical infrastructures at home is an essential element of our strategy. Potential adversaries—whether nations, terrorist groups or criminal organizations—will be tempted to disrupt our critical infrastructures, impede government operations, use weapons of mass destruction against civilians, and prey on our citizens overseas. These challenges demand close cooperation across all levels of government—federal, state and local—and across a wide range of agencies, including the Departments of Defense and State, the Intelligence Community, law enforcement, emergency services, medical care providers and others. Protecting our critical infrastructure requires new partnerships between government and industry. Forging these new

structures will be challenging, but must be done if we are to ensure our safety at home and avoid vulnerabilities that those wishing us ill might try to exploit in order to erode our resolve to protect our interests abroad.

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

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

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

I. Introduction

We must judge our national security strategy by its success in meeting the fundamental purposes set out in the preamble to the Constitution:

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

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

Challenges and Opportunities

The security environment in which we live is dynamic and uncertain, replete with a host of threats and challenges that have the potential to grow more deadly, but also offering unprecedented opportunities to avert those threats and advance our interests.

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

other nations, in their support for international norms and human rights, in their ability to combat international crime, in their open markets, and in their efforts to protect the environment.

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

The Imperative of Engagement

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

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

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

Implementing the Strategy

Our global leadership efforts will continue to be guided by President Clinton's strategic priorities: to foster regional efforts led by the community of democratic nations to promote peace and prosperity in key regions of the world, to increase cooperation in confronting new security threats that defy borders and unilateral solutions, to strengthen the military, diplomatic and law

enforcement tools necessary to meet these challenges and to create more jobs and opportunities for Americans through a more open and competitive economic system that also benefits others around the world. Our strategy is tempered by recognition that there are limits to America's involvement in the world. We must be selective in the use of our capabilities and the choices we make always must be guided by advancing our objectives of a more secure, prosperous and free America.

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

Protecting our citizens and critical infrastructures at home is an intrinsic and essential element of our security strategy. The dividing line between domestic and foreign policy is increasingly blurred. Globalization enables other states, terrorists, criminals, drug traffickers and others to challenge the safety of our citizens and the security of our borders in new ways. The security challenges wrought by globalization demand close cooperation across all levels of government—federal, state and local—and across a wide range of agencies, including the Departments of Defense and State, the Intelligence Community, law enforcement, emergency services, medical care providers and others. Protecting our critical infrastructure requires new partnerships between government and industry. Forging these new structures and relationships will be challenging, but must be done if we are to ensure our safety at home and avoid vulnerabilities that those wishing us ill might try to exploit in order to erode our resolve to protect our interests abroad.

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

II. Advancing U.S. National Interests

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

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

prevent from arising. This includes protecting our citizens from terrorism, international crime and drug trafficking.

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

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

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

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

The second category includes situations in which important national interests are at stake. These interests do not affect our national survival, but they do affect our national well-being and the character of the world in which we live. In such cases, we will use our resources to advance these interests insofar as the costs and risks are commensurate with the interests at stake. Our efforts to halt the flow of refugees from Haiti and restore democracy in that state, our participation in NATO operations in Bosnia and our efforts to protect the global environment are relevant examples. The third category is humanitarian and other interests. In some circumstances our nation may act because our values demand it. Examples include responding to natural and manmade disasters or violations of human rights, supporting democratization and civil control of the military, assisting humanitarian demining, and promoting sustainable development. Often in such cases, the force of our example bolsters support for our leadership in the world. Whenever possible, we seek to avert humanitarian disasters and conflict through diplomacy and cooperation with a wide range of partners, including other governments, international institutions and non-governmental organizations. This may not only save lives, but also prevent the drain on resources caused by intervention in crises.

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

Enhancing Security at Home and Abroad

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

Threats to U.S. Interests

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

- **Regional or State-Centered Threats:** A number of states still have the capabilities and the desire to threaten our vital interests through coercion or aggression. They continue to threaten the sovereignty of their neighbors and international access to resources. In many cases, these states are also actively improving their offensive capabilities, including efforts to obtain or retain nuclear, biological or chemical weapons and, in some cases, long-range delivery systems. In Southwest Asia, both Iraq and Iran have the potential to threaten their neighbors and the free flow of oil from the region. In East Asia, North Korea maintains its forward positioning of offensive military capabilities on its border with South Korea.

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

- **Spread of dangerous technologies:** Weapons of mass destruction pose the greatest potential threat to global stability and security. Proliferation of advanced weapons and technologies threatens to provide rogue states, terrorists and international crime organizations the means to inflict terrible damage on the United States, its allies and U.S. citizens and troops abroad. We must continue to deter and be prepared to counter the use or threatened use of WMD, reduce the threat posed by existing arsenals of such weaponry and halt the smuggling of nuclear materials. We must identify the technical information, technologies and materials that cannot be allowed to fall into the hands of those seeking to develop and produce WMD. And we must stop the proliferation of non-safeguarded dual-use technologies that place these destructive capabilities in the hands of parties hostile to U.S. and global security interests.

- **Foreign intelligence collection:** The threat from foreign intelligence services is more diverse, complex and difficult to counter than ever before. This threat is a mix of traditional and nontraditional intelligence adversaries that have targeted American military, diplomatic, technological and commercial secrets. Some foreign intelligence services are rapidly adopting new technologies and innovative methods to obtain such secrets, including attempts to use the global information infrastructure to gain access to sensitive information via penetration of computer systems and networks. These new methods compound the already serious threat posed by traditional human, technical and signals intelligence activities.

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

The Need for Integrated Approaches

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

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

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

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

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

At home, we must have effective capabilities for thwarting and responding to terrorist acts, countering international crime and foreign intelligence collection, and protecting critical national infrastructures. Our efforts to counter these threats cannot be limited exclusively to any one agency within the U.S. Government. The threats and their consequences cross agency lines, requiring close cooperation among Federal agencies, state and local governments, the industries that own and operate critical national infrastructures, non-governmental organizations and others in the private sector.

Shaping the International Environment

The United States has a range of tools at its disposal with which to shape the international environment in ways favorable to U.S. interests and global security. Shaping activities enhance U.S. security by promoting regional security and preventing or reducing the wide range of diverse threats outlined above. These measures adapt and strengthen alliances and friendships, maintain U.S. influence in key regions and encourage adherence to international norms. When signs of potential

conflict emerge, or potential threats appear, we undertake initiatives to prevent or reduce these threats. Our shaping efforts also aim to discourage arms races, halt the proliferation of weapons of mass destruction, reduce tensions in critical regions and combat the spread of international criminal organizations.

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

Diplomacy

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

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

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

International Assistance

From the U.S.-led mobilization to rebuild post-war Europe to the more recent creation of export opportunities across Asia, Latin America and Africa, U.S. foreign assistance has assisted emerging democracies, helped expand free markets, slowed the growth of international crime, contained major health threats, improved protection of the environment and natural resources, slowed population growth and defused humanitarian crises. Crises are averted—and U.S. preventive diplomacy actively reinforced—through U.S. sustainable development programs that promote voluntary family planning, basic education, environmental protection, democratic governance and rule of law, and the economic empowerment of private citizens. When combined effectively with other bilateral and multilateral activities, such as through our cooperative scientific and technological programs, U.S. initiatives reduce the need for costly military and humanitarian interventions. Where foreign aid succeeds in consolidating free market policies, substantial growth of American exports has frequently followed. Where crises have occurred, actions such as the Greater Horn of Africa Initiative have helped stanch mass human suffering and created a path out of conflict and dislocation through targeted relief. Other foreign aid programs have worked to help restore elementary security and civic institutions.

Arms Control

Arms control efforts are an essential element of our national security strategy. Effective arms control is really defense by other means. We pursue verifiable arms control agreements that support

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

Verifiable reductions in strategic offensive arms and the steady shift toward less destabilizing systems remain essential to our strategy. Entry into force of the START I Treaty in December 1994 charted the course for reductions in the deployed strategic nuclear forces of the United States and the Former Soviet Union (FSU). START I has accomplished much to reduce the risk of nuclear war and strengthen international security. On the third anniversary of START I entry into force, the United States and Russia announced that both were two years ahead of schedule in meeting the treaty's mandated reductions.

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

At the Helsinki Summit in March 1997, Presidents Clinton and Yeltsin agreed that once START II enters into force, our two nations would immediately begin negotiations on a START III agreement. They agreed to START III guidelines that, if adopted, will cap the number of strategic nuclear warheads deployed in each country at 2,000-2,500 by the end of 2007—reducing both our arsenals by 80 percent from Cold War heights. They also agreed that START III will, for the first time, require the U.S. and Russia to destroy nuclear warheads, not just the missiles, aircraft and submarines that carry them, and opened the door to possible reductions in non-strategic nuclear weapons. On September 26, 1997, the U.S. and Russia signed a START II Protocol codifying the agreement at Helsinki to extend the end date for reductions to 2007 and exchanged letters on early deactivation by 2003 of those strategic nuclear delivery systems to be eliminated by 2007.

At Helsinki, the two Presidents recognized the Nunn-Lugar Cooperative Threat Reduction (CTR) Program as the vehicle through which the United States would facilitate the deactivation of strategic nuclear delivery systems in the FSU nations. The CTR Program has assisted Ukraine, Kazakhstan and Belarus in becoming non-nuclear weapons states and will continue to assist Russia in meeting its START obligations. The program has effectively supported enhanced safety, security, accounting and centralized control measures for nuclear weapons and fissile materials in the FSU. CTR is also assisting FSU nations in measures to eliminate and prevent the proliferation of chemical weapons and biological weapon-related capabilities. It has supported many ongoing military reductions and reform measures in the FSU, and has contributed to a climate conducive for further progress on non-proliferation.

Also at Helsinki, the Presidents reaffirmed their commitment to the Anti-Ballistic Missile (ABM) Treaty and recognized the need for effective theater missile defenses in an agreement in principle on demarcation between systems to counter strategic ballistic missiles and those to counter theater ballistic missiles. On September 26, 1997, the U.S. Secretary of State and Russian Foreign Minister, along with their counterparts from Belarus, Kazakhstan and Ukraine, signed or initialed five agreements relating to the ABM Treaty. The agreements on demarcation and succession will be provided to the Senate for its advice and consent following Russian ratification of START II.

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

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

President Clinton is committed to ending the tragic damage to innocent civilians due to anti-personnel landmines (APLs). The United States has already taken major steps in the spirit that motivated the Ottawa Convention, while ensuring our ability to meet international obligations and provide for the safety and security of our men and women in uniform. On June 30, 1998, we met—one year ahead of schedule—the President's May 1996 commitment to destroy all of our non-self-destructing APLs by 1999, except those we need for Korea and demining training. To expand and strengthen the Administration policy on APLs that he announced on September 17, 1997, President Clinton signed Presidential Decision Directive 64 in June 1998. It directs the Defense Department to end the use of all APLs, even of self-destructing APLs, outside Korea by 2003 and to pursue aggressively the objective of having APL alternatives ready for Korea by 2006. We will also aggressively pursue alternatives to our mixed anti-tank systems that contain anti-personnel submunitions. We have made clear that the United States will sign the Ottawa Convention by 2006 if we succeed in identifying and fielding suitable alternatives to our self-destructing APLs and mixed anti-tank systems by then. Furthermore, in 1997 the Administration submitted for Senate advice and consent the Amended Landmine Protocol to the Convention on Conventional Weapons, which bans the unmarked, long-duration APLs that caused the worldwide humanitarian problem. We have established a permanent ban on APL exports and are seeking to universalize an export ban through the Conference on Disarmament in Geneva. In 1998 we are spending \$80 million on

humanitarian demining programs, more than double that of the previous year, and through our “Demining 2010” initiative have challenged the world to increase the effectiveness and efficiency of removing landmines that threaten civilians.

Nonproliferation Initiatives

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

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

Through programs such as the Nunn-Lugar Cooperative Threat Reduction Program and other initiatives, we aim to strengthen controls over weapons-usable fissile material and prevent the theft or diversion of WMD and related material and technology. We are working to strengthen the Convention on the Physical Protection of Nuclear Material to increase accountability and protection, which complements our effort to enhance IAEA safeguards. We are purchasing tons of highly enriched uranium from dismantled Russian nuclear weapons for conversion into commercial reactor fuel, and working with Russia to redirect former Soviet facilities and scientists from military to peaceful purposes.

To expand and improve U.S. efforts aimed at deterring proliferation of WMD by organized crime groups and individuals in the NIS and Eastern Europe, the Defense Department and FBI are implementing a joint counter proliferation assistance program that provides appropriate training, material and services to law enforcement agencies in these areas. The program’s objectives are to assist in establishing a professional cadre of law enforcement personnel in these nations trained to prevent, deter and investigate crimes related to the proliferation and diversion of WMD or their delivery systems; to assist these countries in developing laws and regulations designed to prevent the illicit acquisition or trafficking of WMD, and in establishing appropriate enforcement mechanisms; and to build a solid legal and organization framework that will enable these governments to attack the proliferation problem at home and participate effectively in international efforts.

Military Activities

The U.S. military plays an essential role in building coalitions and shaping the international environment in ways that protect and promote U.S. interests. Through overseas presence and peacetime engagement activities such as defense cooperation, security assistance, and training and exercises with allies and friends, our armed forces help to deter aggression and coercion, promote regional stability, prevent and reduce conflicts and threats, and serve as role models for militaries in emerging democracies. These important efforts engage every component of the Total Force: Active, Reserve, National Guard and civilian.

Deterrence of aggression and coercion on a daily basis is crucial. Our ability to deter potential adversaries in peacetime rests on several factors, particularly on our demonstrated will and ability to uphold our security commitments when they are challenged. We have earned this reputation through both our declaratory policy, which clearly communicates costs to potential adversaries, and our credible warfighting capability. This capability is embodied in ready forces and equipment strategically stationed or deployed forward, in forces in the United States at the appropriate level of readiness to deploy and go into action when needed, in our ability to gain timely access to critical regions and infrastructure overseas, and in our demonstrated ability to form and lead effective military coalitions.

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

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

Our military promotes regional stability in numerous ways. In Europe, East Asia and Southwest Asia, where the U.S. has clear, vital interests, the American military helps assure the security of our allies and friends. The reinforcement of U.S. forces in the Gulf from Fall 1997 to Spring 1998 clearly illustrates the importance of military power in achieving U.S. national security objectives and stabilizing a potentially volatile situation. The U.S. buildup made it clear to Saddam Hussein that he must comply with UN sanctions and cease hindering UNSCOM inspections or face dire consequences. It also denied him the option of moving to threaten his neighbors, as he had done in past confrontations with the international community. Saddam's agreement to open the so-called "presidential sites" to UN inspection was a significant step toward ensuring that Iraq's WMD have been eradicated. It would not have been achieved without American diplomacy backed by force. Our decision maintain a higher continuous force level in the Gulf than we had before this most recent confrontation with Iraq will help deter Saddam from making further provocations and strengthen the resolve of our coalition partners in the Gulf.

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

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

International Law Enforcement Cooperation

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

Overseas law enforcement presence leverages resources and fosters the establishment of effective working relationships with foreign law enforcement agencies. U.S. investigators and prosecutors draw upon their experience and background to enlist the cooperation of foreign law enforcement officials, keeping crime away from American shores, enabling the arrest of many U.S. fugitives and solving serious U.S. crimes. This presence develops substantive international links by creating personal networks of law enforcement professionals dedicated to bringing international criminals to justice. In addition, training foreign law enforcement officers is critical to combating international crime. Such training helps create professional law enforcement organizations and builds citizen confidence in law enforcement officers, who understand and operate under the rule of law. Training also builds a common perspective and understanding of investigative techniques that helps shape international law enforcement priorities. The FBI and other federal law enforcement agencies have provided extensive law enforcement training at the International Law Enforcement Academy in Budapest, Hungary and elsewhere around the world. This training has proved to be enormously effective in developing professional law enforcement and security services in emerging democracies.

Environmental Initiatives

Decisions today regarding the environment and natural resources can affect our security for generations. Environmental threats do not heed national borders and can pose long-term dangers to our security and well-being. Natural resource scarcities can trigger and exacerbate conflict. Environmental threats such as climate change, ozone depletion and the transnational movement of hazardous chemicals and waste directly threaten the health of U.S. citizens. We have a full diplomatic agenda, working bilaterally and multilaterally to respond aggressively to environmental threats. The Global Environmental Facility (GEF) is an important instrument for this cooperation. With 161 member nations, the GEF is specifically focused on reducing cross-border environmental damage. Our Environmental Security Initiative joins U.S. agencies with foreign partners to address regional environmental concerns and thereby reduce the risk to U.S. interests abroad. We have also undertaken development of an environmental forecasting system to provide U.S. policymakers advance warning of environmental stress situations which have the potential for significant impact on U.S. interests.

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

Additionally, we seek to accomplish the following:

- achieve increased compliance with the Montreal Protocol through domestic and multilateral efforts aimed at curbing illegal trade in ozone depleting substances;
- ratify the Law of the Sea Convention, implement the UN Straddling Stocks Agreement and help to promote sustainable management of fisheries worldwide;
- implement the Program of Action on population growth developed at the 1994 Cairo Conference, lead a renewed global effort to address population problems and promote international consensus for stabilizing world population growth;
- expand bilateral forest assistance programs and promote sustainable management of tropical forests;
- achieve Senate ratification of the Convention to Combat Desertification;
- negotiate an international agreement to ban twelve persistent organic pollutants, including such hazardous chemicals as DDT;
- promote environment-related scientific research in other countries so they can better identify environmental problems and develop indigenous solutions for them;
- increase international cooperation in fighting transboundary environmental crime, including trafficking in protected flora and fauna, hazardous waste and ozone-depleting chemicals;
- ratify the Biodiversity Convention and take steps to prevent biodiversity loss, including support for agricultural research to relieve pressures on forests, working with multilateral development banks and others to prevent biodiversity loss in key regions, and use of the Convention on International Trade in Endangered Species to protect threatened species; and
- continue to work with the Nordic countries and Russia to mitigate nuclear and non-nuclear pollution in the Arctic, and continue to encourage Russia to develop sound management practices for nuclear materials and radioactive waste.

Responding to Threats and Crises

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

When efforts to deter an adversary—be it a rogue nation, terrorist group or criminal organization—occur in the context of a crisis, they become the leading edge of crisis response. In this sense, deterrence straddles the line between shaping the international environment and responding to crises. Deterrence in crisis generally involves signaling the United States'

commitment to a particular country or interest by enhancing our warfighting capability in the theater. Forces in or near the theater may be moved closer to the crisis and other forces rapidly deployed to the area. The U.S. may also choose to make additional statements to communicate the costs of aggression or coercion to an adversary, and in some cases may choose to employ U.S. forces to underline the message and deter further adventurism.

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

Transnational Threats

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

Terrorism

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

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

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

The United States has made concerted efforts to deter and punish terrorists and remains determined to apprehend and bring to justice those who terrorize American citizens. In January 1998, the United States signed the International Convention for the Suppression of Terrorist Bombings. The Convention fills an important gap in international law by expanding the legal framework for international cooperation in the investigation, prosecution and extradition of persons who engage in such bombings. Whenever possible, we use law enforcement and diplomatic tools to wage the fight against terrorism. But there have been, and will be, times when law enforcement and diplomatic tools are simply not enough, when our very national security is challenged, and when we must take extraordinary steps to protect the safety of our citizens. As long as terrorists continue to

target American citizens, we reserve the right to act in self defense by striking at their bases and those who sponsor, assist or actively support them. We exercised that right in 1993 with the attack against Iraqi intelligence headquarters in response to Baghdad's assassination attempt against former President Bush. We exercised that right again in August 1998.

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

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

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

International Crime

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

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

regulations governing financial institutions and improving international law enforcement cooperation in the financial sector.

To address the increasing threat from these diverse criminal activities, we have formulated an International Crime Control Strategy that provides a framework for integrating the federal government response to international crime. The strategy's major goals and initiatives are to:

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

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

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

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

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

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

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

The growing threat to our security from transnational crime makes international law enforcement cooperation vital. We are negotiating and implementing updated extradition and mutual legal assistance treaties that reflect the changing nature of international crime and prevent terrorists and criminals from exploiting national borders to escape prosecution. Moreover, since the primary motivation of most international criminals is greed, powerful asset seizure, forfeiture and money laundering laws are key tools for taking action against the financial underpinnings of international crime. Increasing our enforcement powers through bilateral and multilateral agreements and efforts makes it harder for criminals to enjoy their ill-gotten gains. At the Birmingham Summit in May 1998, the leaders of the G-8 adopted a wide range of measures to strengthen the cooperative efforts against international crime that they launched at their summit in Lyon two years ago. They agreed to increase cooperation on transnational high technology crime, money laundering and financial crime, corruption, environmental crimes, and trafficking in drugs, firearms and women and children. They also agreed to fully support negotiations on a UN

Convention on Transnational Organized Crime, which will broaden many of the efforts underway among the G-8 to the rest of the international community.

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

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

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

Drug Trafficking

We have shown that with determined and relentless efforts, we can make significant progress against the scourge of drug abuse and drug trafficking. In the United States, drug use has dropped 49 percent since 1979. Recent studies show that drug use by our young people is stabilizing, and in some categories, declining. Overall, cocaine use has dropped 70 percent since 1985 and the crack epidemic has begun to recede. Today, Americans spend 37 percent less on drugs than a decade ago.

That means over \$34 billion reinvested in our society, rather than squandered on drugs.

The aim of the U.S. National Drug Control Strategy is to cut drug availability in the United States by half over the next 10 years—and reduce the consequences of drug use and trafficking by 25 percent over the same period—through expanded prevention efforts, improved treatment programs, strengthened law enforcement and tougher interdiction. Our strategy recognizes that, at home and abroad, prevention, treatment and economic alternatives must be integrated with intelligence collection, law enforcement and interdiction. Its ultimate success will require concerted efforts by the public, all levels of government and the private sector together with other governments, private groups and international organizations.

Domestically, we seek to educate and enable America's youth to reject illegal drugs, increase the safety of America's citizens by substantially reducing drug-related crime and violence, reduce health and social costs to the public of illegal drug use, and shield America's air, land and sea frontiers from the drug threat. Working with Congress and the private sector, the Administration has launched a major antidrug youth media campaign and will seek to extend this program through 2002. With congressional support and matching dollars from the private sector, we will commit to a five-year, \$2 billion public-private partnership to educate our children to reject drugs.

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

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

Emerging Threats at Home

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

Managing the Consequences of WMD Incidents

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

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

Under the Domestic Terrorism Program, the Defense Department will maintain military units to serve as augmentation forces for weapons of mass destruction consequence management and to help maintain proficiency of local emergency responders through periodic training and exercises. The National Guard, with its mission and long tradition of responding to national emergencies, has

an important role to play in this effort. The President announced in May 1998 that the Defense Department will train Army National Guard and reserve elements to assist state and local authorities to manage the consequences of a WMD attack. This training will be given to units in Massachusetts, New York, Pennsylvania, Georgia, Illinois, Texas, Missouri, Colorado, California and Washington.

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

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

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

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

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

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

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

Protecting Critical Infrastructures

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

To enhance our ability to protect these critical infrastructures, the President signed Presidential Decision Directive 63 in May 1998. This directive makes it U.S. policy to take all necessary measures to swiftly eliminate any significant vulnerability to physical or information attacks on our critical infrastructures, especially our information systems. We will achieve and

maintain the ability to protect them from intentional acts that would significantly diminish the abilities of the Federal Government to perform essential national security missions and to ensure the general public health and safety. We will protect the ability of state and local governments to maintain order and to deliver minimum essential public services. And we will work with the private sector to ensure the orderly functioning of the economy and the delivery of essential telecommunications, energy, financial and transportation services. Any interruption or manipulation of these critical functions must be brief, infrequent, manageable, isolated and minimally detrimental to the welfare of the United States.

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

Smaller-Scale Contingencies

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

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

At times it will be in our national interest to proceed in partnership with others to preserve, maintain and restore peace. American participation in peace operations takes many forms, such as the NATO-led coalition in Bosnia, the American-led UN force in Haiti, the Military Observer Mission Ecuador and Peru (MOMEP), and our participation in the multilateral coalition operation in the Sinai. The question of command and control in multinational contingency operations is particularly critical. Under no circumstances will the President ever relinquish his constitutionally mandated command authority over U.S. forces, but there may be times when it is in our interest to place U.S. forces under the temporary operational control of a competent allied or United Nations commander. Not only must the U.S. military be prepared to successfully conduct multiple smaller-scale contingencies worldwide, it must be prepared to do so in the face of challenges such as terrorism, information operations and the threat or use of weapons of mass destruction. U.S. forces must also remain prepared to withdraw from contingency operations if needed to deploy to a major theater war. Accordingly, appropriate U.S. forces will be kept at a high level of readiness and will be trained, equipped and organized to be multi-mission capable.

Major Theater Warfare

Fighting and winning major theater wars is the ultimate test of our Total Force—a test at which it must always succeed. For the foreseeable future, the United States, preferably in concert with allies, must remain able to deter and defeat large-scale, cross-border aggression in two distant theaters in overlapping time frames. Maintaining such a capability deters opportunism elsewhere while we are heavily committed to deterring or defeating aggression in one theater, or while conducting multiple smaller-scale contingencies and engagement activities in other theaters. It also provides a hedge against the possibility that we might encounter threats larger or more difficult than we expected. A strategy for deterring and defeating aggression in two theaters ensures we maintain the capability and flexibility to meet unknown future threats, while continued global engagement helps preclude such threats from developing.

Fighting and winning major theater wars entails at least three particularly challenging requirements. First, we must maintain the ability to rapidly defeat initial enemy advances short of enemy objectives in two theaters, in close succession. The United States must maintain this ability to ensure that we can seize the initiative, minimize territory lost before an invasion is halted and ensure the integrity of our warfighting coalitions. To meet this challenge, the forces that would be first to respond to an act of aggression are kept at full readiness, and the forces that follow them are kept at a level that supports their being ready to deploy and go into action when called for in the operations plan for the contingency. Second, the United States must plan and prepare to fight and win under conditions where an adversary may use asymmetric means against us—unconventional approaches that avoid or undermine our strengths while exploiting our vulnerabilities. This is of particular importance and a significant challenge. Because of our dominance in the conventional military arena, adversaries who challenge the United States are likely to use asymmetric means, such as WMD, information operations or terrorism.

The WMD threat to our forces is receiving the special attention it deserves. We are enhancing the preparedness of our Armed Forces to effectively conduct sustained operations despite the presence, threat or use of WMD. Such preparedness requires the capability to deter, detect,

protect against and respond to the use of WMD when necessary. The Administration has significantly increased funding to enhance biological and chemical defense capabilities and has begun the vaccination of military personnel against the anthrax bacteria, the most feared biological weapon threat today. These efforts reinforce our deterrent posture and complement our nonproliferation efforts by reducing the political and military value of WMD and their means of delivery.

We are enhancing our ability to defend against hostile information operations, which could in the future take the form of a full-scale, strategic information attack against our critical national infrastructures, government and economy—as well as attacks directed against our military forces. As other countries develop their capability to conduct offensive information operations, we must ensure that our national and defense information infrastructures are well protected and that we can quickly recognize, defend against and respond decisively to an information attack.

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

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

Preparing Now for an Uncertain Future

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

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

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

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

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

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

We must continue aggressive efforts to construct appropriate twenty-first century national security programs and structures. The Defense Department, State Department and other international affairs agencies are similarly reorganizing to confront the pressing challenges of tomorrow as well as those we face today. Federal, state and local law enforcement and emergency response agencies are enhancing their ability to deal with terrorist threats. Government and industry are exploring ways to protect critical national infrastructures. We will continue looking across our government to see if during this time of transition we are adequately preparing to meet the national security challenges of the next century.

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

Overarching Capabilities

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

Quality People

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

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

Intelligence, Surveillance and Reconnaissance

Our intelligence, surveillance, and reconnaissance (ISR) capabilities are critical instruments for implementing our national security strategy. The U.S. intelligence community provides critical support to the full range of our activities abroad—diplomatic, military, law enforcement, and environmental. Comprehensive collection and analytic capabilities are needed to provide warning of threats to U.S. national security, give analytical support to the policy and military communities, provide near-real time intelligence in times of crisis while retaining global perspective, identify opportunities for advancing our national interests, and maintain our information advantage in the international arena.

ISR operations must cover a wider range of threats and policy needs than ever before. We place the highest priority on preserving and enhancing intelligence capabilities that provide information on states and groups that pose the most serious threats to U.S. security. Current intelligence priorities include states whose policies and actions are hostile to the United States; countries or other entities that possess strategic nuclear forces or control nuclear weapons, other WMD or nuclear fissile materials; transnational threats, including terrorism, international crime and drug trafficking; potential regional conflicts that might affect U.S. national security interests;

intensified counterintelligence against foreign intelligence collection inimical to U.S. interests, including economic and industrial espionage; information warfare threats; and threats to U.S. forces and citizens abroad. Intelligence support is also required to develop and implement U.S. policies to promote democracy abroad, identify threats to our information and space systems, monitor arms control agreements, support humanitarian efforts and protect the environment.

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

U.S. intelligence capabilities were reviewed twice by independent panels in 1998. In the wake of the May 1998 Indian nuclear tests, retired Admiral David E. Jeremiah led a panel that examined the Intelligence Community's ability to detect and monitor foreign nuclear weapons programs. In July 1998, the Commission to Assess the Ballistic Missile Threat to the United States issued a report on the challenges we face in attempting to monitor the progress of foreign ballistic missile programs. Both reviews identified specific areas of intelligence collection and analysis that need improvement. The Intelligence Community is taking aggressive action to improve its capabilities in those areas and we will work closely with the Congress to address the recommendations in the two reports. While our ISR capabilities are increasingly enhanced by and dependent upon advanced technologies, there remains no substitute for informed, subjective human judgment. We must continue to attract and retain enough highly qualified people to provide human intelligence collection, translation and analysis in those many emerging areas where there simply is no technological substitute, and we must forge strong links to the private enterprises and public institutions whose expertise is especially critical. Increased cooperation among the agencies in the Intelligence Community and the fusion of all intelligence disciplines provide the most effective collection and analysis of data on high priority intelligence issues.

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

Space

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

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

directly involved in the space industry, with 1996 revenues of \$77 billion projected to reach \$122 billion by 2000.

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

Missile Defense

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

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

National Security Emergency Preparedness

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

Overseas Presence and Power Projection

Due to our alliance commitments and other vital interests overseas, we must have a force structure and deployment posture that enable us to successfully conduct military operations across the spectrum of conflict, often in theaters distant from the United States. Maintaining a substantial overseas presence promotes regional stability by giving form and substance to our bilateral and multilateral security commitments and helps prevent the development of power vacuums and instability. It contributes to deterrence by demonstrating our determination to defend U.S., allied, and friendly interests in critical regions and better positions the United States to respond rapidly to

crises. Equally essential is effective and efficient global power projection, which is the key to the flexibility demanded of our forces and ultimately provides our national leaders with more options in responding to potential crises and conflicts. Being able to project power allows us to shape, deter, and respond even when we have no permanent presence or a limited infrastructure in the region.

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

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

Promoting Prosperity

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

Strengthening Macroeconomic Coordination

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

The recent financial troubles in Asia have demonstrated that global financial markets dominated by private capital flows provide both immense opportunities and great challenges. Developing ways to strengthen the international financial architecture is an urgent and compelling challenge.

At the November 1997 Asia Pacific Economic Cooperation Forum (APEC) meeting, President Clinton and the other APEC leaders agreed to hold a series of meetings of finance ministers and central bank governors to address the Asian financial crisis and international financial reform. The meetings began in February 1998 with representatives from 22 countries and observers from the major international financial institutions. The on-going efforts of this group, commonly referred to as the Willard Group or G-22, has helped to identify measures to prevent and better manage financial crises and reform the international financial system.

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

Openness and Transparency:

For capital to flow freely and safely to where it can be used most efficiently to promote growth, high quality information about each economy and investment opportunity must also be freely available. The IMF introduced the Special Data Dissemination Standard (SDDS) in 1996 to improve the information collection and publication practices of countries accessing international capital markets. At present, 45 countries subscribe to the SDDS, but we need to encourage those IMF members who do not subscribe but seek access to international capital markets—particularly emerging market economies—to participate in the SDDS. International financial institutions also have a responsibility to make their activities open and transparent as a means of enhancing their credibility and accountability. The IMF recently has shown leadership in promoting openness and transparency; however, more needs be done in this area.

Financial Sector Reform:

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

Crisis Resolution:

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

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

Broadening the Financial Reform Agenda:

In recent years, the IMF has broadened its perspective to take account of a wider range of issues necessary for economic growth and financial stability. It is seeking to create a more level

playing field in which private sector competition can thrive; reduce unproductive government spending, including excessive military expenditures and subsidies and guarantees to favored sectors and firms; protect the most vulnerable segments of society from bearing the brunt of the burden of adjustment; and encourage more effective participation by labor and the rest of civil society in the formulation and implementation of economic policies, including protection of labor rights.

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

Enhancing American Competitiveness

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

Enhancing Access to Foreign Markets

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

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

Promoting an Open Trading System

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

We have completed the Information Technology Agreement (ITA) which goes far toward eliminating tariffs on high technology products and amounts to a global annual tax cut of \$5 billion. We look to complete the first agreement expanding products covered by the ITA in 1998. We also concluded a landmark WTO agreement that will dramatically liberalize world trade in telecommunications services. Under this agreement, covering over 99 percent of WTO member telecommunications revenues, a decades old tradition of telecommunications monopolies and closed markets will give way to market opening deregulation and competition—principles championed by the United States.

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

We also have a full agenda of accession negotiations with countries seeking to join the WTO. As always, the United States is setting high standards for accession in terms of adherence to the rules and market access. Accessions offer an opportunity to help ground new economies in the rules-based trading system and reinforce their own reform programs. This is why we will take an active role in the accession process dealing with the 32 applicants currently seeking WTO membership.

Through Organization for Economic Cooperation and Development (OECD) negotiations of a Multilateral Agreement on Investment, we are seeking to establish clear legal standards on expropriation, access to binding international arbitration for disputes and unrestricted investment-related transfers across borders. Also in the OECD, the United States is taking on issues such as corruption and labor practices that can distort trade and inhibit U.S. competitiveness. We seeking to have OECD members outlaw bribery of foreign officials, eliminate the tax deductibility of foreign bribes, and promote greater transparency in government procurement. To date, our efforts on procurement have been concentrated in the World Bank and the regional development banks, but our initiative to pursue an agreement on transparency in WTO member procurement regimes should make an additional important contribution. We have also made important strides on labor issues. The WTO has endorsed the importance of core labor standards sought by the United States since the Eisenhower Administration—the right to organize and bargain collectively, and prohibitions against child labor and forced labor. We will continue pressing for better integration of the international core labor standards into the WTO's work, including through closer WTO interaction with the International Labor Organization (ILO).

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

Americas are engaged in sustainable development initiatives to ensure that economic growth does not come at the cost of environmental protection.

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

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

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

- Third, that a high-level meeting of trade and environmental officials be convened to provide direction for WTO environmental efforts, and that the WTO and the International Labor Organization commit to work together to ensure that open trade raises the standard of living for workers and respects core labor standards.

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

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

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

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

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

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

The United States is a world leader in high technology exports, including satellites, cellular phones, computers and commercial aircraft. Some of this technology has direct or indirect military applications. For that reason, the United States government carefully controls high technology exports through a licensing process involving the Department of Defense, the Department of State, the Commerce Department and other agencies. Changes to U.S. export controls over the last decade

have allowed America's most important growth industries to compete effectively overseas and create good jobs at home while ensuring that proper safeguards are in place to protect important national security interests.

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

Our current policy—developed in the Reagan and Bush Administrations and continued by President Clinton—recognizes that we must balance a variety of factors. In the wake of the Cold War, the Bush Administration accelerated the process of moving the licensing of essentially commercial items from the State Department's Munitions List to the Commerce-administered Commodity Control List in order to promote high technology exports by making license decisions more predictable and timely. In 1995, by Executive Order, President Clinton expanded the right of the Departments of Defense, State and Energy and the Arms Control and Disarmament Agency to fully participate in the decision-making process. Previously, these agencies reviewed only certain dual-use applications; as a result of the Executive Order, they have the right to review every dual-use application. If any of these agencies disagree with a proposed export, it can block the license and put the issue into a dispute resolution process that can ultimately rise to the President. As a result, reviews of dual-use licenses are today more thorough and broadly based than ever before.

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

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

Providing for Energy Security

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

The Caspian Basin, with potential oil reserves of 160 billion barrels, promises to play an increasingly important role in meeting rising world energy demand in coming decades. We have made it a priority to work with the countries of the region to develop multiple pipeline ventures that

will ensure access to the oil. We are also working on several fronts to enhance the stability and safeguard the independence of these nations. While these developments are significant, we must remember that the vast majority of proven oil reserves lie in the Middle East and that the global oil market is largely interdependent.

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

Promoting Sustainable Development Abroad

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

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

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

Promoting Democracy

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

Emerging Democracies

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

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

Continuing advances in democracy and free markets in our own hemisphere remain a priority, as reflected by the President's 1997 trips to Latin America and the Caribbean and the Summit of the Americas in Santiago this year. In the Asia Pacific region, economic dynamism is increasingly associated with political modernization, democratic evolution and the widening of the rule of law—and it has global impacts. We are particularly attentive to states whose entry into the camp of market democracies may influence the future direction of an entire region; South Africa now holds that potential with regard to sub-Saharan Africa.

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

Adherence to Universal Human Rights and Democratic Principles

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

We will also continue to work—bilaterally and with multilateral institutions—to ensure that international human rights principles protect the most vulnerable or traditionally oppressed groups in the world—women, children, workers, refugees and persons persecuted on the basis of their religious beliefs or ethnic descent. To this end, we will seek to strengthen and improve the UN Human Rights Commission and other international mechanisms that promote human rights and

address violations of international humanitarian law, such as the international war crimes tribunals for the former Yugoslavia and Rwanda.

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

Violence against women and trafficking in women and girls is an international problem with national implications. We have seen cases of trafficking in the United States for purposes of forced prostitution, sweatshop labor and domestic servitude. The United States is committed to combating trafficking in women and girls with a focus on the areas of prevention, victim assistance and protection, and enforcement. On March 11, 1998, President Clinton directed a wide range of expanded efforts to combat violence against women in the United States and around the world, including efforts to increase national and international awareness of trafficking in women and girls. The President called for continued efforts to fully implement the 1994 Violence Against Women Act and restore its protection for immigrant victims of domestic violence in the United States so that they will not be forced to choose between deportation and abuse. He also called upon the Senate to give its advice and consent to ratification to the Convention on the Elimination of all Forms of Discrimination Against Women, which will enhance our efforts to combat violence against women, reform unfair inheritance and property rights, and strengthen women's access to fair employment and economic opportunity.

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

Humanitarian Activities

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

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

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

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

III. Integrated Regional Approaches

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

Europe and Eurasia

European stability is vital to our own security. The United States has two strategic goals in Europe. The first is to build a Europe that is truly integrated, democratic, prosperous and at peace. This would complete the mission the United States launched 50 years ago with the Marshall Plan and the North Atlantic Treaty Organization (NATO).

Our second goal is to work with our allies and partners across the Atlantic to meet the global challenges no nation can meet alone. This means working together to support peace efforts in troubled regions, to counter global threats such as the spread of weapons of mass destruction and dual-use technology, and to build a more open world economy and without barriers to transatlantic trade and investment. We will continue to strengthen the OSCE's role in conflict prevention and crisis management and seek closer cooperation with our European partners in dealing with non-military security threats through our New Transatlantic Agenda with the European Union (EU).

Enhancing Security

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

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

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

central region. Our Alliance with them will improve our ability to protect and advance our interests in the transatlantic area and contribute to our security in the years to come.

At the same time, we have vigorously pursued efforts to help other countries that aspire to membership become the best possible candidates. Together with our Allies we are enhancing the Partnership for Peace and continuing political contacts with aspiring states. We are also continuing bilateral programs to advance this agenda, such as the President's Warsaw Initiative, which is playing a critical role in helping the militaries of Central and Eastern Europe and Eurasia become more interoperable with NATO. Building on the increasing links between NATO and the Partnership for Peace nations, Partners will increasingly contribute to real-world NATO missions, as many are doing in the NATO-led operation in Bosnia.

Some European nations do not desire NATO membership, but do desire strengthened ties with the Alliance. The Partnership for Peace provides an ideal venue for such relationships. It formalizes relations, provides a mechanism for mutual beneficial interaction and establishes a sound basis for combined action should that be desired. For all these reasons, Partnership for Peace will remain a central and permanent part of the European security architecture.

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

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

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

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

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

We are deeply concerned about the ongoing bloodshed in Kosovo, which threatens security and stability throughout the Balkan region. We are firmly convinced that the problems in Kosovo can best be resolved through a process of open and unconditional dialogue between authorities in Belgrade and the Kosovar Albanian leadership. We seek a peaceful resolution of the crisis that

guarantees restoration of human and political rights which have been systematically denied the Kosovar Albanian population since Belgrade withdrew autonomy in 1989. In support of that objective, NATO is reviewing options for deterring further violence against the civilian population in Kosovo and stabilizing the military situation in the region.

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

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

The Baltic States:

For over fifty years, the United States has recognized the sovereignty and independence of the republics of Estonia, Latvia and Lithuania. During this period, we never acknowledged their forced incorporation into the Soviet Union. The special nature of our relationship with the Baltic

States is recognized in the Charter of Partnership signed on January 16, 1998, which clarifies the principles upon which U.S. relations with the Baltic states are based and provides a framework for strengthening ties and pursuing common goals. These goals include integration of Latvia, Lithuania and Estonia into the transatlantic community and development of close, cooperative relationships among all the states in Northeastern Europe. The Charter also establishes mechanisms for high-level review and adjustment of this cooperation.

Northern Ireland:

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

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

We will continue to work with Northern Ireland's leaders as they seek to transform the promise of the Accord into a reality—with new democratic institutions and new economic opportunities for all of Northern Ireland's people. Working through the International Fund for Ireland and the private sector, we will help the people seize the opportunities that peace will bring to attract new investment to create new factories, workplaces and jobs, and establish new centers of learning to prepare for the 21st Century.

Newly Independent States (NIS):

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

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

Promoting Prosperity

Europe is a key element in America's global commercial engagement. Europe and the United States produce over half of all global goods and services. More than 60% of total U.S. investment abroad is in Europe and fourteen million workers on both sides of the Atlantic earn their livelihoods directly from transatlantic commerce. As part of the New Transatlantic Agenda launched at the 1995 U.S.-EU Summit in Madrid, the United States and the EU agreed to take concrete steps to reduce barriers to trade and investment through the creation of an open New Transatlantic Marketplace. We have concluded Mutual Recognition Agreements eliminating redundant testing and certification requirements covering \$50 billion in two-way trade. Our governments are also cooperating closely with the Transatlantic Business Dialogue, a U.S.-European business partnership, to address a wide range of trade barriers.

Building on the New Transatlantic Agenda, the United States and the EU launched the Transatlantic Economic Partnership on May 18, 1998. This is a major new initiative to deepen our economic relations, reinforce our political ties and reduce trade frictions that have plagued our bilateral relationship. The first element of the initiative is reducing barriers that affect manufacturing, agriculture and services. In the manufacturing area we will focus on standards and technical barriers that American businesses have identified as the most significant obstacle to expanding trade. In the agricultural area we will focus on regulatory barriers that have inhibited the expansion of agriculture trade, particularly in the biotechnology area. In the area of services we will seek to open our markets further and to create new opportunities for the number of service industries that are so active in the European market.

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

The United States strongly supports the process of European integration embodied in the EU. We are also encouraging bilateral trade and investment in non-EU countries and supporting enlargement of the EU. We recognize that EU nations face significant economic challenges with

nearly 20 million people unemployed, and that economic stagnation has eroded public support for funding outward-looking foreign policies and greater integration. We are working closely with our European partners to expand employment, promote long-term growth and support the New Transatlantic Agenda.

By supporting historic market reforms in Central and Eastern Europe and in the NIS, we both strengthen our own economy and help new democracies take root. Poland, economically troubled as recently as 1989, now symbolizes the new dynamism and rapid growth that extensive, free-market reforms make possible. Recent economic turbulence in Russia demonstrates that the transition to a more prosperous, market-based economy will be a long-term process characterized by promise and disappointment. In Ukraine, reinvigorating economic reform remains a key challenge to strengthening national security and independence. Much remains to be done throughout the region to assure sustainable economic recoveries and adequate social protection.

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

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

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

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

Promoting Democracy

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

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

East Asia and the Pacific

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

Enhancing Security

Our military presence has been essential to maintaining the stability that has enabled most nations in the Asia Pacific region to build thriving economies for the benefit of all. To deter aggression and secure our own interests, we will maintain approximately 100,000 U.S. military personnel in the region. Our commitment to maintaining an active military presence in the region and our treaty alliances with Japan, South Korea, Australia, Thailand and the Philippines serve as the foundation for America's continuing security role.

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

Japan

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

In April 1998, in order to support the new Guidelines, both governments agreed to a revised Acquisition and Cross-Servicing Agreement (ACSA) which expands the exchange of provision of supplies and services to include reciprocal provision of logistics support during situations surrounding Japan that have an important influence on Japan's peace and security. While the guidelines and its related efforts have specifically focused on regional security, both countries have continued to cooperate in the implementation of the Special Action Committee on Okinawa (SACO) Final report. This effort initiated plans and measures to realign, consolidate, and reduce U.S. facilities and areas in Okinawa in order to ease the impact of U.S. Forces' presence on the people of Okinawa. Implementation of SACO will ultimately aid in ensuring the maintenance of U.S. operational capabilities and force presence in the Asia-Pacific region.

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

Korean Peninsula

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

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

President Kim has set a new course toward peace and stability on the Korean Peninsula by opening new channels for dialogue and seeking areas for cooperation between North and South. During their summit meeting in June 1998, President Clinton and President Kim discussed the situation on the Korean Peninsula, reaffirming South Korea's role as lead interlocutor with the North Koreans and the importance of our strong defense alliance. President Clinton expressed strong support for President Kim's vision of engagement and efforts toward reconciliation with the North. The United States is working to create conditions of stability by maintaining solidarity with our South Korean ally, emphasizing America's commitment to shaping a peaceful and prosperous Korean Peninsula and ensuring that an isolated and struggling North Korea does not opt for a military solution to its political and economic problems.

Peaceful resolution of the Korean conflict with a nonnuclear, reunified peninsula will enhance stability in the East Asian region and is clearly in our strategic interest. We are willing to improve bilateral political and economic ties with North Korea—consistent with the objectives of our alliance with the ROK—to draw the North into more normal relations with the region and the rest of the world. Our willingness to improve bilateral relations will continue to be commensurate with the North's cooperation in efforts to reduce tensions on the peninsula. South Korea has set a shining example for nonproliferation by forswearing nuclear weapons, accepting safeguards, and developing a peaceful nuclear program that brings benefits to the region. We are firm that North Korea must freeze and dismantle its graphite-moderated reactors and related facilities and fully comply with its NPT obligations under the Agreed Framework. We also seek to cease North Korea's chemical and biological weapon programs and ballistic missile proliferation activities. The United States, too, must fulfill its obligations under the Agreed Framework and the Administration will work with the Congress to ensure the success of our efforts to address the North Korean nuclear threat. The North must also engage in a productive dialogue with South Korea; continue the recently revived United Nations Command-Korean People's Army General Officer Dialogue talks at Panmunjon; participate constructively in the Four Party Talks among the United States, China,

and North and South Korea to reduce tensions and negotiate a peace agreement; and support our efforts to recover the remains of American servicemen missing since the Korean War.

China

A stable, open, prosperous People's Republic of China (PRC) that assumes its responsibilities for building a more peaceful world is clearly and profoundly in our interests. The prospects for peace and prosperity in Asia depend heavily on China's role as a responsible member of the international community. China's integration into the international system of rules and norms will influence its own political and economic development, as well as its relations with the rest of the world. Our relationship with China will in large measure help to determine whether the 21st century is one of security, peace, and prosperity for the American people. Our success in working with China as a partner in building a stable international order depends on establishing a productive relationship that will build sustained domestic support.

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

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

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

Arms control and non-proliferation issues were high on the agenda for 1998 summit, which expanded and strengthened the series of agreements that were reached at the 1997 summit. In Beijing, Presidents Clinton and Jiang announced that the United States and China will not target their strategic nuclear weapons at each other. They confirmed their common goal to halt the spread of weapons of mass destruction. We welcomed China's statement that it attaches importance to issues related to the Missile Technology Control Regime (MTCR) and missile nonproliferation and that it has begun to actively study joining the MTCR. Our two nations will continue consultations on MTCR issues in 1998. Both sides agreed to further strengthen controls on the export of dual-use chemicals and related production equipment and technology to assure they are not used for production of chemical weapons, and China announced that it has expanded the list of chemical precursors which it controls. The two Presidents issued a joint statement calling for strengthening of the Biological Weapons Convention and early conclusion of a protocol establishing a practical and effective compliance mechanism and improving transparency. They issued a joint statement

affirming their commitment to ending the export and indiscriminate use of anti-personnel landmines and to accelerating global humanitarian demining. We also reached agreement with China on practices for end-use visits on U.S. high technology exports to China, which will establish a framework for such exports to China.

China is working with the United States on important regional security issues. In June 1998, China chaired a meeting of the permanent members of the UN Security Council to forge a common strategy for moving India and Pakistan away from a nuclear arms race. China condemned both countries for conducting nuclear tests and joined us in urging them to conduct no more tests, to sign the Comprehensive Test Ban Treaty, to avoid deploying or testing missiles, and to work to resolve their differences through dialogue. At the 1998 summit, Presidents Clinton and Jiang issued a joint statement on their shared interest in a peaceful and stable South Asia and agreed to continue to coordinate their efforts to strengthen peace and stability in that region. On the Korean Peninsula, China has become a force for peace and stability, helping us to convince North Korea to freeze its dangerous nuclear program, playing a constructive role in the four-party peace talks.

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

Our key security objectives for the future include:

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

Southeast Asia

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

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

Promoting Prosperity

A prosperous and open Asia Pacific is key to the economic health of the United States. On the eve of the recent financial problems in Asia, the 18 members of APEC contributed about one-half of total global gross domestic product and exports. Thirty percent of U.S. exports go to Asia, supporting millions of U.S. jobs, and we export more to Asia than Europe. In states like California,

Oregon and Washington, exports to Asia account for more than half of each state's total exports. U.S. direct investments in Asia represent about one-fifth of total U.S. direct foreign investment. Our economic objectives in East Asia include recovery from the recent financial crisis, continued progress within APEC toward liberalizing trade and investment, increased U.S. exports to Asian countries through market-opening measures and leveling the playing field for U.S. business, and WTO accession for China and Taiwan on satisfactory commercial terms. Opportunities for economic growth abound in Asia and underlie our strong commitment to multilateral economic cooperation, such as via the annual APEC leaders meetings.

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

The Asian Financial Crisis

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

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

In the face of this challenge, our primary objective is to help stabilize the current financial situation. Our strategy has four key elements: support for economic reforms; working with international financial institutions to provide structural and humanitarian assistance; providing bilateral humanitarian aid and contingency bilateral financial assistance if needed; and urging strong policy actions by Japan and the other major economic powers to promote global growth.

We will continue to support South Korea, Thailand and Indonesia as they implement economic reforms designed to foster financial stability and investor confidence in order to attract the capital flows required to restore economic growth. These reform programs have at their core restructuring the financial sector, promoting greater transparency in trade and investment laws and regulations, and ending policy-directed lending practices. All three nations face a difficult road ahead that will test their political will. The international community can continue to help ameliorate adverse consequences of the crisis, but only resolute action to keep to the agreed policy course will bring a resumption of sustained growth.

Although the Asian financial crisis is having a crippling effect, we believe the underlying fundamentals for economic recovery are good and are confident that full and vigorous implementation of economic reforms combined with the efforts of the international community will lead to the restoration of economic growth to the countries of the region. U.S. initiatives in APEC will open new opportunities for economic cooperation and permit U.S. companies to expand their involvement in substantial infrastructure planning and construction throughout the region. While our progress in APEC has been gratifying, we will explore options to encourage all Asia Pacific nations to pursue open markets.

The United States will continue to work with the IMF, the World Bank, other international financial institutions, the governments in East Asia and the private sector to help stabilize financial

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

China

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

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

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

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

Japan

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

During the period from 1993 to 1996, U.S. exports to Japan increased from \$47.9 billion to \$67.6 billion, and the bilateral trade deficit fell from \$59.4 billion to \$47.6 billion. The recent economic downturn in Japan, however, has reversed this positive trend with the bilateral trade deficit for the first four months 1998 already at \$20.8 billion, up 32 percent from the same period in 1996. Sustained global expansion and recovery in Asia cannot be achieved when the second largest economy in the world, accounting for more than half of Asian output, is in recession and has a weakened financial system.

Japan has a crucial role to play in Asia's economic recovery. Japan must generate substantial growth to help maintain a growing world economy and absorb a growing share of imports from emerging markets. To do this Japan must reform its financial sector, stimulate domestic demand,

deregulate its economy, and further open its markets to foreign goods and services. We look forward to substantial and effective actions to achieve a domestic demand-led recovery, to restore health to the financial sector and to make progress on deregulation and opening markets. Strong, immediate, tangible actions by the Japanese Government are vital to make Japan again an engine of growth and to help spur a broader economic recovery in Asia, as well as reinvigorate a critical market for U.S. goods and services.

South Korea

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

Thailand

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

Promoting Democracy

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

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

The Western Hemisphere

Our hemisphere enters the twenty-first century with an unprecedented opportunity to secure a future of stability and prosperity—building on the fact that every nation in the hemisphere except Cuba is democratic and committed to free market economies. The end of armed conflict in Central America and other improvements in regional security have coincided with remarkable political and

economic progress throughout the Americas. The people of the Americas are already taking advantage of the vast opportunities being created as emerging markets are connected through electronic commerce and as robust democracies allow individuals to more fully express their preferences. Sub-regional political, economic and security cooperation in North America, the Caribbean, Central America, the Andean region and the Southern Cone have contributed positively to peace and prosperity throughout the hemisphere. Equally important, the people of the Americas have reaffirmed their commitment to combat together the difficult new threats of narcotics and corruption. U.S. strategy is to secure the benefits of the new climate in the hemisphere while safeguarding the United States and our friends against these threats.

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

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

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

Enhancing Security

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

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

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

law enforcement. The reduction in trade barriers resulting from the North American Free Trade Agreement (NAFTA) allows more inspection resources to be directed to thwarting attempts by organized crime to exploit the expanding volume of trade for increased drug smuggling.

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

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

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

Promoting Prosperity

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

Building on the vision articulated at Miami in 1994 and the groundwork laid by trade ministers over the last four years, the Santiago Summit launched formal negotiations to initiate the FTAA by 2005. The negotiations will cover a broad range of important issues, including market access, investment, services, government procurement, dispute settlement, agriculture, intellectual property rights, competition policy, subsidies, anti-dumping and countervailing duties. A Committee on Electronic Commerce will explore the implications of electronic commerce for the

design of the FTAA, and a Committee on Civil Society will provide a formal mechanism for labor, business, consumer, environmental and other non-government organizations to make recommendations on the negotiations so that all citizens can benefit from trade. Governments also will cooperate on promoting core labor standards recognized by the International Labor Organization.

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

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

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

Promoting Democracy

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

At the Santiago Summit, the hemisphere's leaders reaffirmed their commitment to strengthening democracy, justice and human rights. They agreed to intensify efforts to promote

democratic reforms at the regional and local level, protect the rights of migrant workers and their families, improve the capabilities and competence of civil and criminal justice systems, and encourage a strong and active civil society. They pledged to promptly ratify the Inter-American Convention Against Corruption to strengthen the integrity of governmental institutions. They supported the creation of a Special Rapporteur for Freedom of Expression as part of the Inter-American Commission for Human Rights. The Rapporteur will help resolve human rights cases involving the press and focus international attention on attacks against the hemisphere's emerging Fourth Estate, as their investigative reporting provokes increasing threats from drug traffickers and other criminal elements. Summit leaders also agreed to establish an Inter-American Justice Studies Center to facilitate training of personnel, to exchange of information and other forms of technical cooperation to improve judicial systems, to end impunity, combat corruption and provide protection from rising domestic and international crime, and to create a secure legal environment for trade and investment.

The hemisphere's leaders agreed at the Santiago Summit that education is the centerpiece of reforms aimed at making democracy work for all the people of the Americas. The Summit Action Plan adopted at Santiago will build on the achievements of the 1994 Miami Summit. It will advance numerous cooperative efforts based on the guiding principles of equity, quality, relevance and efficiency. The Santiago Plan's targets are to ensure by the year 2010 primary education for 100% of children and access to quality secondary education for at least 75% of young people. The plan also includes solid commitments to finance schools, textbooks, teacher training, technology for education, to create education partnerships between the public and private sectors, to use technology to link schools across national boundaries and to increase international exchanges of students.

We are also seeking to strengthen norms for defense establishments that are supportive of democracy, transparency, respect for human rights and civilian control in defense matters. Through continued engagement with regional armed forces, facilitated by our own modest military activities and presence in the region, we are helping to transform civil-military relations. Through initiatives such as the Defense Ministerial of the Americas and the Center for Hemispheric Defense Studies, we are increasing civilian expertise in defense affairs and reinforcing the positive trend in civilian control.

Haiti and Cuba are of special concern to the United States. The restoration of democracy in Haiti remains a positive example for the hemisphere. In Haiti we continue to support respect for human rights and economic growth by a Haitian government capable of managing its own security and paving the way for a fair presidential election in 2000. Our efforts to train law enforcement officers in Haiti have transformed the police from a despised and feared instrument of repression to an accountable public safety agency. We are committed to working with our partners in the region and in the international community to meet the challenge of institutionalizing Haiti's economic and political development. Haiti will benefit from a Caribbean-wide acceleration of growth and investment, stimulated in part by enhancement of CBI benefits. The United States remains committed to promoting a peaceful transition to democracy in Cuba and forestalling a mass exodus that would endanger the lives of migrants and the security of our borders. While maintaining pressure on the regime to make political and economic reforms, we continue to encourage the emergence of a civil society to assist the transition to democracy when the change comes. In March 1998, President Clinton announced a number of measures designed to build on the success of the Pope's January 1998 visit to Cuba, expand the role of the Catholic Church and other elements of civil society, and increase humanitarian assistance. As the Cuban people feel greater incentive to take charge of their own future, they are more likely to stay at home and build the informal and formal structures that will make transition easier. Meanwhile, we remain firmly committed to bilateral migration accords that ensure migration in safe, legal and orderly channels.

The Middle East, Southwest and South Asia

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

Enhancing Security

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

The Middle East Peace Process

An historic transformation has taken place in the political landscape of the Middle East: peace agreements are taking hold, requiring concerted implementation efforts. The United States—as an architect and sponsor of the peace process—has a clear national interest in seeing the process deepen and widen to include all Israel's neighbors. We will continue our steady, determined leadership—standing with those who take risks for peace, standing against those who would destroy it, lending our good offices where we can make a difference and helping bring the concrete benefits of peace to people's daily lives. Future progress will require movement in the following areas:

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

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

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

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

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

Our policy toward Iran is aimed at changing the behavior of the Iranian government in several key areas, including its efforts to obtain weapons of mass destruction and long-range missiles, its support for terrorism and groups that violently oppose the peace process, its attempts to undermine friendly governments in the region, and its development of offensive military capabilities that threaten our GCC partners and the flow of oil.

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

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

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

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

South Asia

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

The United States has long urged India and Pakistan to take steps to reduce the risk of conflict and to bring their nuclear and missile programs into conformity with international

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

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

Promoting Prosperity

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

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

Promoting Democracy

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

U.S. policies in the Middle East and Southwest Asia are not anti-Islamic—an allegation made by some opponents of our efforts to help bring lasting peace and stability to the region. Islam is the fastest-growing religious faith in the United States. We respect deeply its moral teachings and its

role as a source of inspiration and instruction for hundreds of millions of people around the world. U.S. policy in the region is directed at the actions of governments and terrorist groups, not peoples or faiths. The standards we would like all the nations in the region to observe are not merely Western, but universal.

Africa

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

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

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

Enhancing Security

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

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

Security Council, and enhancing the ability of Sudan's neighbors to resist Khartoum-backed insurgencies in their countries through our Frontline States initiative.

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

To foster regional efforts to promote prosperity, stability and peace in Africa, the United States in 1996 launched the African Crisis Response Initiative (ACRI) to work with Africans to enhance their capacity to conduct effective peacekeeping and humanitarian operations. We are coordinating with the French, British, other donor countries and African governments in developing a sustainable plan of action. The United States has already trained battalions from Uganda, Senegal, Malawi, Mali and Ghana, and is planning to train troops in Benin and Cote D'Ivoire later this year. We are consulting closely on ACRI activity with the UN Department of Peacekeeping Operations, the Organization of African Unity (OAU) and its Crisis Management Center, and African sub-regional organizations already pursuing similar capacity enhancements. We hope and expect that other African countries will also participate in the effort in the future, building a well-trained, interoperable, local capacity for peacekeeping and humanitarian operations in a region that has been fraught with turbulence and crisis and all too dependent upon outside assistance to deal with these problems.

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

Promoting Prosperity

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

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

Further integrating Africa into the global economy has obvious political and economic benefits. It will also directly serve U.S. interests by continuing to expand an already important new market for U.S. exports. The more than 700 million people of sub-Saharan

Africa represent one of the world's largest largely untapped markets. Although the United States enjoys only a seven percent market share in Africa, already 100,000 American jobs depend on our exports there. Increasing both the U.S. market share and the size of the African market will bring tangible benefits to U.S. workers and increase prosperity and economic opportunity in Africa. To encourage U.S. trade with and investment in Africa, we are pursuing several new initiatives and enhancements to the Partnership for Economic Growth and Opportunity, including greater market access, targeted technical assistance, enhanced bilateral and World Bank debt relief, and increased bilateral trade ties.

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

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

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

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

- The Africa Food Security Initiative will assist African nations in strengthening agriculture and food security in a number of key areas, including production of healthy and alternative crops, better market efficiency and distribution of existing crops, increased trade and investment in agricultural industries, attacking crop diseases, and increasing access to agricultural technology systems to assist with increased crop production and distribution. Our pilot budget for the first two years of the initiative will be \$61 million, which complements USAID's current investments in these efforts.

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

Promoting Democracy

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

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

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

In addition, we will work with our allies to find an effective formula for promoting stability, democracy and respect for human rights in the Democratic Republic of Congo so that it and a democratic Nigeria can become the regional centers for economic growth, and democratic empowerment that they can and should be. In order to help post-apartheid South Africa achieve its economic, political, democratic and security goals for all its citizens, we will continue to provide substantial bilateral assistance, vigorously promote U.S. trade and investment, and pursue close cooperation and support for our mutual interests and goals through the versatile Binational Commission chaired by the Vice Presidents of each country.

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

IV. Conclusions

Today, on the brink of the twenty-first century, we are building new frameworks, partnerships and institutions—and adapting existing ones—to strengthen America's security and prosperity. We are working to construct new cooperative security arrangements, rid the world of weapons that target whole populations, build a truly global economy, and promote democratic values and economic reform. Because diplomatic and military responses alone may not deter threats to our national security from non-state actors such as criminals and terrorist groups, we must promote increased cooperation among law enforcement officials and improved methods for dealing with international crime and terrorism. Ours is a moment of historic opportunity to create a safer, more prosperous tomorrow—to make a difference in the lives of our citizens.

This promising state of affairs did not just happen, and there is no guarantee that it will endure. The contemporary era was forged by steadfast American leadership over the last half century—through efforts such as the Marshall Plan, NATO, the United Nations and the World Bank. The clear dangers of the past made the need for national security commitments and expenditures obvious to the American people. Today, the task of mobilizing public support for national security priorities is more complicated. The complex array of unique dangers, opportunities and responsibilities outlined in this strategy are not always readily apparent as we go about our

daily lives focused on immediate concerns. Yet, in a more integrated and interdependent world, we must remain actively engaged in world affairs to successfully advance our national interests. To be secure and prosperous, America must continue to lead.

Our international leadership focuses on President Clinton's strategic priorities: to foster regional efforts led by the community of democratic nations to promote peace and prosperity in key regions of the world, to create more jobs and opportunities for Americans through a more open and competitive trading system that also benefits others around the world, to increase cooperation in confronting new security threats that defy borders and unilateral solutions, and to strengthen the intelligence, military, diplomatic and law enforcement tools necessary to meet these challenges. Our international leadership is ultimately founded upon the power of our democratic ideals and values. The spread of democracy supports American values and enhances our security and prosperity. The United States will continue to support the trend toward democracy and free markets by remaining actively engaged in the world.

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

1999

**Стратегия Национальной Безопасности
для нового века
(Вашингтон, декабрь 1999 г.)**

A NATIONAL SECURITY STRATEGY FOR A NEW CENTURY
THE WHITE HOUSE
DECEMBER 1999

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Preface

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

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

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

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

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

readiness, modernization, and other high priority defense requirements. This is the first long-term sustained increase in defense spending in over a decade.

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

To be secure, we must not only have a strong military; we must also continue to lead in limiting the military threat to our country and the world. We continue to work vigilantly to curb the spread of nuclear, chemical and biological weapons and missiles to deliver them. We are continuing the START process to reduce Russian and American nuclear arsenals, while discussing modification of the Anti-Ballistic Missile Treaty to allow for development of a national missile defense against potential rogue state attacks. And we remain committed to obtaining Senate advice and consent to ratification of the Comprehensive Nuclear Test Ban Treaty (CTBT), and to bringing this crucial agreement into force. We must also sustain our commitment to America's diplomacy. Every dollar we devote to preventing conflicts, promoting democracy, opening markets, and containing disease and hunger brings a sure return in security and long-term savings. Working with Congress, we were able to provide enhanced funding to international affairs accounts and UN arrears, but we need to sustain this commitment to foreign affairs in the years ahead.

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

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

But our work is far from done. American leadership will remain indispensable to further important national interests in the coming year: forging a lasting peace in the Middle East; securing the peace in the Balkans and Northern Ireland; helping Russia strengthen its economy and fight corruption as it heads toward its first democratic transfer of power; furthering arms control through discussions with Russia on the Anti-Ballistic Missile (ABM) Treaty and deeper reductions in strategic nuclear weapons; implementing China's entry into the WTO and other global institutions while promoting freedom and human rights there; easing tensions between India and Pakistan; building on hopeful developments between Greece and Turkey to make progress in the Aegean,

particularly on Cyprus; securing new energy routes from the Caspian Sea that will allow newly independent states in the Caucasus to prosper; supporting democratic transitions from Nigeria to Indonesia; helping Colombia defeat the drug traffickers who threaten its democracy; fighting weapons proliferation, terrorism and the nexus between them; restraining North Korea's and Iran's missile programs; maintaining vigilance against Iraq and working to bring about a change in regime; consolidating reforms to the world's financial architecture as the basis for sustained economic growth; launching a new global trade round; enacting legislation to promote trade with Africa and the Caribbean; pressing ahead with debt relief for countries fighting poverty and embracing good government; reversing global climate change; and protecting our oceans.

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

I. Introduction

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

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

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

Opportunities and Challenges

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

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

National Interests

Since there are always many demands for U.S. action, our national interests must be clear. These interests fall into three categories. The first includes vital interests - those of broad,

overriding importance to the survival, safety and vitality of our nation. Among these are the physical security of our territory and that of our allies, the safety of our citizens, the economic well-being of our society, and the protection of our critical infrastructures - including energy, banking and finance, telecommunications, transportation, water systems and emergency services - from paralyzing attack. We will do what we must to defend these interests, including, when necessary and appropriate, using our military might unilaterally and decisively.

The second category is important national interests. These interests do not affect our national survival, but they do affect our national well-being and the character of the world in which we live. Important national interests include, for example, regions in which we have a sizable economic stake or commitments to allies, protecting the global environment from severe harm, and crises with a potential to generate substantial and highly destabilizing refugee flows. Our efforts to halt the flow of refugees from Haiti and restore democracy in that country, our participation in NATO operations to end the brutal conflicts and restore peace in Bosnia and Kosovo, and our assistance to Asian allies and friends supporting the transition in East Timor are examples.

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

Threats to U.S. Interests

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

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

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

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

Failed states: At times in the new century, we can expect that, despite international prevention efforts, some states will be unable to provide basic governance, safety and security, and opportunities for their populations, potentially generating internal conflict, mass migration, famine,

epidemic diseases, environmental disasters, mass killings and aggression against neighboring states or ethnic groups - events which can threaten regional security and U.S. interests.

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

Foreign intelligence collection: The threat from foreign intelligence services is more diverse, complex and difficult to counter than ever before. This threat is a mix of traditional and non-traditional intelligence adversaries that have targeted American military, diplomatic, technological, economic and commercial secrets. Some foreign intelligence services are rapidly adopting new technologies and innovative methods to obtain such secrets, including attempts to use the global information infrastructure to gain access to sensitive information via penetration of computer systems and networks. We must be concerned about efforts by non-state actors, including legitimate organizations, both quasi- governmental and private, and illicit international criminal organizations, to penetrate and subvert government institutions or critical sectors of our economy.

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

A Strategy of Engagement

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

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

engagement abroad over the long term will require the support of the American people and the Congress to bear the costs of defending U.S. interests - in dollars, effort and, when necessary, with military force.

Implementing the Strategy

International cooperation will be vital for building security in the next century because many of the challenges we face cannot be addressed by a single nation. Many of our security objectives are best achieved - or can only be achieved - by leveraging our influence and capabilities through international organizations, our alliances, or as a leader of an ad hoc coalition formed around a specific objective. Leadership in the United Nations and other international organizations, and durable relationships with allies and friendly nations, are critical to our security. A central thrust of our strategy is to strengthen and adapt the formal relationships we have with key nations around the world, create new relationships and structures when necessary, and enhance the capability of friendly nations to exercise regional leadership in support of shared goals. At other times, we seek to shape a favorable international environment outside of formal structures by building coalitions of like-minded nations. But we must always be prepared to act alone when that is our most advantageous course, or when we have no alternative. Success requires an integrated approach that brings to bear all the capabilities needed to achieve our security objectives - particularly in this era when domestic and foreign policies increasingly overlap. To effectively shape the international environment and respond to the full spectrum of potential threats, our diplomacy, military force, other foreign policy tools, and domestic preparedness efforts must be closely coordinated. We will continue to strengthen and integrate all of these capabilities.

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

The Power of Our Values

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

II. Advancing U.S. National Interests

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

Enhancing Security at Home and Abroad

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

Shaping the International Environment

The United States seeks to shape the international environment through a variety of means, including diplomacy, economic cooperation, international assistance, arms control and nonproliferation, and health initiatives. These activities enhance U.S. security by promoting regional security; enhancing economic progress; supporting military activities, international law enforcement cooperation, and environmental efforts; and preventing, reducing or deterring the diverse threats we face today. These measures adapt and strengthen alliances and friendships, maintain U.S. influence in key regions, and encourage adherence to international norms. The U.S. intelligence community provides critical support to the full range of our involvement abroad. Comprehensive collection and analytic capabilities are needed to provide warning of threats to U.S. national security, give analytical support to the policy and military communities, provide near-real time intelligence while retaining global perspective, identify opportunities for advancing our national interests, and maintain our information advantage in the international arena. We place the highest priority on monitoring the most serious threats to U.S. security: states hostile to the United States; countries or other entities that possess strategic nuclear forces or control nuclear weapons, other WMD or nuclear fissile materials; transnational threats, including terrorism, drug trafficking and other international crime; potential regional conflicts that might affect U.S. national security interests; and threats to U.S. forces and citizens abroad.

Diplomacy

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

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

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

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

Public Diplomacy

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

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

International Assistance

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

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

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

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

Arms Control and Nonproliferation

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

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

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

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

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

The two presidents also reaffirmed at Cologne their existing obligations under Article XIII of the ABM Treaty to consider possible changes in the strategic situation that have a bearing on the ABM Treaty and, as appropriate, possible proposals for further increasing the viability of the Treaty. They also agreed to begin discussions on the ABM Treaty, which are now underway in parallel with discussions on START III. The United States is proposing that the ABM Treaty be

modified to accommodate possible deployment of a limited National Missile Defense (NMD) system which would counter new rogue state threats while preserving strategic stability.

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

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

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

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

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

The Nuclear Non-Proliferation Treaty (NPT) is the cornerstone of international nuclear nonproliferation efforts and reinforces regional and global security by creating confidence in the non-nuclear commitments of its parties. It was an indispensable precondition for the denuclearization of Ukraine, Kazakhstan, Belarus and South Africa. We seek to ensure that the NPT remains a strong and vital element of global security by achieving universal adherence and full compliance by its parties with their Treaty obligations. Achieving a successful Review Conference in 2000 will be important to the future of this critical Treaty. We will vigorously promote the value of the NPT in preventing the spread of nuclear weapons while continuing policies designed to reduce U.S. reliance on nuclear weapons and to work for their ultimate elimination.

To reinforce the international nuclear nonproliferation regime, we seek to strengthen the International Atomic Energy Agency (IAEA) safeguards system and achieve a Fissile Material Cutoff Treaty in the Geneva Conference on Disarmament. Halting production of fissile materials for

nuclear explosions would cap the supply of nuclear materials available worldwide for weapons, a key step in halting the spread of nuclear weapons. A coordinated effort by the intelligence community and law enforcement agencies to detect, prevent and deter illegal trafficking in fissile materials, and the Material Protection, Control and Accounting program, which enhances security for nuclear materials having potential terrorist applications, are also essential to our counter-proliferation efforts.

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

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

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

We are purchasing tons of highly enriched uranium from dismantled Russian nuclear weapons for conversion into commercial reactor fuel, and working with Russia to remove 34 metric tons of plutonium from each country's nuclear weapons programs and converting it so that it can never be used in nuclear weapons. We are redirecting dozens of former Soviet WMD facilities and tens of thousands of former Soviet WMD scientists in Eastern Europe and Eurasia from military activities to beneficial civilian research. These efforts include implementing a new biotechnical initiative aimed at increasing transparency in former Soviet biological weapons facilities and redirecting their scientists to civilian commercial, agricultural, and public health activities. In support of U.S. efforts to prevent proliferation of WMD by organized crime groups and individuals in the NIS and Eastern Europe, the Departments of Defense, Energy, Commerce, the U.S. Customs Service, and the FBI are engaging in programs that assist governments in developing effective

export control systems and capabilities to prevent, deter, or detect proliferation of WMD and weapons materials across borders. These programs provide training, equipment, advice, and services to law enforcement and border security agencies in these countries.

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

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

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

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

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

alternatives to our mixed anti-tank systems that contain anti-personnel submunitions. We have made clear that the United States will sign the Ottawa Convention by 2006 if by then we have succeeded in identifying and fielding suitable alternatives to our self-destructing APLs and mixed anti-tank systems.

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

Military Activities

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

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

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

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

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

warfighting missions, as well as to ensure that we can sustain an appropriate level of engagement activities over the long term.

Our ability to deter potential adversaries in peacetime rests on several factors, particularly on our demonstrated will and ability to uphold our security commitments when they are challenged. We have earned this reputation through both our declaratory policy, which clearly communicates costs to potential adversaries, and our credible warfighting capability. This capability is embodied in ready forces an equipment strategically stationed or deployed forward, in forces in the United States at the appropriate level of readiness to deploy when needed, in our ability to gain timely access to critical regions and infrastructure overseas, and in our demonstrated ability to form and lead effective military coalitions. Because terrorist organizations may not be deterred by traditional means, we must ensure a robust capability to accurately attribute the source of attacks against the United States or its citizens, and to respond effectively and decisively to protect our national interests.

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

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

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

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

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

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

International Law Enforcement Cooperation

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

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

Environmental and Health Initiatives

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

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

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

underpinning for economic development, democratization and political stability. We are, therefore, taking a leadership role to promote international cooperation on health issues.

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

The worldwide epidemic HIV/AIDS is destroying peoples and economies on an unprecedented scale and is now the number one cause of death in Africa, killing over 5,500 per day. The Administration has taken bold new steps to combat this devastating epidemic, including reaching agreement in 1999 with the G-8 in Cologne to link debt relief with social programs such as HIV/AIDS prevention. And at the United Nations in September 1999, the President committed the United States to a concerted effort to accelerate the development and delivery of vaccines for AIDS, malaria, tuberculosis and other diseases disproportionately affecting the developing world. He announced plans for a special White House meeting to strengthen incentives to work with the private sector on common goals for fighting these diseases.

Responding to Threats and Crises

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

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

Transnational Threats

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

Terrorism

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

To respond to terrorism incidents overseas, the State Department leads an interagency team, the Foreign Emergency Support Team (FEST), which is prepared to deploy on short notice to the scene of an incident. FEST teams are tailored to the nature of the event and include personnel from

the State Department, Defense Department, FBI, and other agencies as appropriate. Additionally, the FBI has five Rapid Deployment Teams ready to respond quickly to terrorist events anywhere in the world. The State Department is also working on agreements with other nations on response to WMD incidents overseas.

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

On August 20, 1998, acting on convincing information from a variety of reliable sources that the network of radical groups affiliated with Osama bin Laden had planned, financed and carried out the bombings of our embassies in Nairobi and Dar es Salaam, and planned future attacks against Americans, the U.S. Armed Forces carried out strikes on one of the most active terrorist bases in the world. Located in Afghanistan, it contained key elements of the bin Laden network's infrastructure and has served as a training camp for literally thousands of terrorists from around the globe. We also struck a plant in Khartoum, Sudan, that was linked by intelligence information to chemical weapons and to the bin Laden terror network. The strikes were a necessary and proportionate response to the imminent threat of further terrorist attacks against U.S. personnel and facilities, and demonstrated that no country can be a safe haven for terrorists.

Drug Trafficking and Other International Crime

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

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

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

Domestically, we seek to educate and enable America's youth to reject illegal drugs, increase the safety of America's citizens by substantially reducing drug-related crime and violence, reduce health and social costs to the public of illegal drug use, reduce domestic cultivation of cannabis and production of methamphetamines and other synthetic drugs, and shield America's air, land and sea frontiers from the drug threat. Concerted efforts by the public, all levels of government and the private sector together with other governments, private groups and international organizations will be required for our strategy to succeed. Internationally, our strategy recognizes that the most effective counterdrug operations are mounted at the source where illegal drugs are grown and produced. We seek to stop drug trafficking by bolstering the capabilities of source nations to reduce cultivation through eradication and development of alternative crops, and attack production through destruction of laboratories and control of chemicals used to produce illegal drugs. In the transit zone between source regions and the U.S. border, we support interdiction programs to halt the shipment of illicit drugs. In concert with allies abroad, we pursue prosecution of major drug

traffickers, destruction of drug trafficking organizations, prevention of money laundering, and elimination of criminal financial support networks.

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

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

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

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

Defending the Homeland

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

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

National Missile Defense

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

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

In making our decision, we will review progress in achieving our arms control objectives, including negotiating changes to the ABM Treaty that would permit the deployment of a limited NMD system. At the Cologne G-8 Summit in June 1999, Presidents Clinton and Yeltsin agreed to begin discussions on START III and the ABM Treaty. Their reaffirmation that under the ABM Treaty the two sides are obligated to consider possible changes in the strategic situation that have a bearing on the Treaty and possible proposals for further increasing the viability of the Treaty opened the door for discussion of proposals for modifying the Treaty to accommodate a limited NMD deployment. The United States will attempt to negotiate changes to the ABM Treaty that would be necessary if we decide to deploy a limited NMD system. At the same time, the Administration has made clear that it will not give any state a veto over any missile defense deployment decision that is vital to our national security interests.

Countering Foreign Intelligence Collection

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

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

Domestic Preparedness Against Weapons of Mass Destruction

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

Critical Infrastructure Protection

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

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

The Federal government is committed to building this capability to defend our critical infrastructures, but it cannot do it alone. The private sector, as much as the Federal government, is a target for infrastructure attacks, whether by cyber or other means. A new partnership between the Federal government and the private sector is required. Acting jointly, we will work to identify and eliminate significant vulnerabilities in our critical infrastructures and the information systems that support them.

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

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

National Security Emergency Preparedness

We will do all we can to deter and prevent destructive and threatening forces such as terrorism, WMD use, disruption of our critical infrastructures, and regional or state-centered threats

from endangering our citizens. But if an emergency occurs, we must be prepared to respond effectively at home and abroad to protect lives and property, mobilize the personnel, resources and capabilities necessary to effectively handle the emergency, and ensure the survival of our institutions and infrastructures. To this end, we will sustain our efforts to maintain comprehensive, all-hazard emergency planning by federal departments, agencies and the military, as well as a strong and responsive industrial and technology base, as crucial national security emergency preparedness requirements.

Smaller-Scale Contingencies

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

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

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

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

Major Theater Warfare

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

Fighting and winning major theater wars entails three challenging requirements. First, we must maintain the ability to rapidly defeat initial enemy advances short of the enemy's objectives in

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

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

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

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

The Decision to Employ Military Forces

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

In situations posing a threat to important national interests, military forces should only be used if they advance U.S. interests, they are likely to accomplish their objectives, the costs and risks of their employment are commensurate with the interests at stake, and other non-military means are incapable of achieving our objectives. Such uses of military forces should be selective and limited, reflecting the importance of the interests at stake. We act in concert with the international community whenever possible, but do not hesitate to act unilaterally when necessary.

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

limited in duration, have a clearly defined mission and end state, entail minimal risk to American lives, and be designed to give the affected country the opportunity to restore its own basic services.

In all cases, the costs and risks of U.S. military involvement must be commensurate with the interests at stake. We will be more inclined to act where there is reason to believe that our action will bring lasting improvement. Our involvement will be more circumscribed when regional states or organizations are better positioned to act than we are. Even in these cases, however, the United States will be actively engaged with appropriate diplomatic, economic and military tools. In every case, we will consider several critical questions before committing military force: Have we explored or exhausted non-military means that offer a reasonable chance of achieving our goals? Is there a clearly defined, achievable mission? What is the threat environment and what risks will our forces face? What level of effort will be needed to achieve our goals? What are the potential costs - human and financial - of the operation? What are the opportunity costs in terms of maintaining our capability to respond to higher-priority contingencies? Do we have milestones and a desired end state to guide a decision on terminating the mission? Having decided that use of military forces is appropriate, the decision on how they will be employed is based on two guidelines. First, our forces will have a clear mission and the means to achieve their objectives decisively. Second, as much as possible, we will seek the support and participation of our allies, friends and relevant international institutions. When our vital interests are at stake, we are prepared to act alone. But in most situations, working with other nations increases the effectiveness of each nation's actions and lessens everyone's burden.

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

Preparing for an Uncertain Future

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

Within the military, transformation requires that we strike a balance among funding three critical priorities: maintaining the ability of our forces to shape and respond today, modernizing to protect the long-term readiness of the force, and transforming our unparalleled capabilities to ensure we can effectively shape and respond in the future. Transformation also means taking prudent steps to position ourselves to effectively counter unlikely but significant future threats, particularly asymmetric threats. We also must work with Allies and coalition partners to help improve their defense capabilities and interoperability with our forces, in order to bolster the effectiveness of multinational operations across the full spectrum of potential military missions.

Transformation of our military forces is critical to meeting the military challenges of the next century. Exploiting the revolution in military affairs is fundamental if U.S. forces are to retain their dominance in an uncertain world. Investment in research and development while closely monitoring trends in likely future threats are important elements of our transformation effort. A carefully planned and focused modernization program will maintain our technological superiority

and replace Cold War-era equipment with new systems and platforms capable of supporting the full spectrum of military operations.

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

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

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

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

Promoting Prosperity

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

Strengthening Financial Coordination

As national economies become more integrated internationally, U.S. prosperity depends more than ever on economic developments abroad. Cooperation with other states and international organizations is vital to protecting the health of the global economic system and responding to financial crises.

Global financial markets dominated by private capital flows provide both opportunities and risks, as highlighted by the international financial crisis of the past two years. Our goal is to build a stable, resilient global financial system that promotes strong global economic growth while providing broad benefits in all countries. We have worked with our G-7 partners and the rest of the

international community to pursue reforms in six broad areas: strengthening and reforming international institutions and arrangements; enhancing transparency and promoting best practices; strengthening financial regulation in industrial countries; strengthening macroeconomic policies and financial systems in emerging markets; improving crisis prevention and management, and involving the private sector; and promoting social policies to protect the poor and most vulnerable.

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

Promoting an Open Trading System

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

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

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

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

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

We will continue to ensure that liberalization of trade does not come at the expense of national security or environmental protection. For example, the national security, law enforcement and trade policy communities worked together to make sure that the WTO agreement liberalizing global investment in telecommunications was consistent with U.S. national security interests.

Moreover, our leadership in the Uruguay Round negotiations led to the incorporation of environmental provisions into the WTO agreements and creation of the Committee on Trade and Environment, which continues to pursue the goal of ensuring that trade and environment policies are mutually supportive.

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

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

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

Enhancing American Competitiveness

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

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

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

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

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

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

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

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

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

Providing for Energy Security

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

promises to play an increasingly important role in meeting rising world energy demand in coming decades.

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

Conservation and energy research notwithstanding, the United States will continue to have a vital interest in ensuring access to foreign oil sources. We must continue to be mindful of the need for regional stability and security in key producing areas to ensure our access to, and the free flow of, these resources.

Promoting Sustainable Development

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

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

Promoting Democracy and Human Rights

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

Emerging Democracies

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

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

oppressive rule by the majority; full respect for women's and workers' rights; and civilian control of the military.

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

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

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

Adherence to Universal Human Rights and Democratic Principles

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

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

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

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

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

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

It is our aim to ensure temporary protection for persons fleeing situations of armed conflict or generalized human rights abuses by encouraging governments to not return refugees to countries where they face persecution or torture. We also seek to focus additional attention on the more vulnerable or traditionally oppressed people by spearheading new international initiatives to combat the sexual exploitation of minors, child labor, homelessness among children, and the use of child soldiers.

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

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

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

Humanitarian Activities

Our efforts to promote democracy and human rights are complemented by our humanitarian programs, which are designed to alleviate human suffering, address resource and economic crises

that could have global implications, pursue appropriate strategies for economic development, and support and promote democratic regimes that respect human rights and the rule of law.

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

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

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

III. Integrated Regional Approaches

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

Europe and Eurasia

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

Enhancing Security

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

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

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

Together with our Allies, we are pursuing efforts to help other countries that aspire to membership become the best possible candidates. These efforts include the NATO Membership Action Plan and our Partnership for Peace. We are also continuing bilateral programs to advance this agenda, such as the President's Warsaw Initiative, which is playing a critical role in promoting Western-style reform of the armed forces of Central and Eastern Europe and Eurasia and helping them become more interoperable with NATO. Some European nations do not desire NATO membership, but do desire strengthened ties with the Alliance. The Partnership for Peace provides an ideal vehicle for such relationships. It formalizes relations, provides a mechanism for mutual beneficial interaction and establishes a sound basis for combined action should that be desired. This can be seen in the major contributions some Partnership for Peace members have made to NATO missions in the Balkans.

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

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

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

and launched by President Clinton and other leaders at Sarajevo in July 1999. The Pact also seeks to deepen regional cooperation and draw those countries closer to the rest of Europe and the United States, thereby giving them an opportunity to demonstrate that they are ready for integration into Euro-Atlantic institutions.

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

NATO military operations against Serbia in the spring of 1999 had three clear goals: the withdrawal of all Serb military, paramilitary, and police forces from Kosovo; the unconditional and safe return of all refugees and displaced persons to Kosovo; and deployment of an international security force, with NATO at its core, to protect all the people of Kosovo -- Serbs, Albanians and others. Those goals were achieved. Now, NATO, the UN and the international community face the challenge of establishing a stable environment that provides for the security and dignity of all people in Kosovo. Much has been achieved to this end. Mine fields are being cleared; homes are being rebuilt; nearly a million Kosovars who returned to the province are receiving food, shelter and medicine; investigations into the fate of the missing are ongoing; and the Kosovar Liberation Army has been demilitarized.

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

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

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

and reconciliation in Bosnia. We are working to accelerate market economic reforms in Bosnia and Croatia and support a transition to democracy in Croatia.

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

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

Northern Ireland: Historic progress was achieved in implementing the Good Friday Accord when, on December 2, 1999, an inclusive power-sharing government was formed in Northern Ireland, the principle of consent was accepted with respect to any change in the territorial status of Northern Ireland, new institutions were launched for North-South cooperation on the island of Ireland, and the Irish Republican Army named a representative to the Independent International Commission on Decommissioning of paramilitary weapons (loyalist paramilitaries named their representatives to the commission soon thereafter). These developments followed continued progress in promoting human rights and equality in Northern Ireland, including the important recommendations put forward for police reform in the Patten Report issued on September 9, 1999.

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

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

Russia, Ukraine, and most other NIS are now electoral democracies, although we will continue to engage with all these countries to improve their electoral processes and help strengthen civil society by working with grassroots organization, independent media and emerging entrepreneurs. Though the transition from communism to market democracy is far from complete,

the NIS have largely dismantled state controls over their economies and liberalized prices. It is in our national interest to help them build the laws, institutions and skills needed for a market democracy, to fight crime and corruption and to advance human rights and the rule of law. The conflict in Chechnya represents a major problem in Russia's post-Communist development and relationship with the international community; the means Russia is pursuing in Chechnya are undermining its legitimate objective of upholding its territorial integrity and protecting citizens from terrorism and lawlessness.

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

Promoting Prosperity

Europe is a key element in America's global commercial engagement. Europe and the United States produce almost half of all global goods and services; more than 60% of total U.S. investment abroad is in Europe; and fourteen million workers on both sides of the Atlantic earn their livelihoods from transatlantic commerce. As part of the New Transatlantic Agenda launched in 1995, the United States and the EU agreed to take concrete steps to reduce barriers to trade and investment through creation of an open New Transatlantic Marketplace and through Mutual Recognition Agreements in goods that eliminate redundant testing and certification requirements. Our governments are also cooperating closely with the civil society dialogues established under the New Transatlantic Agenda: the Transatlantic Business Dialogue, Transatlantic Consumer Dialogue, Transatlantic Environment Dialogue, and Transatlantic Labor Dialogue. These people-to-people dialogues create opportunities for increased communication focusing on best practices, and can help their governments identify and reduce barriers to greater transatlantic interaction. In return, our governments should be committed to listen, learn, and facilitate.

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

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

compatibility of our procedures with potentially significant reductions in cost for American companies.

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

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

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

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

On November 18, 1999, President Clinton was present in Istanbul, Turkey for the signing of the Baku-Tbilisi-Ceyhan pipeline agreement and the Trans-Caspian Gas Pipeline Declaration. We actively supported the negotiations leading to these agreements and will continue to be actively engaged in both pipeline projects. We believe that the Baku-Tbilisi-Ceyhan pipeline and the trans-Caspian gas pipeline are commercially viable. The Export-Import Bank and OPIC stand ready to provide the necessary financing and insurance on a commercial basis to help bring these projects to fruition. The trans-Caspian gas pipeline is planned to begin delivering gas to Turkey in 2002 and the Baku-Tbilisi-Ceyhan pipeline is planned to begin delivering oil by 2004.

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

Promoting Democracy

Democratic reforms in Central and Eastern Europe and Eurasia are the best measures to avert conditions that could foster ethnic violence and regional conflict. Already, the prospect of joining or rejoining the Western democratic family has strengthened the forces of democracy and reform in

many countries of the region. Together with our West European partners we are helping these nations build civil societies. For example, the CIVITAS organization has carried out a joint civic education program in Bosnia-Herzegovina, and a similar project is planned for Ukraine. Throughout the region, targeted exchange programs have familiarized key decision-makers and opinion-molders with the workings of American democracy.

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

East Asia and the Pacific

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

Enhancing Security

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

Japan: The United States and Japan reaffirmed our bilateral security relationship in the April 1996 Joint Security Declaration. The alliance remains the cornerstone for achieving common security objectives and for maintaining a peaceful and prosperous environment for the Asia Pacific region as we enter the twenty-first century. The 1997 revised Guidelines for U.S.-Japan Defense Cooperation create a solid basis for more effective and credible U.S.-Japan cooperation in peacetime, in the event of an armed attack on Japan, and in situations in areas surrounding Japan. They provide a general framework and policy direction for the roles and missions of the two countries, and ways of coordinating our efforts in peacetime and contingencies. The revised Guidelines, like the U.S.-Japan security relationship itself, are not directed against any other country; rather, they enable the U.S.-Japan alliance to continue fostering peace and security throughout the region. In April 1998, in order to support the new Guidelines, both governments agreed to a revised Acquisition and Cross-Servicing Agreement (ACSA) which expands the provision of supplies and services to include reciprocal provision of logistics support during situations surrounding Japan that have an important influence on Japan's peace and security. Japan approved implementing legislation for the Guidelines in the spring of 1999. Japan's generous host nation support for the U.S. overseas presence also serves as a critical strategic contribution to the alliance and to regional security.

Our bilateral security cooperation has broadened as a result of recent agreements to undertake joint research and development on theater missile defense and to cooperate on Japan's indigenous satellite program. Moreover, we work closely with Japan to promote regional peace and stability, seek universal adherence to the Nuclear Non-Proliferation Treaty, and address the dangers posed by transfers of destabilizing conventional arms and sensitive dual-use technologies. Japan is providing

\$1 billion to the Korean Peninsula Energy Development Organization (KEDO), and consults closely with the United States and ROK on issues relating to North Korea.

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

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

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

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

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

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

China: A stable, open, prosperous People's Republic of China (PRC) that respects international norms and assumes its responsibilities for building a more peaceful world is clearly

and profoundly in our interests. The prospects for peace and prosperity in Asia depend heavily on China's role as a responsible member of the international community. Our policy toward China is both principled and pragmatic, expanding our areas of cooperation while dealing forthrightly with our differences. Despite strains in the relationship resulting from the tragic accidental bombing of the PRC embassy in Belgrade, we have continued to engage China on these issues.

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

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

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

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

Southeast Asia: Our strategic interest in Southeast Asia centers on developing regional and bilateral security and economic relationships that assist in conflict prevention and resolution and

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

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

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

Promoting Prosperity

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

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

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

China: Bringing the PRC more fully into the global trading system is manifestly in our national interest. China is a major potential market for our goods and services. As we look into the next century, our exports to China will support hundreds of thousands of jobs across our country.

For this reason, we must continue our normal trade relationship with China, as every President has done since 1980, to strengthen our economic relationship.

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

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

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

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

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

Australia and New Zealand: We are building on our already close working relationship with Australia and New Zealand to strengthen our bilateral trade and economic relationships, build

consensus for regional liberalization, and cooperate in opening the new round of international trade negotiations at the WTO.

Promoting Democracy

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

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

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

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

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

The Western Hemisphere

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

Enhancing Security

The principal security concerns in the hemisphere are transnational in nature, such as drug trafficking, organized crime, money laundering, illegal immigration, firearms trafficking, and terrorism. In addition, our hemisphere is leading the way in recognizing the dangers to national and

regional stability produced by corruption and ineffective legal systems. All of these threats, especially drug trafficking, produce adverse social effects that undermine the sovereignty, democracy and national security of nations in the hemisphere.

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

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

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

Promoting Prosperity

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

We seek to advance the goal of an integrated hemisphere of free market democracies by building on NAFTA and obtaining Congressional Fast Track trade agreement approval procedures. Formal negotiations are in progress to initiate the Free Trade Area of the Americas (FTAA) by 2005. The negotiations cover a broad range of important issues, including market access, investment, services, government procurement, dispute settlement, agriculture, intellectual property rights, competition policy, subsidies, anti-dumping and countervailing duties. We will seek to ensure that the agreement also supports workers rights, environmental protection and sustainable

development. We are also committed to delivering on the President's promise to pursue a comprehensive free trade agreement with Chile because of its economic performance and its active role in promoting hemispheric economic integration. To address the concerns of smaller economies during the period of transition to the global economy of the twenty-first century, and in light of the increased competition NAFTA presents to Caribbean trade, we are seeking Congressional approval to provide enhanced trade benefits under the Caribbean Basin Initiative to help prepare that region for participation in the FTAA.

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

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

Promoting Democracy

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

The hemisphere's leaders are committed to strengthening democracy, justice and human rights. They have pledged to intensify efforts to promote democratic reforms at the regional and local level, protect the rights of migrant workers and their families, improve the capabilities and competence of civil and criminal justice systems, and encourage a strong and active civil society. Specific initiatives include: ratification of the Inter-American Convention Against Corruption to strengthen the integrity of governmental institutions; creation of a Special Rapporteur for Freedom of Expression as part of the Inter-American Commission for Human Rights; and establishment of an Inter-American Justice Studies Center to facilitate training of personnel and the exchange of information and other forms of technical cooperation to improve judicial systems.

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

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

In Haiti we continue to support the consolidation of democratic institutions, respect for human rights and economic growth by a Haitian government capable of managing its own security. In cooperation with the United Nations and Organization of American States, we are working with

Haiti's Provisional Electoral Council to pave the way for free, fair, and transparent local, legislative and presidential elections in 2000. We are committed to working with our partners in the region and in the international community to meet the challenges of institutionalizing Haiti's economic and political development, and building an effective and fair police force and judicial system.

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

The Middle East, North Africa, Southwest and South Asia

Developments in these regions will profoundly affect America's future. They will determine whether a just and lasting peace can be established between Israel and the Arab countries; whether nations of the region will fully join our fight against terrorism and drug trafficking; whether they will agree to stop the spread of weapons of mass destruction; whether the oil and gas fields of the Caucasus and Central Asia become reliable energy sources; and whether respect for basic human rights and democracy can be institutionalized.

Enhancing Security

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

The Middle East Peace Process

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

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

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

North Africa

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

Southwest Asia

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

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

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

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

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

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

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

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

South Asia

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

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

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

Promoting Prosperity

The United States has two principal economic objectives in the region: to promote regional economic cooperation and development and to ensure an unrestricted flow of oil from the region. We seek to promote regional trade and cooperation on infrastructure through the peace process,

revitalization of the Middle East and North Africa (MENA) economic summits, and our Qualifying Industrial Zone program, which provides economic benefits for certain countries that enter into business arrangements with Israel. In South Asia, we will continue to work with the region's democracies in their efforts to implement market reforms, strengthen educational systems, and end the use of child and sweatshop labor.

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

Promoting Democracy

We encourage the spread of democratic values throughout the Middle East, North Africa and Southwest and South Asia and will pursue this objective aided by constructive dialogue with countries in the region. In Iran, for example, we hope the nation's leaders will carry out the people's mandate for a government that respects and protects the rule of law, both in its internal and external affairs. We will promote responsible indigenous moves toward increasing political participation and enhancing the quality of governance, and we will continue to challenge governments in the region to improve their human rights records. Respect for human rights also requires rejection of terrorism. If the nations in the region are to safeguard their own citizens from the threat of terror, they cannot tolerate acts of indiscriminate violence against civilians, nor can they offer refuge to those who commit such acts. Our policies are guided by our profound respect for Islam. The Muslim religion is the fastest-growing faith in the United States. We recognize and honor Islam's role as a source of inspiration, instruction and moral guidance for hundreds of millions of people around the world. U.S. policy in the region is directed at the actions of governments and terrorist groups, not peoples or faiths.

Sub-Saharan Africa

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

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

Enhancing Security

Serious transnational security threats emanate from pockets of Africa, including state-sponsored terrorism, drug trafficking, international crime, environmental degradation and infectious diseases, especially HIV/AIDS. Since these threats transcend state borders, they are best addressed

through effective, sustained sub-regional engagement in Africa. We have already made significant progress in countering some of these threats - such as by investing in efforts to combat environmental degradation and infectious disease, and leading international efforts to remove mines planted in previous conflict areas and halt the proliferation of land mines. We continue efforts to reduce the flow of illegal drugs through Africa and to curtail international organized criminal activity based in Africa. We will improve international intelligence sharing, and train and assist African law enforcement, intelligence and border control agencies to detect and prevent planned terrorist attacks against U.S. targets in Africa.

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

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

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

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

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

The United States has established the African Center for Strategic Studies (ACSS) to promote the exchange of ideas and information tailored specifically for African security concerns. The goal is for ACSS to be a source of academic, yet practical, instruction in promoting civil-military

relations and the skills necessary to make effective national security decisions in democratic governments. The curriculum will engage African military and civilian defense leaders in a substantive dialogue about defense policy planning, civil-military relations, and defense resource management in democracies. Our long-term goal is to support the development of regional security arrangements and institutions to prevent and manage armed conflicts and curtail transnational threats to our collective security.

Promoting Prosperity

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

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

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

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

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

help improve agricultural productivity, support research, expand income-generating projects, and address nutritional needs for the rural poor.

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

Promoting Democracy

In Africa as elsewhere, democracies have proved stronger partners for peace, stability and sustained prosperity. We will continue to support the important progress African nations have achieved and to broaden the growing circle of African democracies.

The restoration of civilian democratic government in Nigeria can help return that country to its place as a leader in Africa. Over the past year, the government and people of Nigeria have succeeded in restoring democratic civilian government, freed political prisoners, lifted onerous restrictions on labor unions, and worked to restore the authority of the judicial system. Nigeria's new civilian government has taken sweeping steps to ensure that the military remains in the barracks and that fighting corruption will be a top priority. The peaceful elections in February 1999 and inauguration of the new civilian government in May 1999 were important steps in this transformation.

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

Through the Great Lakes Justice Initiative, the United States is working to help end the cycle of violence and impunity in the Democratic Republic of Congo, Rwanda and Burundi, and to support judicial systems that are impartial, credible, effective and inclusive. In addition, we

will work with our allies to find an effective formula for promoting stability, democracy and respect for human rights in the Democratic Republic of Congo so that it and a democratic Nigeria can become the regional centers for economic growth, and democratic empowerment that they can and should be. In order to help post-apartheid South Africa achieve its economic, political, democratic and security goals for all its citizens, we will continue to provide substantial bilateral assistance, vigorously promote U.S. trade and investment, and pursue close cooperation and support for our mutual interests.

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

IV. Conclusions

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

This promising state of affairs did not just happen, and there is no guarantee that it will endure. The contemporary era was forged by steadfast American leadership over the last half

century - through efforts such as the Marshall Plan, NATO, our security ties in the Pacific, the United Nations, the International Monetary Fund and the World Bank. The clear dangers of the past made the need for national security commitments and expenditures obvious to the American people. Today, the task of mobilizing public support for national security priorities is more complicated. The complex array of unique dangers, opportunities and responsibilities outlined in this strategy are not always readily apparent as we go about our daily lives focused on immediate concerns. Yet, in a more integrated and interdependent world, we must remain actively engaged in world affairs to successfully advance our national interests.

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

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

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

2000

**Стратегия Национальной Безопасности
для глобальной эпохи
(Вашингтон, декабрь 2000 г.)**

A NATIONAL SECURITY STRATEGY FOR A GLOBAL AGE
THE WHITE HOUSE
DECEMBER 2000

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Preface

As we enter the new millennium, we are blessed to be citizens of a country enjoying record prosperity, with no deep divisions at home, no overriding external threats abroad, and history's most powerful military ready to defend our interests around the world. Americans of earlier eras may have hoped one day to live in a nation that could claim just one of these blessings. Probably few expected to experience them all; fewer still all at once.

Our success is cause for pride in what we've done, and gratitude for what we have inherited. But the most important matter is what we now make of this moment. Some may be tempted to believe that open markets and societies will inevitably spread in an era of expanding global trade and communications, or assume that our wealth and power alone will protect us from the troubles of the outside world. But that approach falls for the old myth of an "outside" world, and ignores the defining features of our age: the rise of interdependence. More than ever, prosperity and security in America depend on prosperity and security around the globe. In this age, America can advance its interests and ideals only by leading efforts to meet common challenges. We must deploy America's financial, diplomatic and military resources to stand up for peace and security, promote global prosperity, and advance democracy and human rights around the world.

This demands strengthening our alliances with Europe and Asia, and adapting them to meet emerging challenges. Our alliances in Europe and Asia are stronger because they are organized to advance a permanent set of shared interests, rather than to defeat a single threat. We must continue working with our allies towards a peaceful, democratic, undivided Europe, with NATO as a deterrent to new conflict and a magnet for new democracies. In Asia, we must build on strategic alliance with Japan to define new approaches to post-Cold War threats. And, we must enhance cooperation with South Korea as we encourage North Korea's emergence from isolation and continue to diminish the missile threat.

Just as we strengthen our alliances, we must build principled, constructive, clear-eyed relations with our former adversaries Russia and China. We must be mindful of threats to peace while also maximizing chances that both Russia and China move toward greater internal openness, stability and prosperity, seizing on the desire of both countries to participate in the global economy and global institutions, insisting that both accept the obligations as well as the benefits of integration. With Russia, that means continuing our work to reduce the nuclear danger, to assure strategic stability, and to define its future role in Europe, while supporting the emergence of democratic institutions and the rule of law. With China, that means continuing to press for adherence to nonproliferation standards and peaceful dialogue with Taiwan, while holding Chinese leaders to the conditions of entry into the WTO, which offer the best hope of internal reform.

To protect the peace and promote security, we must work to resolve conflicts before they escalate and harm vital U.S. interests. In the 1990s, the United States has been actively engaged in seeking peace in the Middle East, in the Balkans, between Greece and Turkey, between India and Pakistan, in Northern Ireland, between Peru and Ecuador, and Eritrea and Ethiopia. These efforts, undertaken in partnership with friends and allies, help to avert wider conflicts that might endanger global stability, ease humanitarian catastrophes, while adding moral authority to America's might in the world. American overwhelming power and influence is far less likely to breed resentment if it is used to advance the cause of peace.

We also must identify and address new national security challenges, accentuated by new technology and open borders. We have identified a new security agenda that addresses contemporary threats such as the proliferation of nuclear, chemical and biological weapons, terrorism, and international crime. New efforts must continue to build on initiatives such as the extension of the Nonproliferation Treaty, the containment of nations seeking to acquire and use weapons of mass destruction, increased antiterrorism cooperation, stepped up efforts to combat trafficking in drugs, arms, and human- beings, and our first-ever national strategy for cybersecurity. Our new security agenda recognizes that in a global age, threats to America do not simply come from determined enemies and deadly weapons. Our efforts to curb global warming through the Kyoto protocol are vital to protect America from a future of rising sea levels and economic disruption. Our leadership in the international fight against infectious diseases, especially HIV/AIDS, is critical to defeat a threat that kills massively, crosses frontiers and destabilizes whole regions.

Finally, there can be no security where there is no hope of prosperity. We must continue to promote the spread of global markets in ways that advance economic growth, honor our values, and help alleviate economic disparity. We must build on the creation of the WTO, and of NAFTA, on the passage of PNTR for China, on extending trade preferences to nations in Africa and the Caribbean Basin, and on the nearly 300 trade agreements we have signed that have contributed to the longest U.S. economic expansion in history. At the same time, we must understand that trade, by itself, is not enough to lift the most desperate nations out of poverty or prevent the world from becoming bitterly divided between haves and have nots. That's why we have led in promoting the HIPC initiative to provide deeper debt reduction for countries with unsustainable debt burdens, and placed global development issues at the forefront of the international agenda.

More than 50 years ago, Harry Truman said: "We are in a position now of making the world safe for democracy, if we don't crawl in a shell and act selfish and foolish." He believed that in the wake of our triumph in World War II, America had the ability and a responsibility to shape world events, so that we would not be shaped by them. Truman was right, and the historical forces he saw then have only intensified since the Cold War.

The ability to assure global security, shared prosperity and freedom is beyond the power of any one nation. But the actions of many nations often follow from the actions of one. America today has power and authority never seen before in the history of the world. We must continue use it, in partnership with those who share our values, to seize the opportunities and meet the challenges of a global age.

William J. Clinton

I. Fundamentals of the Strategy

Goals of the Engagement Strategy

Since the end of the Cold War, the United States and its allies have developed a position of extraordinary strength. As the last decade of the 20th century unfolded, the United States sought to use that strength wisely and in a manner consistent with the fundamental values and ideals on which our republic was founded. The world is undergoing an accelerating process of globalization in which technology is developing exponentially; information is exchanged around the globe cheaply and instantaneously; economies are increasingly interdependent; borders are more porous; people seek political and economic freedoms; and groups seek expression of their ethnic identity. Some of these trends add to our strength and security. Others present new challenges. All entail great transformation and prescribe new imperatives for defining our Nation's role in this rapidly changing era.

In a democracy, a nation's foreign policy and security strategy must serve the needs of the people. At the dawn of the 21st century, our world is very different from that of our Founding Fathers, yet the basic objectives in the preamble to the Constitution remain timeless:

provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

The changes we have seen in the last decade do not alter these fundamental purposes. They merely blur the dividing line between domestic and foreign policy and heighten the imperative for a cohesive set of active U.S. efforts, both at home and abroad, to pursue three modern day goals derived from the preamble's objectives: enhancing security at home and abroad, promoting prosperity, and promoting democracy and human rights. To accomplish these three goals in an ever-shrinking world, we have developed a series of policies, now recognized as the elements of our strategy for engagement.

Elements of the Strategy

Shaping the International Environment

A primary element of our strategy of engagement has been to help fashion a new international system that promotes peace, stability, and prosperity. This has involved remolding and shaping both sides of the Cold War bipolar system. It has meant both adapting our alliances and encouraging the reorientation of other states, including former adversaries.

The United States has led the transformation of what were defensive entities into proactive instruments for meeting post-Cold War challenges. Under U.S. leadership, NATO -- our most important Cold War alliance -- has formally revised its strategic concept, successfully ended aggression in Bosnia and Kosovo, and brought new members into the Alliance while holding out the prospect of further enlargement. It has increasingly pursued new initiatives and missions such as the Partnership for Peace (PFP) and peacekeeping operations with partners to help stabilize the continent. New dialogue between historic adversaries interested in joining NATO has helped to reconcile several long-standing disputes among countries in the region. Further challenges exist, but the signs of progress and nature of the changes are encouraging.

Other important security arrangements we forged in the Cold War remain strong in the post-Cold War world. For instance, in 1997 the United States and Japan revised their guidelines for defense cooperation. Our security commitments to the Republic of Korea and Australia also remain strong, as do our defense relations with Thailand and the Philippines, and new security cooperation exists with our friends in the Persian Gulf region.

Nations with whom we had been philosophically opposed during much of the Cold War are in the process of tremendous political and economic change. Our engagement with these states over the last eight years has been focused on encouraging them to undertake important political and economic reforms while at the same time dissuading them from regressing into confrontational relationships. Our efforts with the most populous of these nations -- China and Russia -- have been intended to offer opportunities and incentives for proactive participation, while also encouraging them to be responsible members of the world community. This means progress in respecting the rights of individuals and nations in areas as diverse as the environment, humanitarian issues, the rule of law, and economic fairness. While the outcome of transformation in these nations is not altogether certain, our engagement has had a positive impact on both regional and global stability.

The United States has sought to strengthen the post-Cold War international system by encouraging democratization, open markets, free trade, and sustainable development. These efforts have produced measurable results. The number of democracies, as a percentage of world states, has increased by 14% since 1992. For the first time in history, over half of the world's population lives under democratic governance. Our national security is a direct beneficiary of democracy's spread, as democracies are less likely to go to war with one another, more likely to become partners for peace

and security, and more likely to pursue peaceful means of internal conflict resolution that promote both intrastate and regional stability.

The globalization of trade and investment, spurred by new technologies, open borders, and increasingly open societies, is a critical aspect of the 21st century world. United States efforts to expand trade and investment with both traditional and new trading partners fuel growth in our economy. United States efforts to extend market reforms to former adversaries and neutrals also enhance our security by increasing economic cooperation, empowering reformers, and promoting openness and democracy overseas. Economic freedoms routinely facilitate political freedoms. In addition to these opportunities, economic globalization also presents its proponents with tough challenges, such as assisting countries that embrace but are nonetheless left behind by the dynamics of globalization or working with countries that reject these dynamics for fear of losing their cultural or national identity.

Preventing conflict has been a hallmark of U.S. foreign policy under a strategy of engagement. All over the world, the United States has selectively used diplomatic means, economic aid, military presence, and deterrence as tools for promoting peace. We also assist other countries to develop their own defense capabilities through our foreign assistance and security assistance programs. In doing so, we have focused on the threats and opportunities most relevant to our interests as well as our values, and applied our resources where we can make the greatest difference.

Responding to Threats and Crises

The persistence of major interstate conflict has required us to maintain the means for countering potential regional aggressors. Long-standing tensions and territorial division on the Korean peninsula and territorial ambitions in the Persian Gulf currently define the main tenets of this requirement. For the foreseeable future, the United States, preferably in concert with allies, must have the capability to deter -- and if that fails, to defeat -- large-scale, cross-border aggression in two distant theaters in overlapping time frames.

Globally, as a result of more porous borders, rapid changes in technology, greater information flow, and the potential destructive power within the reach of small states, groups, and individuals, the United States finds itself confronting new threats that pose strategic challenges to our interests and values. These include the potential use and continued proliferation of weapons of mass destruction (WMD) and their means of delivery, proliferation of small arms and light weapons, threats to our information/cyber security, international migrant smuggling and trafficking in persons, and the ability to disrupt our critical infrastructure. As a result, defense of the homeland against WMD terrorism has taken on a new importance, making coordinated Federal, state, and local government efforts imperative. The Domestic Preparedness Program has received significant resources to address immediate threats to our security. Ongoing efforts on National Missile Defense are developing the capability to defend the fifty states against a limited missile attack from states that threaten international peace and security. Prevention remains our first line of defense to lessen the availability of weapons of mass destruction being sought by such aggressor nations. To that end, we continue to work with Russia to control possible leakage of former Soviet nuclear, chemical, and biological weapons materials and expertise to proliferant states.

We are also vigorously pursuing a strengthening of the Nuclear Non-Proliferation Treaty, the Chemical and Biological Weapons Conventions, the Missile Technology Control Regime, and entry into force of the Comprehensive Nuclear Test Ban Treaty at the earliest possible time. Other persistent threats to our security in peacetime include international terrorism, drug trafficking, other organized crime, and environmental degradation. The United States has made great strides in restructuring its national security apparatus to address new threats with diplomatic, economic, and military tools.

Fragmentation of a number of states, which helped lead to the collapse of the Cold War's bipolar alignment, has caused turmoil within several regions of the world. This turmoil, a result of

re-awakened ethnic and religious divisions and territorial ambitions, has reignited old conflicts and resulted in substantial bloodshed. U.S. leadership in steering international peace and stability operations has restored and maintained peace in a number of locations. We have been more inclined to act where our interests and values are both at stake and where our resources can affect tangible improvement, as in Bosnia and Kosovo. In each of these instances, atrocities against, and the expulsion of, people in the heart of Europe undermined the very values over which we had fought two World Wars and the Cold War. Left unchecked, they could have spread elsewhere throughout Europe and harmed the NATO alliance. We thus saw that our interests and values were affected to a sufficient degree to warrant U.S. military intervention in both Bosnia and Kosovo.

As we look to the future, our strategy must therefore be sufficiently robust so that when we choose to engage, we can do so to prevent conflict, assist failing states, or counter potential regional aggressors as necessary.

Preparing for an Uncertain Future

Meeting this widening array of new threats to our security will require us to transform our capabilities and organizations. Within our military, this transformation has taken several forms: focused science and technology efforts; concept development and experimentation by the Services, combatant commands, and the Joint Staff; robust processes to implement change; and new approaches to foster a culture of bold innovation and dynamic leadership.

The process of transformation must not end solely with defense. Preparation must also include diplomatic, intelligence, law enforcement, and economic efforts if we are to meet the new threats that rapidity of technological change brings to the hands of adversaries, potential and actual. Our government is therefore implementing interagency approaches to formulate, and then execute, policy and plans for dealing with potential contingencies. In addition, preventative diplomacy, often undergirded by the deterrence of our full military capabilities, may help contain or resolve problems before they erupt into crises or contingency operations.

Summary

The elements of engagement -- adapting alliances; encouraging the reorientation of other states, including former adversaries; encouraging democratization, open markets, free trade, and sustainable development; preventing conflict; countering potential regional aggressors; confronting new threats; and steering international peace and stability operations -- define the Nation's blueprint for a strategy of engagement. These elements support three strategic concepts for engagement: shaping the international environment, responding to threats and crises, and preparing for an uncertain future. The blueprint and the concepts it supports have served the United States well in a rapidly changing world. Refined by experience, the strategy is a wise roadmap for national security in the 21st century.

Guiding Principles of Engagement

Both our goals, and the policies we pursue to achieve these goals, must reflect two guiding principles that influence both our national character and legacy: protecting our national interests and advancing our values. Throughout history, all sovereign nations have been guided by protection of their national interests, even if they have defined these interests quite differently. Many countries have also been guided by a desire to advance their values. Few, however, have chosen to advance those values principally through the power of their example instead of the might of their military. Historically, the United States has chosen to let our example be the strongest voice of our values. Both our goals and the policies we pursue to achieve these goals reflect these guiding principles.

Protecting our National Interests

Our national interests are wide-ranging. They cover those requirements essential to the survival and well being of our Nation as well as the desire to see us, and others, abide by principles such as the rule of law, upon which our republic was founded.

We divide our national interests into three categories: vital, important, and humanitarian. Vital interests are those directly connected to the survival, safety, and vitality of our nation. Among these are the physical security of our territory and that of our allies, the safety of our citizens both at home and abroad, protection against WMD proliferation, the economic well-being of our society, and the protection of our critical infrastructures--including energy, banking and finance, telecommunications, transportation, water systems, vital human services, and government services--from disruption intended to cripple their operation. We will do what we must to defend these interests. This may involve the use of military force, including unilateral action, where deemed necessary or appropriate.

The second category, important national interests, affects our national well being or that of the world in which we live. Principally, this may include developments in regions where America holds a significant economic or political stake, issues with significant global environmental impact, infrastructure disruptions that destabilize but do not cripple smooth economic activity, and crises that could cause destabilizing economic turmoil or humanitarian movement. Examples of when we have acted to protect important national interests include our successful efforts to end the brutal conflict and restore peace in Kosovo, or our assistance to our Asian and Pacific allies and friends in support of the restoration of order and transition to nationhood in East Timor.

The third category is humanitarian and other longer-term interests. Examples include reacting to natural and manmade disasters; acting to halt gross violations of human rights; supporting emerging democracies; encouraging adherence to the rule of law and civilian control of the military; conducting Joint Recovery Operations worldwide to account for our country's war dead; promoting sustainable development and environmental protection; or facilitating humanitarian demining.

Threats or challenges to our national interests could require a range of responses. Wherever possible, we seek to avert conflict or relieve humanitarian disasters through diplomacy and cooperation with a wide range of partners, including other governments, international institutions, and non-governmental organizations. Prevention of crises, through the proactive use of such diplomatic, economic, political and military presence tools, will not only save lives but also will prevent a much greater drain of fiscal resources than its alternative -- managing conflict.

Advancing American Values

The protection of national interests is not the sole factor behind the various expressions of U.S. national resolve. Since the beginning of our democracy, our policies and actions have also been guided by our core values -- political and economic freedom, respect for human rights, and the rule of law. In keeping with these values, we have lent our encouragement, support, and assistance to those nations and peoples that freely desire to achieve those same blessings of liberty. Pursuing policies that are guided by these values, and the open economic and political processes through which they are typically manifested, will in the long term strengthen international peace and stability, and reinforce the positive aspects of globalization.

Where Interests Meet Values

There are times when the nexus of our interests and values exists in a compelling combination that demands action -- diplomatic, economic, or military. At times throughout our history, our survival as a nation has been at stake and military action was the only possible recourse. On other occasions, our survival as a nation has not been at stake but our national interests have nonetheless been challenged. When such challenges to our interests occur in concert with morally compelling challenges to our values, the American people expect their government to take action. During the course of this Administration, we have employed military force only in circumstances in which our national interests were at stake and our values were challenged.

Preserving our interests and values has never been without cost, and every generation has been asked to bear a portion of the price of freedom. From a bridge at Concord over two centuries

ago to the air over Kosovo last year, on numerous occasions Americans have been called upon to stand up for their interests, interests which are often inextricably linked with their values.

Today, 250,000 U.S. forces are stationed or deployed overseas to protect and advance our nation's interests and values -- down from a Cold War peak of 500,000. Of this, we maintain a continuous overseas presence of over 200,000 in places like Germany, Japan, and South Korea, while about 30,000 are currently involved in operations. These include nearly 20,000 stationed around the Persian Gulf to contain Iraq, roughly 10,000 in Bosnia and Kosovo, and 1,000 in the Sinai. Other forces, such as those rotationally deployed to the Mediterranean, the Pacific Ocean and the Arabian Gulf, remain involved in routine operations. Our diplomatic corps -- the Civil and Foreign Services -- also bear an important part of protecting and advancing our interests, often in the furthest reaches of the globe, through embassies, consulates, and missions worldwide.

The Efficacy of Engagement

Our strategy of engagement has allowed us to accrue a range of benefits, including sustained, relative peace, expanded trade and investment opportunities brought by globalization, and a large increase in the number of states that share our democratic values. We have exercised strong leadership in the international community to shape the international security environment in ways that promote peace, stability, prosperity, and democratic governance. We have transformed our alliances and reinvigorated relationships with friends and partners; forged broad relationships with former adversaries; fostered new relations with transitional states; and deterred major hostilities.

Enhancing Our Security at Home and Abroad

There are clear indicators that engagement is achieving our national security goals in this rapidly changing world. First, engagement has produced many benefits that enhance our security at home and abroad. The overseas presence of our military forces helps deter or even prevent conflict. It assures our allies of our support and displays our resolve to potential enemies. It allows for maximum military cooperation with our allies and therefore encourages burdensharing. Forward-deployed forces permit us to identify emerging security problems, and then facilitate a swift response, if necessary. Ongoing operations in Southwest Asia and Southeastern Europe have improved the current security environment by ensuring that a return to peace is sustained. Our new embassies in the countries of the former Soviet Union, and in some 140 other countries, allow the U.S. to advance America's interests and values in real time, and to immediately detect opportunities and challenges to these interests. Other aspects of our engagement policies, such as non-proliferation programs like the Expanded Threat Reduction Initiative (ETRI), have, within the framework of START 1, stabilized the security environment. Over 5,000 nuclear warheads, 600 missile launchers, 540 land-based and submarine launched inter-continental ballistic missiles, 64 heavy bombers, and 15 missile submarines have been deactivated and potential proliferation of WMD or their delivery means averted. These efforts have made the world a much safer place.

We have also seen international engagement enhance our ability to address asymmetric threats to our security, such as acts of terrorism and the desired procurement and use of WMD by potential regional aggressors. International counterterrorism cooperation, for example, led to the pre-emptive arrest of individuals planning to terrorize Americans at home and abroad celebrating the Millennium. Engagement efforts have already assembled an impressive record of international cooperation to harmonize legislation on terrorist offenses, conduct research and development, and create databases on terrorism. Strong U.S. overseas presence and engagement, enhanced by a network of multilateral agreements and arrangements, has enabled us to contain the proliferation of nuclear, biological, and chemical weapons and their means of delivery by potential regional aggressors. Inspections done at point of origin for goods destined for the U.S. improves our nonproliferation and border security efforts and even enhances cargo throughput. In other cases, it has actually interrupted the flow of sensitive goods to those countries. Robust engagement in support of law enforcement efforts of partner nations has resulted in the dismantling of a number of

major drug trafficking organizations and the interdiction of significant quantities of illicit [sic] drugs that would otherwise have reached U.S. or other consumer markets. Together, efforts that focus on asymmetric threats to our security will reduce our potential vulnerability despite an increasingly inter-connected world.

Economic Benefits that Promote Prosperity

Engagement has had clear economic benefits that promote prosperity around the globe. This strategy provides stability to the world economic system on which the U.S. economy depends. Our involvement in international economic organizations like the G-8, G-20, World Trade Organization (WTO) and Organization for Economic Cooperation and Development (OECD) has helped build stable, resilient global economic and financial systems that promote strong, global prosperity. The U.S. - China Bilateral WTO agreement, for example, will reduce China's tariffs on U.S. priority agricultural products from an average of 31% to 14%. It will reduce similar tariffs on U.S. industrial products from 24.6% to 9.4%. Such agreements expand U.S. market access and bring new goods and services to these markets at lower cost. Overall, the Administration has concluded 304 trade agreements, and created a series of new fora for economic dialogue, that now include the Asia Pacific Economic Cooperation (APEC) forum, the Transatlantic Economic Partnership, and the ongoing development work on the Free Trade Area of the Americas (FTAA). This has led to numerous economic and financial agreements/reforms in international institutions that bring stability to the global marketplace that is so essential for America's economic health and economic security. As a result, total U.S. exports of goods and services have grown by over 75% since 1992. Measures to strengthen the architecture of the international financial system, including through increased transparency and reform of the International Monetary Fund (IMF) and World Bank, have helped put the international economy on a sound footing after recent financial crises and build a stronger global financial system. In addition, WTO agreements to strengthen and expand trade in information technology goods, financial services, basic telecommunications services, and electronic commerce have secured open markets in sectors key to American economic vitality, and laid the groundwork for future liberalization in agriculture, services, and other areas.

Military presence and engagement activities can also provide similar economic stability. Our naval presence ensures that international waters, the sea lines of communication, and ports remain open to commercial shipping, and our ground, air, and naval forces in Southwest Asia deter threats to the free flow of Middle East oil. The clearest and longest standing example of what overseas presence can do for economic stability is found in the sizeable U.S. military force found on the Korean peninsula since 1953. Currently 37,000 strong, U.S. forces have helped the South Koreans rebuild and grow, and now both sides support the continued presence of U.S. forces as a measure of stability. U.S. actions that protect the free flow of natural resources and finished goods provide an environment for sustained economic productivity. Engagement, through military, diplomatic, or other governmental entities, also enables rapid response to computer network incidents and attacks that harm our economy. International government-to-government cooperation, for example, led to the law enforcement action that definitively determined the source of some of the distributed, denial of service attacks in February 2000.

Promoting Democracy and Human Rights

Finally, engagement has had political and diplomatic benefits that promote democracy and human rights. Our policies bring our country's strengths directly to international publics, governments, and militaries, with the hope that this exposure may inspire others to promote democracy and the free market. Whether we're advising foreign governments on the conduct of free elections, teaching foreign troops about the importance of civilian control of the military, aiding international relief agencies in the wake of natural disasters, or in the diplomatic day-to-day efforts of our diplomats in 273 missions around the world, an engaged America brings its values to the world's doorstep. For example, the multi-faceted program for engagement in Africa is having a

clear impact on the cultivation of democracy on the continent. From Kampala to Cape Town, from Dakar to Dar-es-Salaam, Africans have new hopes for democracy, peace, and prosperity. Although many challenges yet remain, visible change is occurring. Through our diplomatic missions, over 20 nations across Africa have requested and are receiving assistance to develop judiciary, legal, media, and civil society systems to build necessary institutions to sustain democratic ideals. We are assisting democratic transitions in Nigeria and South Africa.

In our own hemisphere, our engagement efforts have promoted free and fair elections throughout the hemisphere. In Southeast Europe, the Dayton Accords have sustained the peace in Bosnia, permitted a civil society with opposition parties and non-governmental organizations to take root, begun reforms of police and court systems, and allowed national and local elections to take place. The transformation is not complete and progress is not irreversible, but it is unmistakable. The best role model is a visible one.

In summary, a strategy of engagement reaps significant benefits for our Nation -- benefits that actively support our goals of security, prosperity and democracy, yet always remain in consonance with our principles of protecting our national interests and advancing our values. Indeed, there is no other viable policy choice in this global era.

II. Implementing the Strategy

Into the 21st century, the United States must continue to adapt to changes brought by globalization such that we foster close cooperative relations with the world's most influential nations while preserving our ability to shape those nations capable of having an adverse effect upon our well-being and way of life. A stable, peaceful international security environment is the desired endstate -- one in which our nation, citizens and interests are not threatened. It is important that we work to enhance the health and safety of our citizens by promoting a cleaner global environment and effective strategies to combat infectious disease. We must work to ensure that the United States continues to prosper through increasingly open international markets and sustainable growth in the global economy, and that democratic values, respect for human rights, and the rule of law are increasingly accepted.

Chapter II describes how we intend to utilize the instruments at our disposal to implement our strategy for engagement and, in the process, achieve the goals of security, prosperity, and democracy -- our vision for ourselves and others in the 21st century.

Enhancing Security at Home and Abroad

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

Shaping the International Environment

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

The U.S. intelligence community provides various Federal agencies with critical support for the full range of our involvement abroad. Comprehensive collection and analytic capabilities are needed to provide warning of threats to U.S. national security, give analytical support to the policy, law enforcement, and military communities, enable near-real time intelligence while retaining global perspective, identify opportunities for advancing our national interests, and maintain our information advantage in the international arena. We place the highest priority on monitoring the

most serious threats to U.S. security. These include countries or other entities potentially hostile to the United States; proliferation of nuclear, biological, and chemical weapons and their means of delivery; other transnational threats, including terrorism, drug trafficking, proliferation of small arms and light weapons, other international crime, and potential threats to our critical infrastructure such as computer network attack; potential regional conflicts that might affect U.S. national security interests; illegal economic or uncontrolled refugee migration; and threats to U.S. forces and citizens abroad.

Diplomacy

Active diplomacy is critical to advancing our national security. The work of our missions and representatives around the world serves a number of shaping functions. Examples include adapting alliances, as the State and Defense Departments do when they work to ensure that NATO "candidate" militaries will be interoperable with those of current NATO members; deterring aggression, mediating disputes, and resolving conflicts as shown by our efforts to dampen the momentum to conflict in South Asia and the Middle East; promoting the trade and investment opportunities that increase U.S. economic prosperity; and confronting new threats.

While crisis management is an important foreign policy function, crisis prevention is far preferable. Throughout the 1990s, the United States has most frequently chosen a policy of preventive diplomacy to avert conflict as well as humanitarian and other emergencies. Bringing disputing parties to the table is less costly in lives and resources than separating warring parties; helping failing states is less burdensome than rebuilding failed states; and feeding the hungry is far more effective and easier than treating victims of diseases wrought by malnutrition.

Our diplomatic efforts are often multilateral. Consistent with our global leadership role, it is incumbent upon the United States to maintain its financial and political support for international institutions such as the United Nations, the International Monetary Fund, the World Bank, and the World Trade Organization. We must continue to work to ensure we meet our financial obligations to international organizations.

Likewise, domestically, we must remain committed to supporting the State Department, the U.S. Agency for International Development, the Peace Corps, and other vehicles of U.S. diplomacy. Our diplomatic infrastructure must be updated to meet critical productivity and information age requirements to effectively serve our diplomatic and consular efforts worldwide. Modernization of embassies, consulates, and our diplomatic telecommunications and information infrastructure is essential to advancing and protecting vital national interests overseas. Our embassies and consulates host critical elements of peacetime power: diplomatic personnel, commercial, defense, and legal attaches, and consular and security officers dedicated to protecting Americans at home and abroad. Our commitment in properly resourcing these modernization plans is essential if we are to have the future diplomatic infrastructure capable of supporting and enhancing our leadership role worldwide.

Such enhancements to our diplomatic infrastructure will also help attract a new generation of professionals whose skill, dedication, and creativity are at the heart of our ability to use diplomacy to protect American interests. To both attract and retain these individuals, we must take every measure to keep our personnel safe overseas. The State Department is therefore implementing a broad program of security enhancements in response to continued threats of terrorism directed at U.S. diplomatic and consular facilities overseas. The investment is warranted. The cost to sustain and protect the diplomatic components of our peacetime power is a tiny fraction of the price associated with the crises averted by their presence.

Public Diplomacy

We have an obligation and opportunity to harness the tools of public diplomacy to advance U.S. leadership around the world by engaging international publics on U.S. principles and policies. The global advance of individual freedom and information technologies like the Internet has increased the ability of citizens and organizations to influence the policies of governments to an

unprecedented extent. This makes our public diplomacy -- efforts to transmit information and messages to peoples around the world -- an increasingly vital component of our national security strategy. Our programs enhance our nation's ability to inform and influence foreign publics in support of our national interests, and broaden the dialogue between U.S. citizens and institutions and their counterparts abroad. Some even improve mutual understanding by reaching out to future leaders and inform the opinions of current leaders through academic, professional, and cultural exchanges. Successful diplomatic relations between the United States and other countries depend upon establishing trust and creating credible partnerships based on this trust.

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

International Assistance

The United States has a history of providing generous foreign assistance in an effort to promote global stability. From the Marshall Plan to the present, our foreign assistance has expanded free markets, promoted democracy and human rights, contained major health threats, encouraged sustainable global population growth, promoted environmental protection, and defused humanitarian crises.

Expanding debt relief is a key element of our international assistance agenda. In 1999, the G-8 agreed to a reduction in bilateral debt between member countries and Heavily Indebted Poor Countries (HIPC). This effort encourages international financial institutions to link debt reduction to other efforts to alleviate poverty, promote economic development, and thereby create stronger partners around the world for trade and investment, security, and democracy. To show our commitment to this agreement we have stood firmly behind efforts to provide 100% debt relief in countries where the funds being used to service bilateral debt will finance the basic human needs of a population.

The United States intends that these nations not be left behind, instead joining in the positive economic prosperity made possible through participation in the international economic community. Our role in the World Bank and other multilateral development banks supports mutual goals to provide developing countries with the financial and technical assistance necessary to assimilate them into the global economy. Such efforts lift peoples out of poverty, and typically result in substantial growth of U.S. exports to the aided countries.

Finally, our philanthropic history is such that we routinely act to mitigate human suffering in the wake of both natural and man-made disasters. From the U.S. Agency for International Development's disaster assistance and food aid, to the State Department's refugee assistance, to grants to non-governmental relief organizations, to the Defense Department's Humanitarian Assistance Program, the United States has found multiple avenues to relieve the suffering of disaster victims worldwide with coordinated targeted relief efforts.

Arms Control and Nonproliferation

Arms control and nonproliferation initiatives are an essential element of our national security strategy of enhancing security at home and abroad. They closely complement and strengthen our efforts to defend our nation through our own military strength while seeking to make the world a less dangerous place. We pursue verifiable arms control and nonproliferation agreements that support our efforts to prevent the spread and use of NBC weapons, materials, expertise, and means of delivery; halt the use of conventional weapons that cause unnecessary suffering; and contribute to regional stability at lower levels of armaments. In addition, by increasing transparency in the

size, structure and operations of military forces and building confidence in the intentions of other countries, arms control agreements and confidence-building measures constrain inventories of dangerous weapons, reduce incentives and opportunities to initiate an attack, reduce the mutual suspicions that arise from and spur on armaments competition, and help provide the assurance of security necessary to strengthen cooperative relationships and direct resources to safer, more productive endeavors.

Verifiable reductions in strategic offensive arms and the steady shift toward less destabilizing systems remain essential to our strategy. The START I Treaty's entry into force in December 1994 charted the course for reductions in the deployed strategic nuclear forces of the United States and the former Soviet Union. The other countries of the former Soviet Union, besides Russia, that had nuclear weapons on their soil -- Belarus, Kazakhstan and Ukraine -- have become non-nuclear weapons states under the Nuclear Nonproliferation Treaty (NPT). If the START II Treaty enters into force, the United States and Russia will each be limited to 3,000 to 3,500 strategic nuclear weapons. START II also will prohibit land-based missiles from being deployed with more than one warhead and eliminate heavy land-based missiles entirely. On September 26, 1997, the United States and Russia signed a START II Protocol extending the end date for reductions to 2007, and exchanged letters on early deactivation by 2003 of those strategic nuclear delivery systems to be eliminated by 2007. The Senate approved the ratification of START II in January 1996; the Duma ratified the START II Treaty and the 1997 START II Protocol in April 2000.

At the Helsinki Summit in March 1997, Presidents Clinton and Yeltsin agreed to START III guidelines that, if adopted, will cap the number of strategic nuclear warheads deployed in each country at 2,000 - 2,500 by the end of 2007 -- reducing both our arsenals by 80% from Cold War heights. They also agreed that, in order to promote the irreversibility of deep reductions, a START III agreement will include measures relating to the transparency of strategic nuclear warhead inventories and the destruction of strategic nuclear warheads. In addition, the Presidents agreed to explore possible confidence-building and transparency measures relating to nuclear long-range, sea-launched cruise missiles and tactical nuclear systems.

The Anti-Ballistic Missile (ABM) Treaty remains a cornerstone of strategic stability, and the United States is committed to continue efforts to enhance the Treaty's viability and effectiveness. On September 26, 1997, representatives of the United States, Russia, Belarus, Kazakhstan and Ukraine signed or initialed five agreements relating to the ABM Treaty. At the Cologne G-8 Summit in June 1999, Presidents Clinton and Yeltsin reiterated their determination to achieve earliest possible ratification and entry into force of those agreements. The two presidents also reaffirmed at Cologne their existing obligations under Article XIII of the ABM Treaty to consider possible changes in the strategic situation that have a bearing on the ABM Treaty and, as appropriate, possible proposals for further increasing the viability of the Treaty. They also agreed to begin discussions on the ABM Treaty in parallel with discussions on START III. The United States has proposed that the ABM Treaty be modified to accommodate possible deployment of a limited National Missile Defense (NMD) system that would counter new threats by states that threaten international peace and security while preserving strategic stability.

At the June 4, 2000, Moscow summit, Presidents Clinton and Putin signed a Joint Statement of Principles on Strategic Stability. The Principles state that the international community faces a dangerous and growing threat of proliferation of weapons of mass destruction and their means of delivery, including missiles and missile technologies, and that there is a need to address these threats. The Principles recalled the existing provisions of the ABM Treaty, to consider changes in the strategic situation that have a bearing on the provisions of the treaty, and, as appropriate, to consider possible proposals for further increasing the viability of the Treaty. The Principles also record agreement to intensify discussions on both ABM issues and START III.

The United States has also made clear to Russia that we are prepared to engage in serious cooperation to address the emerging ballistic missile threat, and we have identified a number of specific ideas for discussion. At the same June 4, 2000, Moscow Summit, Presidents Clinton and Putin signed an agreement to establish a Joint Center for exchanging early warning data on ballistic missile launches. The agreement will significantly reduce the danger that ballistic missiles could be launched inadvertently on false warning of attack. It will also promote increased mutual confidence in the capabilities of the ballistic missile early warning systems of both sides. The Presidents also agreed to explore more far-reaching cooperation to address missile threats.

On July 21, 2000, in Okinawa, Presidents Clinton and Putin issued a Joint Statement on Cooperation on Strategic Stability, which identifies specific areas and projects for cooperation to control the spread of missiles, missile technology, and weapons of mass destruction. On September 6, 2000, in New York, Presidents Clinton and Putin signed a Joint Statement on the Strategic Stability Cooperation Initiative and Implementation Plan, which provides further detail and an agreed timetable for pursuing cooperation in these areas, including the establishment of a ballistic missile and space launch vehicle pre-launch notification regime in which other states would be invited to participate. Most recently, the United States and Russia signed a bilateral pre-launch notification agreement on December 16, 2000.

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

To date, 160 countries have signed -- and 68 have ratified -- the Treaty prohibiting all nuclear explosions. The 68 include 31 of the 44 countries named in the Treaty whose ratification is necessary for entry into force. The CTBT will, in effect, constrain nuclear weapons development. The United States ended nuclear testing eight years ago; upon entry into force, the CTBT will require other state entities to also refrain from testing. We are confident in the safety and reliability of the U.S. nuclear stockpile, and we are confident that a fully supported and sustained stockpile stewardship program will enable us to continue to maintain America's nuclear deterrent capability. However, if we find we cannot, we would have the option of using our supreme national interest withdrawal rights under the Treaty in order to conduct whatever nuclear testing is necessary.

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

As a matter of policy, the United States will maintain its moratorium on nuclear testing, pending entry into force of the CTBT, and we are encouraging all other states to do the same. We are also encouraging all states that have not signed and ratified the CTBT to do so. Despite the unfortunate rejection of the CTBT by the U.S. Senate, we remain committed to obtaining Senate advice and consent for ratification of this treaty. United States ratification will encourage other states to ratify, enable the United States to lead the international effort to gain CTBT entry into force, and strengthen international norms against nuclear testing. Simply stated, the United States must be prepared to lead by example.

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

global security by achieving universal adherence and full compliance by its parties with their Treaty obligations. A Review Conference held in May 2000, the first in fifteen years with a consensus document, strengthened the global nuclear nonproliferation norm and demonstrated that support for this critical Treaty is broad and deep. We won our case by vigorously promoting the value of the NPT in preventing the spread of nuclear weapons while continuing policies designed to reduce U.S. reliance on nuclear weapons and to work for their ultimate elimination.

The safeguards system of the International Atomic Energy Agency (IAEA) is an essential component of the nuclear nonproliferation regime. We seek widespread adoption of the IAEA's strengthened safeguards system and to ensure that the IAEA has the resources necessary to fulfill its obligations. We are working to amend the Convention on the Physical Protection of Nuclear Material to ensure that its standards cover national activities as well as international transfers of nuclear material, which complements our effort to enhance IAEA safeguards. We also seek the immediate commencement of negotiations to achieve a Fissile Material Cutoff Treaty at the Geneva Conference on Disarmament. Halting production of fissile materials for nuclear explosions would cap the supply of nuclear materials available worldwide for weapons, a key step in halting the spread of nuclear weapons. A coordinated effort by the intelligence community and law enforcement agencies to detect, prevent, and deter illegal trafficking in fissile materials is essential to our counterproliferation efforts. So is the Material Protection, Control and Accounting program, which enhances security for former Soviet nuclear materials and helps prevent them from ending up in the hands of terrorists or proliferant states. We also recognize that nuclear weapon free zone treaties and protocols that conform with long-standing U.S. criteria can also advance nuclear nonproliferation goals.

Through the Nunn-Lugar Cooperative Threat Reduction (CTR) Program and other initiatives, we aim to strengthen controls over weapons-usable fissile material and prevent the theft or diversion of NBC weapons and related material and technology from the former Soviet Union. The CTR Program has effectively supported enhanced safety, security, accounting, and centralized control measures for nuclear weapons and fissile materials in the former Soviet Union. It has assisted Ukraine, Kazakhstan and Belarus in becoming non-nuclear weapons states and will continue to assist Russia in meeting its START obligations. The CTR Program is also supporting measures to eliminate and prevent the proliferation of chemical weapons and biological weapon-related capabilities, and it has supported many ongoing military reductions and reform measures in the former Soviet Union.

The Nonproliferation and Disarmament Fund (NDF) is a sharply focused fund to permit rapid response to unanticipated, high priority requirements or opportunities to: 1) halt the spread of WMD, their delivery systems, and related technology; 2) limit the spread of advanced conventional weapons and related technology; and 3) eliminate existing weapons. NDF activities in Central Europe and the NIS have included the elimination of SCUD and SS-23 missiles, the procurement of HEU, the development and deployment of automated systems to license and track sensitive technologies, and the acquisition of nuclear material detection equipment.

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

At the June 4, 2000, Clinton-Putin summit, the United States and Russia reached agreement on the management and disposition of plutonium designated as no longer required for defense purposes. The agreement entered into force after Prime Minister Kasyanov and Vice President Gore signed it on September 1, 2000. Under the agreement, each government commits to irreversibly transform 34 metric tons of excess weapon-grade plutonium to a form that will be unusable for weapons. The agreement establishes the goals, timelines, and conditions for ensuring that this plutonium can never again be used for weapons or any other military purposes.

Implementation of the Plutonium Management and Disposition Agreement is contingent on sufficient international assistance for the Russian program. At the Okinawa G-8 Summit in July 2000, leaders took an additional step to this end. The final communiqué stated that their goal for the next summit is to develop an international financing plan for plutonium management and disposition based on a detailed project plan, and a multilateral framework to coordinate this cooperation. They also committed to expand cooperation to other interested countries beyond the G-8 in order to gain the widest possible international support, and to explore the potential for both public and private funding.

Over the past year, the United States Government provided leadership for the multilateral cooperation effort, particularly in the context of an informal G-8 working group, which coordinated with the G-8 Nonproliferation Experts Group. (NPEG). Preparations for the Genoa summit will be under the auspices of a formally established Plutonium Disposition Planning Group to be co-chaired by the United States and the Russian Federation. We are purchasing tons of highly enriched uranium from dismantled Russian nuclear weapons for conversion into commercial reactor fuel. We are helping redirect dozens of former Soviet NBC facilities and tens of thousands of former NBC scientists in Eurasia from military activities to beneficial civilian research.

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

We seek to strengthen the Biological Weapons Convention (BWC) with a new international regime to enhance compliance. We are also working hard to implement and enforce the Chemical Weapons Convention (CWC). The United States Congress underscored the importance of these efforts in October 1998 by passing implementing legislation. In late 1999, the Executive Order (EO 13128), Presidential Decision Directive (PDD-70), and two new regulations were completed, enabling the United States to submit commercial declarations and commence commercial facility inspections in the middle of 2000.

The Administration also seeks to prevent destabilizing buildups of conventional arms and to limit access to sensitive technical information, equipment, and technologies by strengthening international regimes, including the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, the Australia Group (for chemical and biological weapons), the Missile Technology Control Regime, the Nuclear Suppliers Group (NSG), and the Zangger Committee (NSG and Zangger ensure that IAEA safeguards are applied to nuclear exports). At the NATO 50th Anniversary Summit, Allied leaders agreed to enhance NATO's ability to deal both politically and militarily with the proliferation of WMD and the means of their delivery. To this end, we have worked with our Alliance partners to establish the NATO WMD Center and to promote invigorated discussions of nonproliferation issues in the NATO Senior Political Military and Defense Groups on Proliferation.

Regional nonproliferation efforts are particularly important in three critical proliferation zones: the Korean Peninsula, Southwest Asia, and South Asia. On the Korean Peninsula, we are

implementing the 1994 Agreed Framework, which requires full compliance by North Korea to live up to its nuclear nonproliferation obligations. We also seek to convince North Korea to halt its indigenous missile program and exports of missile systems and technologies; something emphasized during a November 2000 visit to Pyongyang by the Secretary of State. In the Middle East and Southwest Asia, we encourage regional confidence-building measures and arms control agreements that address the legitimate security concerns of all parties. We continue efforts to thwart and roll back both Iran's development of NBC weapons and long-range missiles, and also Iraq's efforts to reconstitute its NBC programs. In South Asia, we seek to persuade India and Pakistan to refrain from weaponizing or deploying nuclear weapons, testing or deploying missiles capable of delivering nuclear weapons, and further producing fissile material for nuclear weapons. We also urge India and Pakistan to adhere fully to international nonproliferation standards and to sign and ratify the CTBT.

Over the past three years, the United States has worked to ensure that the landmark 1990 Conventional Armed Forces in Europe (CFE) Treaty remains a cornerstone of European peace, security and stability into the 21st century. On November 19, 1999, we joined the other 29 CFE States Parties in signing an Adaptation Agreement that eliminates obsolete bloc-to-bloc limits and replaces them with a system of national and territorial ceilings. It will also enhance transparency through more information and inspections, strengthen requirements for host nation consent to the presence of foreign forces, and open the treaty to accession by other European nations. The accompanying CFE Final Act reflects a number of important political commitments, including agreements on the complete withdrawal of Russian armed forces from Moldova and partial withdrawal of Russian forces from Georgia.

The United States is a world leader in the effort to curb the harmful proliferation and destabilizing accumulation of small arms and light weapons (SA/LW) such as automatic rifles, machine guns, rocket-propelled grenades, light mortars and man-portable anti-aircraft missiles. Inexpensive, widely available, and easy to use, these weapons exacerbate regional conflicts, expand casualties, increase crime, and hinder economic development. They can jeopardize the safety of peacekeepers, potentially putting U.S. Forces at risk.

To reduce this threat, the United States is urging countries to adopt effective export controls, brokering regulations, permanent marking, anti-smuggling measures, and embargo enforcement. Global efforts focus on securing a Firearms Protocol to the UN Transnational Organized Crime Convention and seeking international agreement through the UN 2001 Conference on Illicit Trafficking in SA/LW. The United States also works with regional partners in the OSCE, NATO/EAPC, OAS, OAU, the ASEAN Regional Forum, and elsewhere. The United States provides some technical assistance to countries trying to prevent SA/LW trafficking and actively supports efforts to destroy excess stocks of SA/LW worldwide, often partnering with like-minded countries such as Norway.

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

In May 1999, we gained Senate advice and consent to ratification of the Amended Mines Protocol to the Convention on Conventional Weapons. This agreement addresses the worldwide

humanitarian problem caused by APLs by banning the use of non-detectable APLs and severely limiting the use of long-duration APLs to clearly marked and monitored fields that effectively keep out civilians. We have established a permanent ban on APL exports and are seeking to universalize an export ban through the Conference on Disarmament in Geneva. We are supporting humanitarian demining programs worldwide through engagement with mine-afflicted nations and the international community. We have taken a lead role in establishing the International Test and Evaluation Program, through which nations will develop agreed standards and test procedures for various pieces of demining equipment and will then test against those standards. To date, the United States has provided over \$400 million through the

U.S. Humanitarian Demining Program. The Demining 2010 Initiative, which is independent of the Humanitarian Demining Program, advocates increased efforts in the United States and abroad and develops public-private partnerships to support these programs.

The effectiveness of the panoply of arms control agreements described above, as well as that of our nonproliferation activities, rests on maintaining and enhancing our monitoring capabilities. We must keep ahead of potential attempts by others at denial and deception. To do so, we must maintain current monitoring assets and have a vigorous research and development program that will translate new technologies into enhanced capabilities. These efforts will increase our confidence in the viability of existing agreements and enable us to conclude new ones to further decrease the risks of armed conflicts.

Military Activities

The U.S. military is a very visible and critical pillar of our effort to shape the international security environment in ways that protect and promote U.S. interests. It is not, however, a substitute for other forms of engagement, such as diplomatic, economic, scientific, technological, cultural, and educational activities. We must always be mindful that the primary mission of our Armed Forces is to deter and, if necessary, to fight and win conflicts in which our vital interests are threatened. Through overseas presence and peacetime engagement activities, such as defense cooperation, security assistance, regional centers for security studies, training, and exercises with allies and friends, our Armed Forces help to deter aggression and coercion, build coalitions, promote regional stability, support the development of indigenous counterdrug law enforcement capabilities, and serve as role models for militaries in emerging democracies. With countries that are neither staunch friends nor known foes, military cooperation can serve as a positive means of building bridges between the military leaderships of different nations. These links enhance security relationships between the nations today and will contribute to improved relations tomorrow. At the same time, we also remain firmly committed to human rights and we will ensure our military forces do not knowingly train or assist units that have committed a gross violation of human rights.

Maintaining our overseas presence enhances our understanding of the military developments within various regions of the world. Relevant observations add to our larger geo-political understanding of potential areas for instability or threats to our national interests and help select our optimal avenue of response; diplomatic, economic, or military. It reassures our allies and promotes regional stability. It gives substance to our security commitments, helps prevent the development of power vacuums and instability, and contributes to deterrence by demonstrating our determination to defend U.S., allied, and friendly interests in critical regions. Having credible combat forces forward deployed in peacetime also better positions the United States to respond rapidly to crises, permitting them to be first on the scene. Equally essential is effective global power projection, which is key to the flexibility demanded of our forces and provides options for responding to potential crises and conflicts even when we have no permanent presence or a limited infrastructure in a region.

Just as U.S. engagement overall must be selective -- focusing on the threats and opportunities most relevant to our interests and applying our resources where we can make the greatest difference -- so too must our use of the Armed Forces for engagement be equally discerning. Engagement

activities must be carefully managed to prevent erosion of our military's current and long-term readiness for larger-scale contingencies. The Defense Department's theater engagement planning process, which was approved by the President in 1997, helps ensure that military engagement activities are prioritized within theaters, and balanced against available resources. In short, we must prioritize military engagement activities to ensure the readiness of our Armed Forces to carry out crisis response and warfighting missions, as well as to ensure that we can sustain an appropriate level of engagement activities over the long term.

Our ability to deter potential adversaries in peacetime rests on several factors, particularly on our demonstrated will and ability to uphold our security commitments when they are challenged. We have earned this reputation through both our declaratory policy, which clearly communicates costs to potential adversaries, and our credible warfighting capability across the full spectrum of conflict. This capability is embodied in four ways; ready forces and equipment strategically stationed or deployed forward, forces in the United States at the appropriate level of readiness to deploy when needed, our ability to maintain access to critical regions and infrastructure overseas, and our demonstrated ability to form and lead effective military coalitions.

We must continue to improve our program to combat terrorism in the areas of antiterrorism, counterterrorism, consequence management, and intelligence support to deter terrorism. We will deter terrorism through the increased antiterrorism readiness of our installations and forward forces, enhanced training and awareness of military personnel, and the development of comprehensive theater engagement plans. In counterterrorism, because terrorist organizations may not be deterred by traditional means, we must ensure a robust capability to accurately attribute the source of attacks against the United States or its citizens, and to respond effectively and decisively to protect our national interests. U.S. armed forces possess a tailored range of options to respond to terrorism directed at U.S. citizens, interests, and property. In the event of a terrorist incident, our consequence management ability to significantly mitigate injury and damage may likely deter future attacks. Finally, we will continue to improve the timeliness and accuracy of intelligence support to commanders, which will also enhance our ability to deter terrorism.

Our nuclear deterrent posture is one example of how U.S. military capabilities are used effectively to deter aggression and coercion against U.S. interests. Nuclear weapons serve as a guarantor of our security commitments to allies and a disincentive to those who would contemplate developing or otherwise acquiring their own WMD capability. Those who threaten the United States or its allies with WMD should have no doubt that any such attack would meet an overwhelming and devastating response. Our military planning for the possible employment of U.S. strategic nuclear weapons is focused on deterring a nuclear war and it emphasizes the survivability of our nuclear systems, infrastructure, and command, control, and communications systems necessary to endure a preemptive attack yet still deliver an overwhelming response. Another key element of the U.S. nuclear deterrent strategy is ensuring the National Command Authorities have a survivable and enduring command, control, and communications capability through which to execute the mission and direct nuclear forces during all phases of a nuclear war. The United States will continue to maintain a robust triad of strategic nuclear forces sufficient to deter any potential adversaries who may have or seek access to nuclear forces -- to convince them that seeking a nuclear advantage or resorting to nuclear weapons would be futile. In addition, some U.S. non-strategic nuclear forces are forward deployed in NATO to demonstrate the political commitment of the United States to the long-term viability of NATO and European security. We must also ensure the continued viability of the infrastructure that supports U.S. nuclear forces and weapons. The Stockpile Stewardship Program will provide high confidence in the safety and reliability of our nuclear weapons under the Comprehensive Nuclear Test Ban Treaty.

The Department of Defense's Counterproliferation Initiative provides another example of how U.S. military capabilities are used effectively to deter aggression and coercion against U.S.

interests. Under this initiative, we are preparing our own forces and working with allies to ensure that we can prevail on the battlefield despite the threatened or actual use of NBC weapons by adversaries.

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

Quality people -- civilian and military -- are our most critical asset in implementing our defense activities. The quality of our men and women in uniform will be the deciding factor in future military operations where the operation and maintenance of information systems and advanced technology become ever more important. We must ensure that we remain the most fully prepared and best trained military force in the world. Accordingly, we will continue to place the highest priority and bear the costs associated with programs that support recruiting, retention, quality of life, training, equipping and educating our personnel.

International Law Enforcement Cooperation

Certain criminal threats to our national security are international in nature. Transnational threats include terrorism, drug and migrant smuggling, and other international crime. The rise in the frequency and intensity of these threats makes it incumbent upon U.S. and foreign law enforcement and judicial authorities to cooperate in an innovative manner. The President's International Crime Control Strategy prescribes the role of overseas law enforcement presence in establishing and sustaining working relationships with foreign law enforcement agencies; keeping crime away from our shores; enabling extradition; and solving serious U.S. crimes.

The Department of State and U.S. federal law enforcement agencies continue to assist law enforcement agencies in Central and Eastern Europe and East Asia through cooperative centers established in Hungary and Thailand known as the International Law Enforcement Academies (ILEAs). The ILEA initiative is a multinational effort organized by the United States, the host nations, and other international training partners to provide mutual assistance and law enforcement training.

Environmental and Health Initiatives

The President has said, "Our natural security must be seen as part of our national security." Decisions today regarding the environment and natural resources can affect our security for generations. Environmental threats do not heed national borders; environmental perils overseas and environmental crime pose long-term dangers to U.S. security and well being. Natural resource scarcities can trigger and exacerbate conflict, and phenomena such as climate change, toxic pollution, ocean dumping, and ozone depletion directly threaten the health and well-being of Americans and all other individuals on Earth.

Responding firmly to environmental threats remains a part of mainstream American foreign policy. America's leadership was essential for agreement on the Kyoto Protocol -- the first binding agreement among the world's industrialized nations to reduce greenhouse gas emissions. America also brokered key international agreements on toxic chemicals -- such as persistent organic pollutants, environmental aspects of biotechnology, the ozone layer, and endangered marine life. America's insistence on high environmental standards in its own trade agreements, in international financial institutions, and in bilateral export credit and development assistance programs similarly

demonstrates to the rest of the international community that growing economies and clean environments do go hand-in-hand. America also provided leadership in the Global Environment Facility and in bilateral programs for clean energy development, as well as conservation of biological diversity and endangered ecosystems such as tropical forests.

With globalization, the free flow of people and goods across national borders continues to increase rapidly with each passing year. This interdependence has caused diseases and health risks around the world to become matters of both U.S. national and international security. The United States promotes international cooperation on health issues because it reduces the threat of diseases to Americans, and because global international economic development, democratization, and political stability are predicated in part on the health of populations worldwide.

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

Combating the global epidemic of HIV/AIDS has been a top international health priority in recent years. AIDS is now the number one cause of death on the continent of Africa. The United States led the United Nations Security Council in holding its first-ever session on AIDS in Africa and has committed to efforts to accelerate the development and delivery of vaccines for AIDS and other diseases that disproportionately affect the developing world. We also have promoted efforts by African national governments to provide AIDS awareness education to their military members who travel widely around the continent; and led the G-8's decision to link debt relief to HIV/AIDS prevention and other such programs.

Population issues have also been a health priority garnering renewed focus internationally. The Administration has re-established U.S. leadership on international population issues by expanding quality reproductive health care. This includes voluntary family planning services for women and men around the world; improving the political, economic, and social status of women; and enhancing educational opportunities for women and girls.

Responding to Threats and Crises

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

Efforts to deter an adversary -- be it an aggressor nation, terrorist group or criminal organization -- can become the leading edge of crisis response. In this sense, deterrence straddles the line between shaping the international environment and responding to crises. Deterrence in crisis generally involves demonstrating the United States' commitment to a particular country or interest by enhancing our warfighting capability in the theater. Our forward and rotationally deployed forces are the embodiment of our continuous commitment to our overseas partners and act as the first line of deterrence, providing the necessary inroads to access and influence to help defuse crisis situations.

Our ability to respond to the full spectrum of threats requires that we have the best-trained, best-equipped, most effective armed forces in the world. Our strategy requires that we have highly capable ground, air, naval, special operations, and space forces supported by a range of enabling capabilities including strategic mobility and Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR). Maintaining our superior forces requires developing superior technology, and exploiting it to the fullest extent.

Strategic mobility is critical to our ability to augment forces already present in the region with the projection of additional forces for both domestic and international crisis response. This agility in response is key to successful American leadership and engagement. Access to sufficient fleets of aircraft, ships, vehicles, and trains, as well as bases, ports, pre-positioned equipment, and other infrastructure will of course be an imperative if we are to deploy and sustain U.S. and multinational forces in regions of interest to us.

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

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

Protecting the Homeland

Emerging threats to our homeland by both state and non-state actors may be more likely in the future as our potential adversaries strike against vulnerable civilian targets in the United States to avoid direct confrontation with our military forces. Such acts represent a new dimension of asymmetric threats to our national security. Easier access to the critical technical expertise and technologies enables both state and non-state actors to harness increasingly destructive power with greater ease. In response to such threats, the United States has embarked on a comprehensive strategy to prevent, deter, disrupt, and when necessary, effectively respond to the myriad of threats to our homeland that we will face.

National Missile Defense

The Clinton Administration is committed to the development of a limited National Missile Defense (NMD) system designed to counter the emerging ballistic missile threat from states that threaten international peace and security. On September 1, 2000, the President announced that while the technology for NMD was promising, the system as a whole is not yet proven, and thus he was not prepared to proceed with the deployment of a limited NMD system. The President has instead asked the Secretary of Defense to continue a robust program of development and testing. The Administration recognizes the relationship among the ABM Treaty, strategic stability, and the START process, and is committed to working with Russia on any modifications to the ABM Treaty required to deploy a limited NMD. An NMD system, if deployed, would be part of a larger strategy to preserve and enhance peace and security.

In making this decision, the President considered the threat, cost, technical feasibility and impact overall on our national security of proceeding with NMD, including the impact on arms control and relations with Russia, China, and our allies. He considered a thorough technical review by the Department of Defense as well as the advice of his top national security advisors.

The Pentagon has made progress on developing a system that can address the emerging missile threat. But, at this time, we do not have sufficient information to conclude that it can work reliably under realistic conditions. Critical elements of the program, such as the booster rocket for the missile interceptor, have not been tested; and there are also questions to be resolved about the ability of the system to deal with countermeasures. The President made clear that we should not move forward until we have further confidence that the system will work and until we have made every reasonable diplomatic effort to minimize the international consequences. In the interim, the Pentagon will continue the development and testing of the NMD system. That effort is still at an early stage: three of the nineteen, planned intercept tests have been held so far. Additional ground tests and simulations will also take place.

The development of our NMD is part of the Administration's comprehensive national security strategy to prevent potential adversaries from acquiring and/or threatening the United States with such weapons. Arms control agreements with Russia are an important part of this strategy because they ensure stability and predictability between the United States and Russia, promote the dismantling of nuclear weapons, and help complete the transition from confrontation to cooperation with Russia. The 1972 Anti-Ballistic Missile (ABM) Treaty limits anti-missile defenses according to the following principle: neither side should deploy defenses that would undermine the other's nuclear deterrent, and thus tempt the other to strike first in a crisis or take countermeasures that would make both our countries less secure. The President's decision not to deploy a limited NMD system will provide additional time to pursue with Russia the goal of adapting the ABM Treaty to permit the deployment of a limited NMD that would not undermine strategic stability. The United States will also continue to consult with allies and hold dialogues with other states.

In August 1999, President Clinton decided that the initial NMD architecture would include: 100 ground-based interceptors deployed in Alaska, one ABM radar in Alaska, and five upgraded early warning radar. This approach is the fastest, most affordable, and most technologically mature approach to fielding an NMD system capable of protecting all 50 states against projected emerging threats.

On July 23, 1999, President Clinton signed H.R. 4, the "National Missile Defense Act of 1999," stating that it is the policy of the United States to deploy an effective NMD system as soon as technologically possible. The legislation includes two amendments supported by the Administration. The first makes clear that any NMD deployment must be subject to the authorization and appropriations process, and thus that no decision on deployment has been made. The second amendment states that it is the policy of the United States to seek continued negotiated reductions in Russian nuclear forces, putting Congress on record as continuing to support negotiated reductions in strategic nuclear arms, reaffirming the Administration's position that missile defense policy must take into account important arms control and nuclear nonproliferation objectives.

Countering Foreign Intelligence Collection

The United States is a primary target of foreign intelligence services due to our military, scientific, technological and economic preeminence. Foreign intelligence services aggressively seek information about U.S. political and military intentions and capabilities. As the rapidity of global technological change accelerates and the gap with some nations has widened, these countries' foreign intelligence agencies are stepping up their efforts to collect classified or sensitive information on U.S. weapons systems, U.S. intelligence collection methods, emerging technologies with military applications, and related technical methods. Such information enables potential adversaries to counter U.S. political and military objectives, develop sophisticated weapons more

quickly and efficiently, and develop countermeasures against U.S. weapons and related technical methods. Intelligence collection against U.S. economic, commercial, and proprietary information enables foreign states and corporations to obtain shortcuts to industrial development and improve their competitiveness against U.S. corporations in global markets. Although difficult to quantify, economic and industrial espionage results in the loss of millions of dollars and thousands of jobs annually.

To protect sensitive national security information, it is critical for us to effectively counter the collection efforts of foreign intelligence services and non-state actors through vigorous counterintelligence efforts and security programs. Over the last six years, we have created new counterintelligence mechanisms to address economic and industrial espionage and have implemented procedures to improve coordination among intelligence, counterintelligence and law enforcement agencies. These measures have considerably strengthened our ability to counter the foreign intelligence collection threat. We will continue to refine and enhance our counterintelligence capabilities as we enter the 21st century.

Dramatic geopolitical changes that continue into the first decade of the 21st century increase rather than lessen the need to protect sensitive national security information. Some of this information is classified while some is unclassified but sensitive due to its relationship to, or impact upon, our critical infrastructure. Increased threats to our cyber security and the inadvertent or deliberate disclosure of sensitive information underscore the necessity for the National Security Community to have reliable, timely, and trusted information available to those who both need it and are authorized to have it. During the last five years we have established a set of security countermeasures policies, practices, procedures, and programs for a rational, fair, forward looking, and cost-effective security system. More needs to be done, however, and efforts will continue in providing a better synchronized, integrated and interoperable programs for personnel security, physical security, technical security, operational security, education and awareness, information assurance, classification management, industrial security, and counterintelligence.

Combating Terrorism

The United States has mounted an aggressive response to terrorism. Our strategy pressures terrorists, deters attacks, and responds forcefully to terrorist acts. It combines enhanced law enforcement and intelligence efforts; vigorous diplomacy and economic sanctions; and, when necessary, military force. Domestically, we seek to stop terrorists before they act, and eliminate their support networks and financing. Overseas, we seek to eliminate terrorist sanctuaries; counter state and non-governmental support for terrorism; help other governments improve their physical and political counterterrorism, antiterrorism, and consequence management efforts; tighten embassy and military facility security; and protect U.S. citizens living and traveling abroad. Whether at home or abroad, we will respond to terrorism through defensive readiness of our facilities and personnel, and the ability of our terrorism consequence management efforts to mitigate injury and damage.

Our strategy requires us to both prevent and, if necessary, respond to terrorism. Prevention -- which includes intelligence collection, breaking up cells, and limiting the movement, planning, and organization of terrorists -- entails more unknowns and its effectiveness will never be fully proven or appreciated, but it is certainly the preferable path. For example, as a result of the quiet cooperation with some of our allies and among federal authorities, agencies, and local law enforcement, planned terrorist attacks within the United States and against U.S. interests abroad during the millennium celebration were thwarted. A major aspect of our prevention efforts is bolstering the political will and security capabilities of those states that are on the front lines to terrorist threats and that are disproportionately impacted by the expanding threat. This coalition of nations is imperative to the international effort to contain and fight the terrorism that threatens American interests.

Avenues of international trade provide a highway for the tools and weapons of international terrorists. The same sophisticated transportation network that can efficiently, safely, and reliably move people and goods is also equally attractive to those whose motives may be hostile, dangerous, or criminal. Systems that promote efficiency, volume and speed, fueling economic prosperity, create new challenges in the balance between policing and facilitating the transnational movements of people and goods. Globalization and electronic commerce transcend conventional borders, fast rendering traditional border security measures at air, land, and sea ports of entry ineffective or obsolete. Despite the challenges, we are developing tools to close off this avenue for terrorists. In this new environment, prudent, reasonable, and affordable security measures will require an approach transcending any particular transportation node or sector. The International Trade Data System (ITDS), already in initial implementation pilot testing, was created to foster an integrated system to electronically collect, use, and disseminate international trade and transportation data. By transcending transportation nodes and sectors, efforts like the ITDS project will foreclose opportunities terrorists may believe are emerging with globalization.

When terrorism occurs, despite our best efforts, we can neither forget the crime nor ever give up on bringing its perpetrators to justice. We make no concessions to terrorists. Since 1993, a dozen terrorist fugitives have been apprehended overseas and rendered, formally or informally, to the United States to answer for their crimes. These include the perpetrators of the World Trade Center bombing, the attack outside CIA headquarters, and an attack on a Pan Am flight more than 18 years ago. In 1998, the U.S. Armed Forces carried out strikes against a chemical weapons target and an active terrorist base operated by Usama bin Ladin, whose terror network had carried out bombings of American embassies in Nairobi and Dar es Salaam and planned still other attacks against Americans. We will likewise pursue the criminals responsible for the attack on the USS Cole in Yemen.

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

Fighting terrorism requires a substantial commitment of financial, human, and political resources. Since 1993, both the FBI's counterterrorism budget and the number of FBI agents assigned to counterterrorism have more than doubled. The President has also created and filled the post of National Coordinator for Security, Infrastructure Protection, and Counterterrorism. Three presidential directives now coordinate the efforts of senior counterterrorism personnel from various government agencies in dealing with WMD and other threats at home. The FBI and the State Department, respectively, operate Rapid Deployment Teams and interagency Foreign Emergency Support Teams to deploy quickly to scenes of terrorist incidents worldwide.

However, it is not only the response capabilities that need significant resources. It is our preventive efforts, such as active diplomatic and military engagement, political pressure, economic sanctions, and bolstering allies' political and security capabilities, that also require strong financial support in order to squeeze terrorists before they act. Providing political support and economic assistance to front line states and other allies impacted by this threat expands the circle of nations fighting against threats to the United States. These preventive measures are an important partner to our counterterrorism response efforts.

We must continue to devote the necessary resources for America's strategy to combat terrorism, which integrates preventive and responsive measures and encompasses a graduated scale of enhanced law enforcement and intelligence gathering, vigorous diplomacy, and, where needed, military action.

Domestic Preparedness Against Weapons of Mass Destruction

Defending the United States against weapons of mass destruction is a top national security priority. In October 1998, the President signed into law legislation criminalizing the unjustified accumulation of dangerous chemicals, thereby enhancing the ability of law enforcement to prevent potentially catastrophic terrorist acts by allowing enforcement action before the chemicals are weaponized. Additionally, concerted efforts have been undertaken to mitigate the consequences of a WMD attack.

The Federal Government, in coordination with state and local authorities, will respond rapidly and decisively to any terrorist incident in the United States involving WMD. Increased preparedness at home is critical to defending against, and responding to, such unconventional threats. The Administration developed a Five-Year Interagency Counterterrorism and Technology Crime Plan to address these issues.

Established in 1998, a standing Weapons of Mass Destruction Preparedness Interagency Working Group, chaired by the National Coordinator, addresses current and future requirements of local, state, and federal authorities that are directly responsible for the WMD crisis and consequence management efforts. In coordinating the interagency process and cooperation between these three levels of government, several initiatives are now in place to better prepare the United States against a WMD incident. These initiatives include equipping and training first responders in the 157 largest metropolitan areas across the nation to prepare for, and defend against, chemical, biological, or nuclear weapons of mass destruction attacks; renovating the public health surveillance system; and establishing civilian medical stockpiles of vaccines and antibiotics.

Critical Infrastructure Protection

An extraordinarily sophisticated information technology (IT) infrastructure fuels America's economy and national security. Critical infrastructures, including telecommunications, energy, finance, transportation, water, and emergency services, form a bedrock upon which the success of all our endeavors -- economic, social, and military -- depend. These infrastructures are highly interconnected, both physically and by the manner in which they rely upon information technology and the national information infrastructure. This trend toward increasing interdependence has accelerated in recent years with the advent of the Information Age.

At the same time that the IT revolution has led to substantially more interconnected infrastructures with generally greater centralized control, the advent of "just in time" business practices has reduced margins for error for infrastructure owners and operators. In addition, the trend toward deregulation and growth of competition in key infrastructures has understandably eroded the willingness of owners and operators to pay for spare capacity that traditionally served a useful "shock absorber" role in cushioning key infrastructures from failures. Finally, the increase in the number of mergers among infrastructure providers has increased the pressure for further reductions in spare capacity as managers seek to reduce overhead and wring "excess" costs out of merged companies.

As with the 1993 World Trade Center bombing, ongoing hostile hacker attacks, and cyber conflicts between China and Taiwan have shown, asymmetric warfare against the United States will likely grow. We must understand the vulnerabilities and interdependencies of our infrastructures, accept that such attacks know no international boundaries, and work to mitigate potential problems.

In January 2000, the President launched the National Plan for Information Systems Protection and announced new budget proposals for critical infrastructure protection. Specific new proposals included the Federal Cyber Systems Training and Education program to offer IT education in exchange for federal service; an intrusion detection network for the Department of Defense and for federal civilian agencies; and the Institute for Information Infrastructure Protection, an innovative public/private partnership to fill key gaps in critical infrastructure protection R&D. The Institute represented part of a 32% increase that were proposed for computer security research and development efforts for the FY 2001 budget.

Implementing the proposals of the National Plan, as well as other future projects, will contribute to our economic competitiveness, military strength, and general public health and safety. These proposals will also protect the ability of state and local governments to maintain order and deliver minimum essential public services while also working with the private sector to ensure the orderly functioning of the economy and the delivery of vital services.

The National Infrastructure Protection Center (NIPC), founded in 1998 under Presidential Decision Directive 63, is the national focal point for warning, analysis, and response regarding threats to the infrastructures. Over the past two years it has provided warnings to the private sector, federal, state, and local governments regarding infrastructure threats. It has also coordinated numerous investigations of destructive computer viruses, computer intrusions against United States Government and private IT systems, and denial of service attacks both in the United States and overseas.

Some aspects of our critical infrastructure, such as the various transportation systems, are not commonly associated with the trends of globalization and technological change, but nonetheless are being dramatically affected by them. For example, the Marine Transportation System, which consists of waterways, ports, and their intermodal connections, vessels, vehicles and system users, provides American businesses with critical competitive access to suppliers and markets that will be key to maintaining our nation's role as a global power. Threats to this and other transportation systems will drive new security imperatives that we must continue to balance with the need for speed and efficiency. In any case, ensuring the long-term health of these traditional aspects of our critical infrastructure must remain a priority even as we look to new technologies to improve other aspects of our infrastructures and provide other competitive advantages.

Most importantly, the Federal Government cannot protect critical infrastructures alone. The private sector owns and operates the vast majority of these infrastructures. Protecting critical infrastructure, therefore, requires the Federal Government to build partnerships with the private sector in all areas -- from business and higher education, to law enforcement, to R&D. The Secretary of Commerce and industry leaders -- mostly from Fortune 500 companies -- are leading the Partnership for Critical Infrastructure Security. The Attorney General has teamed up with the Information Technology Association of America to promote industry-government cooperation against cyber crime through the Cyber Citizen project. The NIPC, meanwhile, is establishing cooperative relationships between industry and law enforcement through its InfraGard initiative.

Some segments of our critical infrastructures have not historically devoted significant resources to protection from threats other than those caused by natural means. As a result, we are building a strong foundation for continued protection of our critical infrastructures. The public and private sectors must work together to conduct R&D in infrastructure protection and interdependencies, increase investment in training and educating cyber-security practitioners (to include building an adequate base of researchers in this new discipline), and find innovative technical, policy, and legal solutions that protect our infrastructures and preserve our civil rights.

National Security Emergency Preparedness

U.S. Continuity of Government and Continuity of Operations programs remain a top national security priority into the 21st century. They preserve the capability to govern, lead, and perform essential functions and services to meet essential defense and civilian needs. Together with other security, critical infrastructure protection, and counterterrorism programs, Continuity of Government and Continuity of Operations programs remain an important hedge against current and emerging threats, and future uncertainties.

We will do all we can to deter and prevent destructive and threatening forces such as terrorism, NBC weapons use, disruption of our critical infrastructures, and regional or state-centered threats from endangering our citizens. But if an emergency occurs, we must be prepared to respond effectively at home and abroad to protect lives and property, mobilize the personnel,

resources, and capabilities necessary to effectively handle the emergency, and ensure the survival of our institutions and infrastructures. To this end, comprehensive, all-hazard emergency planning by Federal departments, agencies and the military, as well as a strong and responsive industrial and technology base, will be maintained as crucial national security emergency preparedness requirements.

Fighting Drug Trafficking and Other International Crime

Broad ranges of criminal activities that originate overseas threaten the safety and well being of the American people.

Drug Trafficking. Drug use and its damaging consequences cost our society over \$110 billion per year and poison the schools and neighborhoods where our youth learn and play. Aggressive law enforcement is dramatically weakening the domestic perpetrators of organized crime who have controlled America's drug trade for much of the past century. Today, international drug syndicates based abroad challenge us. The criminals who run the international drug trade continue to diversify and seek new markets in the United

States -- moving beyond large cities into smaller communities and even rural towns. All Americans, regardless of economic, geographic, or other position in society, feel the effects of drug use.

The National Drug Control Strategy, both at home and abroad, integrates prevention and treatment with law enforcement and interdiction efforts. We aim to cut illegal drug use and availability in the United States by 50% by 2007, and reduce the health and social consequences of drug use and trafficking by 25% over the same period.

Domestically, we have engaged in a wide range of treatment and prevention efforts. We seek to educate and enable our youth to reject illegal drugs, increase the safety of U.S. citizens by substantially reducing drug-related crime and violence; reduce health and social costs to the public of illegal drug use; reduce domestic cultivation of cannabis and production of methamphetamines and other synthetic drugs; and shield America's air, land, and sea frontiers from the drug threat.

The Drug-Free Community Support program and the Drug-Free Schools and Communities program promote citizen participation in anti-drug efforts and help to provide drug-free learning environments for our children. The Office of National Drug Control Policy is leading the implementation of a \$2 billion, multi-year, science-based, national media campaign on the consequences of youth drug use. In the law enforcement arena, we have assisted communities in their law enforcement efforts; are committed to stemming the flow of drugs into our country; and have enhanced coordination among Federal, state, and local law enforcement agencies to arrest and prosecute drug traffickers and abusers. Concerted efforts by the public, all levels of government, and the private sector, together with other governments, private groups, and international organizations will be required for our strategy to succeed.

Internationally, our strategy recognizes that the most effective counterdrug operations are mounted at the source where illegal drugs are grown and produced. Our efforts therefore center on supply reduction in major drug exporting countries. In these "source nations," we act to bolster the capabilities of governments to help them reduce cultivation by eradicating drug crops, develop alternative crops, destroy drug labs, and control chemicals used in illegal drug production. As a second line of defense, in the transit zone between source regions and the U.S. border, we detect, monitor, and communicate with partner nations on the movement of suspicious surface, sea, and air traffic outside the United States. We support interdiction programs to halt the shipment of illicit drugs. In concert with allies abroad, we pursue prosecution of major drug traffickers, dismantling drug trafficking organizations, prevention of money laundering, and elimination of criminal financial support networks.

In an example of such cooperative effort, the United States is providing \$1.3 billion in support for Plan Colombia, President Andres Pastrana's effort to fight Colombian drug trafficking

and strengthen democracy, as well as promote legitimate economic endeavors in Colombia. Since Colombian drug traffickers supply approximately 90% of the cocaine used in the United States, U.S. assistance to Plan Colombia's interdiction, eradication, and alternative crop development efforts will be necessary if we are to stem this deadly drug's flow into the United States. As an additional measure, we continue to strongly support interdiction programs to halt the flow of drugs across the U.S. border either by independent means or exploiting the U.S. transportation system.

Other International Crime. Economic globalization increasingly makes all nations and peoples vulnerable to various unlawful activities that impede rational business decisions and fair competition in a market economy. Such activities include, but are not limited to, extortion, corruption, migrant smuggling, trafficking in persons, money laundering, counterfeiting, credit card and other financial fraud, and intellectual property theft. Many of these activities tend to impede or disrupt the safe and secure international movement of passengers and goods across international lines. They also attack the integrity and reliability of international financial systems. Corruption and extortion activities by organized crime groups can even undermine the integrity of government and imperil fragile democracies. And, the failure of governments to effectively control international crime rings within their borders or their willingness to harbor international criminals endangers global stability. There must be no safe haven where criminals can roam free, beyond the reach of our extradition and legal assistance treaties.

Open markets must be preserved, laws and regulations governing financial institutions must be standardized, and international law enforcement cooperation in the financial sector must be improved for the benefits of economic globalization to be preserved.

The United States is implementing a number of initiatives and strategies tailored to combat various forms of international crime. For example, we launched the National Money Laundering Strategy, under which the Departments of Treasury and Justice work to disrupt illegal profit flows to organized crime groups. The Presidential Decision Directive on International Organized Crime directs close coordination among Federal agencies to identify, target, and disrupt the activities of criminal groups, and the President's International Crime Control Strategy establishes the broad goals and implementing objectives for this effort. Finally, in December 2000, the United States published its first-ever comprehensive International Crime Threat Assessment detailing criminal activities around the globe that impact our national security.

The United States is pursuing efforts to combat international crimes that are economic in origin, but the effects of which transcend economics. They include crimes that result in the contamination of the environment, such as the illegal international movement of chloro-fluorocarbons (CFCs) that attack the ozone layer, thereby endangering all life on earth. They also include crimes that threaten the world's diversity through illegal trafficking in endangered and threatened species of flora and fauna. The United States continues to work with nations around the world to counter these crimes.

Smaller-Scale Contingencies

Smaller-scale contingency (SSC) operations encompass the full range of military operations short of major theater warfare, including peacekeeping operations, enforcing embargoes and no-fly zones, evacuating U.S. citizens, reinforcing key allies, neutralizing NBC weapons facilities, supporting counterdrug operations, protecting freedom of navigation in international waters, providing disaster relief and humanitarian assistance, coping with mass migration, and engaging in information operations. These challenging operations are likely to arise frequently and require significant commitments of human and fiscal resources over time. These operations also put a premium on the ability of the U.S. military to work closely and effectively with other United States Government agencies, non-governmental organizations, regional and international security organizations and coalition partners.

In general, SSC operations are aimed at checking aggression and addressing local and regional crises before they escalate or spread. Thus, while SSCs may involve other than "vital" national security interests, resolving SSCs gives us the chance to prevent greater and costlier conflicts that might well threaten U.S. vital interests.

The United States need not take on sole responsibility for operations and expenditures in SSCs. In fact, we have encouraged and supported friends and allies' assumption of both participatory and leadership roles in regional conflicts. Such encouragement, in theory, constitutes a fruitful middle ground between inaction and conflict. In practice, the United States has recently played a role in a number of successful coalition operations. These include participating in NATO-led Bosnia and Kosovo operations with predominantly European troop participation; providing logistical, intelligence, and other support to operations in East Timor; and supporting the United Nations' and Economic Community of West African States' leadership roles in seeking peace for Sierra Leone.

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

There is an important role for the United Nations as a tool in managing conflict. UN peacekeeping operations can be a very effective alternative to direct intervention by the United States. The Brahimi report on peacekeeping reform offers many good recommendations that, if implemented, can make this tool even more effective as an instrument of policy.

As in regional conflict, conducting smaller-scale contingencies means confronting new threats such as terrorism, information attack, computer network operations, and the use or threat of use of weapons of mass destruction. United States forces must also remain prepared to withdraw from contingency operations if they are needed in the event of a major theater war. Accordingly, we must continue to train, equip, and organize U.S. forces to be capable of performing multiple missions at any given time.

Major Theater Warfare

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

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

Second, the United States must be prepared to fight and win under conditions where an adversary may use asymmetric means against us -- unconventional approaches that avoid or

undermine our strengths while exploiting our vulnerabilities. Because of our conventional military dominance, adversaries are likely to use asymmetric means, such as NBC weapons, information operations, attacks on our critical infrastructure, or terrorism. Such asymmetric attacks could be used to disrupt the critical logistics pipeline -- from its origins in the United States, along sea and air routes, at in-transit refueling and staging bases, to its termination at airfields, seaports, and supply depots in theater -- as well as our forces deployed in the field. The threat of NBC attacks against U.S. forces in theater or U.S. territory could be used in an attempt to deter U.S. military action in defense of its allies and other security interests.

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

Third, our military must also be able to transition to fighting major theater wars from a posture of global engagement -- from substantial levels of peacetime engagement overseas as well as multiple concurrent smaller-scale contingency operations. Withdrawing from such operations would pose significant political and operational challenges. Options available to the National Command Authorities (NCA) may include backfilling those forces withdrawn from contingency operations or substituting for forces committed to such operations. Ultimately, however, the United States must accept a degree of risk associated with withdrawing from contingency operations and engagement activities in order to reduce the greater risk incurred if we failed to respond adequately to major theater wars.

The Decision to Employ Military Forces

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

In situations posing a threat to important national interests, military forces should only be used if they are likely to accomplish their objectives, the costs and risks of their employment are commensurate with the interests at stake, and other non-military means are incapable of achieving our objectives. Such uses of military forces should be selective and limited, reflecting the importance of the interests at stake. We act in concert with the international community whenever possible, but do not hesitate to act unilaterally when necessary.

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

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

In every case, we will consider several critical questions before committing military force: have we explored or exhausted non-military means that offer a reasonable chance of achieving our goals? Is there a clearly defined, achievable mission? What is the threat environment and what risks will our forces face? What level of effort will be needed to achieve our goals? What is the potential cost -- human and financial -- of the operation? What is the opportunity cost in terms of maintaining our capability to respond to higher-priority contingencies? Do we have milestones and a desired end state to guide a decision on terminating the mission? Is there an interagency or multinational political-military plan to ensure that hard-won achievements are sustained and continued in the mission area after the withdrawal of U.S. forces?

Having decided that use of military forces is appropriate, the decision on how they will be employed is based on two guidelines. First, our forces will have a clear mission and the means to achieve their objectives decisively. Second, as much as possible, we will seek the support and participation of our allies, friends, and relevant international institutions. When our vital interests are at stake, we are prepared to act alone. But in most situations, working with other nations increases the effectiveness of each nation's actions and lessens everyone's burden.

Sustaining our engagement abroad over the long term will require the support of the American people and the Congress to bear the costs of defending U.S. interests -- including the risk of losing U.S. lives. Some decisions to engage abroad with our military forces could well face popular opposition, but must ultimately be judged by whether they advance the interests of our nation in the long run. When we judge it to be in our interest to intervene, we must remain clear in our purposes and resolute in our actions. We must also ensure that protection of that force is a critical priority and that our protection efforts visibly dissuade potential adversaries.

Preparing for an Uncertain Future

We must prepare for an uncertain future, even as we address today's security problems. We need to look closely at our national security apparatus to ensure its effectiveness by adapting its institutions to meet new challenges. This means we must transform our capabilities and organizations -- diplomatic, defense, intelligence, law enforcement, and economic -- to act swiftly and to anticipate new opportunities and threats in today's continually evolving, highly complex international security environment. We must also have a strong, competitive, technologically superior, innovative, and responsive industrial and research and development base and a national transportation system with the resources and capacity to support disaster response and recovery efforts if national mobilization is required.

Strategically, our transformation within the military requires integrating activities in six areas: service concept development and experimentation; joint concept development and experimentation; robust processes to implement changes in the Services and joint community; focused science and technology efforts; international transformation activities; and new approaches to personnel development that foster a culture of bold innovation and dynamic leadership.

The military's transformation requires striking a balance among three critical funding priorities: maintaining the ability of our forces to shape and respond today; modernizing to protect the long-term readiness of the force; and exploiting the revolution in military affairs to ensure we maintain our unparalleled capabilities to shape and respond effectively in the future. Transformation also means taking prudent steps to position us to effectively counter unlikely but significant future threats -- particularly asymmetric threats.

Investment in research and development is an essential element of our transformation effort. It permits us to do what we do best: innovate, not copy. Revolutionary, not evolutionary, leaps will happen in an economy where new ideas can be pursued and quickly translated from vision to reality. It is a competitive advantage that leverages our technological breakthroughs into sustained military superiority. This requires support not only for bringing promising technologies out of the labs for insertion in weapons platforms, but also for fundamental research that will produce the as-yet-unknown technologies that will give the United States the revolutionary advantages we will need in the future. Ultimately, our development efforts must be practical and founded in war-fighting objectives tested through aggressive experimentation.

At the same time we push technological frontiers and transform our military, we also must address future interoperability with multinational partners. Since they will have varying levels of technology, a tailored approach to interoperability that accommodates a wide range of needs and capabilities is necessary. We must encourage our more technically advanced friends and allies to build the capabilities that are particularly important for interoperability, including the command, control, and communication capabilities that form the backbone of combined operations. We must help them bridge technological gaps, supporting international defense cooperation and multinational ventures where they enhance our mutual support and interoperability.

In May 2000, the United States spearheaded a Defense Trade Security Initiative (DTSI); a package of 17 measures designed to enhance allied interoperability and coalition warfighting capabilities by facilitating the transfer of critical U.S.-origin defense items to our allies. At the same time, DTSI promotes a strong and robust allied transnational defense industrial base that can provide innovative and affordable products needed to meet allied warfighting requirements for the 21st century.

Transformation extends well beyond the acquisition of new military systems -- we seek to leverage advanced technological, doctrinal, operational and organizational innovations both within government and in the commercial sector to give U.S. forces greater capabilities and flexibility. Joint Forces Command and the Armed Services are pursuing an aggressive, wide-ranging innovation and experimentation program to achieve that transformation. The Service programs focus on their core competencies and are organized to explore capability improvements in the near-, mid-, and far-term. The Joint Forces Command program ensures a strong joint perspective while also complementing efforts by the Services. A multilateral program has also been developed. NATO's Defense Capabilities Initiative now includes both a NATO-centered and nation-centered concept development and experimentation program, which Joint Forces Command complements with a joint experimentation program to include allies, coalition partners and friends. A recently inaugurated interagency process on Contingency Planning offers the promise of improving the coordination among government agencies well before a crisis is at hand.

The on-going integration of the Active and Reserve components into a Total Force is another important element of the transformation. Despite the rapid pace of technological innovation, the human dimension of warfare remains timeless. In this era of multinational operations and complex threats involving ethnic, religious, and cultural strife, regional expertise, language proficiency, and cross-cultural communications skills have never been more important to the U.S. military. We will continue to transform and modernize our forces by recruiting, training, and retaining quality people at all levels of the military and among its civilian personnel who bring broad skills, an innovative spirit, and good judgement to lead dynamic change into the 21st century.

To support the readiness, modernization and transformation of our military forces, we will work with the Congress to enact legislation to implement the Defense Reform Initiative, which will free up resources through a revolution in business affairs. This effort includes competitive sourcing, acquisition reform, transformation of logistics, and elimination of excess infrastructure through two additional rounds of base realignment and closure. The Administration, in partnership with the

Congress, will continue to ensure that we maintain the best-trained, best-equipped and best-led military force in the world for the 21st century.

In the area of law enforcement, the United States is already facing criminal threats that are much broader in scope and much more sophisticated than those we have confronted in the past. We must prepare for the law enforcement challenges arising from emerging technology, globalization of trade and finance, and other international dynamics. Our strategy for the future calls for the development of new investigative tools and approaches as well as increased integration of effort among law enforcement agencies at all levels of government, both in the United States and abroad.

We will continue efforts to construct appropriate 21st century national security programs and structures government-wide. We will continue to foster innovative approaches and organizational structures to better protect American lives, property and interests at home and abroad.

Promoting Prosperity

Globalization, which has drawn our economic and security interests closely together, is an inexorable trend in the post-Cold War international system. It is logical, then, for the United States to capture its positive energy and to limit its negative outcomes, where they exist. In doing both we will be able to promote shared prosperity, the second core objective of our national security strategy.

Strengthening Financial Coordination

As a result of economic globalization, prosperity for the United States and others is inextricably linked to foreign economic developments. Interdependence of this degree makes it incumbent upon the United States to be a cooperative leader and partner in the global financial system. This means doing our part to provide economic and political support to international financial institutions; working to reform them; equipping them with the tools necessary to react to future financial crises; and expanding them to embrace sustainable development efforts in emerging market economies.

Our objective is to build a stable, resilient global financial system that promotes strong global economic growth while providing broad benefits in all countries. Throughout the past seven years, Congress and the President have worked together to enhance funding for international economic institutions and programs. Promoting our prosperity requires us to sustain these commitments in the years and decades ahead.

Drawing on the lessons of the Mexican peso crisis in 1994 and the Asian crises in 1997 and 1998, the United States took the lead in advocating steps to strengthen the architecture of the international financial system so that it more effectively promotes stronger policies in emerging market economies, works to prevent crises, and is better equipped to handle crises when they do occur. As part of a proactive effort to retool the system, the United States proposed creation of the Contingent Credit Line in the IMF to encourage countries to avoid crises. In addition to providing external incentives, it assists these countries to also improve their own debt management. The United States has also taken the initiative in 1999 and 2000, once financial stability was restored, to advocate a series of reforms in the International Monetary Fund (IMF) and the World Bank. These include restructuring lending instruments, introducing greater transparency and accountability into their operations, increasing efforts to reduce vulnerability in advance of crisis, and involving private sector creditors in crisis resolution.

Some developing countries face particularly difficult challenges in their efforts to achieve sustainable development. The HIPC Initiative, as both an international assistance and development tool, provides multilateral debt reduction to countries facing unmanageable debt burdens. In addition to providing \$1 billion in support to the HIPC, the United States has led the IMF, World Bank, and other financial institutions to focus attention and resources on the health, education, environment, and poverty issues that surround sustainable development.

Promoting an Open Trading System

In a world where over 96% of the world's consumers live outside the United States, the Nation's domestic economic growth is predicated on our success in expanding trade with other nations.

Since 1993, the President has negotiated over 300 distinct trade agreements. Prominent among these have been the following, which have resulted in declining unemployment, rising standards of living, and robust economic growth in the United States:

- The North American Free Trade Agreement (NAFTA), which institutionalized our trading relationship with Mexico and Canada. NAFTA created the world's largest free trade zone, expanded trade among its three signatories by over 85%, and generated increased U.S. exports to both Mexico and Canada. Mexico and Canada now take nearly 40% of U.S. exports.

- The Uruguay Round of the General Agreement on Tariffs and Trade, which created the WTO and created, or substantially expanded, multilateral trade rules and commitments to cover agriculture, services, and intellectual property rights. The WTO has been instrumental in assisting transition economies to progress from centrally planned to market economies and promoting growth and development in poor countries. The United States continuously leads accession negotiations with countries who are seeking WTO membership and who are willing to meet its high standards of market access and rules-based trading.

- Permanent Normal Trade Relations with China, which will provide American farmers, businesses, and industries with market access to the world's most populous nation.

We have consistently advocated trade liberalization with our values in mind, ensuring that increased trade advances, rather than weakens, the rights of workers and the health of the environment.

NAFTA was historic because it mandated environmental and labor protections; it was the first trade agreement to explicitly create the link between trade liberalization and the protection of labor rights and the environment. History was again made this year when the United States entered into a Free Trade Agreement with the Hashemite Kingdom of Jordan. Language in the agreement ensures that liberalization of trade between both nations, the protection of labor rights, and safeguarding the environment are mutually supportive.

The United States ensured that the WTO preamble established environmental protection as an overall objective of the parties to the agreement. In November of 1999, the President issued an executive order on Environmental Reviews of Trade Agreements, an order requiring careful environmental analysis of major new trade agreements. The Office of the United States Trade Representative and the Council on Environmental Quality oversee the implementation of the order, ensuring that promoting trade and protecting the environment go hand-in-hand.

Numerous regional economic partnerships also facilitate global trade. In addition to NAFTA, the Asia Pacific Economic Cooperation Forum (APEC), the President's trade and investment initiative in Africa, the Transatlantic Economic Partnership, and negotiations to create the Free Trade Area of the Americas (FTAA) by 2005 promote open trade in other economic trading regions critical to our national security. With the enactment of the U.S.-Caribbean Basin Trade Partnership Act of 2000 and the Africa Growth and Opportunity Act of 2000, the United States set out to deepen and widen its regional economic relationships.

A Congressional grant of "fast track" authority to the President would enhance his ability to break down foreign trade barriers in a timely manner. "Fast track" promotes American prosperity, just as it expedites domestic job creation and economic growth.

Enhancing American Competitiveness

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

Technological advantage

We will continue to support a vigorous science and technology base that promotes economic growth, creates high-wage jobs, sustains a healthy, educated citizenry, and provides the basis for our future military systems. We will continue to foster the open interchange of people and ideas that underpins our scientific and technological enterprise. We will invest in education and training to develop a workplace capable of participating in our rapidly changing economy. And, we will invest in world-class transportation, information, and space infrastructures for the 21st century.

Export Advocacy

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

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

Enhanced Export Control

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

Our current export control policy recognizes that we must balance a variety of factors. On the one hand, our policies must promote and encourage the sale of our most competitive goods abroad, while on the other, they must ensure that technologies that facilitate proliferation of F do not end up in the wrong hands. Our policies therefore promote high technology exports by making dual-use license decisions more transparent, predictable, and timely through a rigorous licensing process administered by the Department of Commerce at the same time that we ensure a thorough review of dual-use applications by the Departments of Defense, State, and Energy. Any agency that disagrees with a proposed export can enter the issue into a dispute resolution process that, if necessary, may ultimately rise to the President for adjudication. As a result, reviews of dual-use licenses are today more thorough than ever before. In the case of munitions exports, we are committed to a policy of responsible restraint in the transfer of conventional arms and technologies. A key goal in the years ahead is to strengthen worldwide controls in this area, while facilitating exports of items that we wish to go to our allies and coalition partners. The DTSI, which we look to enhance our future interoperability with our friends and allies, is one such effort that will streamline U.S. munitions export control processes while also devoting additional resources to increasing the security scrutiny applied to munitions exports. The President's decision to seek agreements with close allies that would permit extension of Canada-like exemptions to the ITAR for low risk exports will significantly enhance U.S. competitiveness while also enhancing export controls.

Encryption is an example of a specific technology that requires careful balance. Export controls on encryption must be a part of an overall policy that balances several important national interests, including promoting secure electronic commerce, protecting privacy rights, supporting

public safety and national security interests, and maintaining U.S. industry leadership. After reviewing its encryption policy and consulting with industry, privacy and civil liberties groups, the Administration implemented significant updates to encryption export controls in January 2000 and concluded a second update in October 2000. The new policy continues a balanced approach by streamlining export controls while protecting critical national security interests. U.S. companies now have new opportunities to sell their software and hardware products containing encryption, without limits on key length, to global businesses, commercial organizations and individuals. Most U.S. mass-market software products, previously limited to 56 and 64 bit keys, are approved for export to any end user.

In October 2000, the Administration finished another review of its policy to ensure that it maintains balance while taking into account advances in technology and changes in foreign and domestic markets. The most significant change is that the U.S. encryption industry may now export encryption items and technology license-free to the European Union and among several countries (including major trading partners outside of Western Europe). The update is consistent with recent regulations adopted by the European Union; thus assuring continued competitiveness of U.S. industry in international markets. Other policy provisions implemented to facilitate technological development include streamlined export provisions for beta test software, products that implement short-range wireless encryption technologies, products that enable non-U.S.-sourced products to operate together, and technology for standards development. Post-export reporting is also streamlined to increase the relief to U.S. companies of these requirements. Reporting will no longer be required for products exported by U.S.-owned subsidiaries overseas, or for generally available software pre-loaded on computers or handheld devices. These initiatives will assure the continuing competitiveness of U.S. companies in international markets, consistent with the national interest in areas such as electronic commerce, national security, and support to law enforcement.

Similarly, computer technology is an area where the application of export controls must balance our national security concerns with efforts to promote and strengthen America's competitiveness. It is likely we will continue to face extraordinarily rapid technological changes that demand a regular review of export controls. Maintaining outdated controls on commodity-level computers would hurt U.S. companies without benefiting our national security. For these reasons, in February 2000, the Administration announced reforms to computer export controls; the reforms permit sales of higher-level computer technology to countries friendly to the United States. Export control agencies will also review advances in computer technology on an ongoing basis and provide the President with recommendations for updating computer export controls every six months.

U.S. efforts to stem proliferation cannot be effective without the cooperation of other countries. We have strengthened cooperation through a host of international WMD nonproliferation regimes, and we will continue to actively seek greater transparency in conventional arms transfers. These efforts enlist the world community in the battle against the proliferation of WMD, advanced conventional weapons and sensitive technologies, while at the same time producing a level playing field for U.S. business by ensuring that our competitors face corresponding export controls.

Providing for Energy Security

The United States depends on oil for about 40% of its primary energy needs, and roughly half of our oil needs are met with imports. And although we import less than 15% of the oil exported from the Persian Gulf, our allies in Europe and Asia account for about 80% of those exports. For some years, the United States has been undergoing a fundamental shift away from reliance on Middle East oil. Venezuela is consistently one of our top foreign suppliers, and Africa now supplies 15% of our imported oil. Canada, Mexico, and

Venezuela combined supply almost twice as much oil to the United States as the Arab OPEC countries. The Caspian Basin, with potential oil reserves of 160 billion barrels, also promises to play an increasingly important role in meeting rising world energy demand in coming decades.

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

Conservation and energy research notwithstanding, the United States will continue to have a vital interest in ensuring access to foreign oil sources. We must continue to be mindful of the need for regional stability and security in key producing areas, as well as our ability to use our naval power, if necessary, to ensure our access to, and the free flow of, these resources.

Promoting Sustainable Development

True and lasting social and economic progress must occur in a sustainable fashion, that meets the human and environmental needs for enduring growth. Common but reparable impediments to sustainable development include:

- Lack of education, which shuts people out from participation in technological advance.
- Disease and malnutrition, which stifle productivity.
- Pollution, environmental degradation, and unsustainable population growth, the remediation of which is much more costly than pre-emptive action.
- Uncontrolled exploitation of natural resources (e.g., overhunting or overfishing of species for food, overcutting of timber for firewood, overgrazing of grasslands by cattle), which can be serious impediments to sustainable development.
- Unsustainable foreign debt obligations, which encourage currency devaluations and capital flight, and can absorb a substantial share of small economies' resources.

Efforts by the United States to foster sustainable development include:

- Promoting sound development policies that help build the economic and social framework needed to encourage economic growth and poverty reduction and facilitate the effective use of external assistance.
- Debt relief to free up developing countries' resources for meeting the basic needs of their people. The United States led the G-7 in adopting the Cologne Debt Initiative for reducing debts owed them by those of the world's poorest countries committed to sound policies that promote economic growth and poverty reduction. The resulting plan is embodied in the HIPC Initiative.
- Public health assistance consisting of grants, loans, and tax incentives for the prevention and treatment of epidemics such as AIDS, malaria, and tuberculosis, as well as the training of individuals to continue providing public health services.
- Human capacity development assistance for basic education and literacy programs, job skills training, and other programs specifically designed to protect women's health, provide educational opportunity, and promote women's empowerment.
- Leadership in the G-8 and OECD to raise environmental standards for export credit agencies and international financial institutions.

In consonance with our values, when a nation that embraces globalization gets left behind, the United States and other proponents of globalization should reach out a hand. Doing so in a manner that promotes not just development, but sustainable development, enhances regional stability, steadily expands the economic growth on which demand for our exports depends, and honors our values, which encourage us to share our wealth with others and inspire growth for more than just ourselves.

Promoting Democracy and Human Rights

The third goal of our national security strategy is to promote democracy, human rights, and respect for the rule of law. Since the founding of the republic, our actions as a Nation have always been guided by our belief that individuals should control their own destinies: economically, politically, and spiritually. Our core values -- political and economic freedom, respect for human

rights, and the rule of law -- support this belief, guiding the conduct of our government at home as well as in its dealings with others outside our borders. Much as John Winthrop set a standard for early colonists that we "be as a city upon a hill," nearly four centuries later we still seek to demonstrate the power of our democratic ideals and values by our example. This does not make us turn inward or isolationist, nor should it be interpreted as a bid for hegemony. Rather, in keeping with our values, we have lent our encouragement, support, and assistance to those nations and peoples that freely desire to achieve the same benefits of liberty. The extraordinary movement of nations away from repressive governance and toward democratic and publicly accountable institutions over the last decade reflects how these ideals, when allowed to be freely shared, can spread widely and rapidly, enhancing the security of all nations. Despite some minor setbacks for a few of the newer democracies in the last several years, the trend continues. Since the success of many of those changes is by no means assured, our strategy must focus on strengthening the commitment and capacity of nations to implement democratic reforms, protect human rights, fight corruption and increase transparency in government. For this reason, we join with other nations in creating the community of democracies. In June 2000, 106 countries meeting in Warsaw, Poland endorsed the Warsaw Declaration laying out criteria for democracy and pledging to help each other remain on the democratic path.

Emerging Democracies

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

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

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

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

help counter attempts to reverse democracy, as has happened in Fiji, Haiti, Pakistan, Paraguay, and Peru.

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

Adherence to Universal Human Rights and Democratic Principles

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

Ethnic conflict represents a great challenge to our values and our security. When it erupts in ethnic cleansing or genocide, ethnic conflict becomes a grave violation of universal human rights. We find it clearly opposed to our national belief that innocent civilians should never be subject to forcible relocation or slaughter because of their religious, ethnic, racial, or tribal heritage. Ethnic conflict can also threaten regional stability and may well give rise to potentially serious national security concerns. When this occurs, the intersection of our values and national interests make it imperative that we take action to prevent -- and whenever possible stop -- outbreaks of mass killing and displacement.

At other times the imperative for action will be much less clear. The United States and other nations cannot respond to every humanitarian crisis in the world. But when the world community has the power to stop genocide and ethnic cleansing, we will work with our allies and partners, and with the United Nations, to mobilize against such violence -- as we did in Bosnia and Kosovo.

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

Events in the Bosnia conflict and preceding the 1994 genocide in Rwanda demonstrate the pernicious power of inaccurate and malicious information in conflict-prone situations. This made apparent our need to effectively use our information capabilities to counter misinformation and incitement, prevent and mitigate ethnic conflict, promote independent media organizations and the free flow of information, and support democratic participation. As a result, in the spring of 1999, the President directed that all public diplomacy and international information efforts be coordinated and integrated into our foreign and national security policy-making process.

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

It is our aim to ensure protection for persons fleeing situations of armed conflict or generalized human rights abuses by encouraging governments not to return refugees to countries

where they face persecution or torture. We also seek to focus additional attention on the more vulnerable or traditionally oppressed people by spearheading new international initiatives to combat the sexual exploitation of minors, child labor, use of child soldiers, and homelessness among children.

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

Promotion of religious freedom is one of the highest concerns in our foreign policy. Freedom of thought, conscience and religion is a bedrock issue for the American people. To that end, the President signed the International Religious Freedom Act of 1998, which provides the flexibility needed to advance religious freedom and to counter religious persecution. In September 1999, we completed the first phase outlined in the Act with publication of the first annual report on the status of religious freedom worldwide, a 1,100 page document covering the status of religious freedom in 194 countries. In October, we designated and sanctioned the Taliban regime in Afghanistan, Burma, China, Iran, Iraq, Sudan, and the Milosevic regime in Serbia as "countries of particular concern" for having engaged in or tolerated particularly severe violations of religious freedom. The United States is active throughout the world assisting those who are persecuted because of their religion and promoting freedom of religious belief and practice. We will continue to work with individual nations and with international institutions to combat religious persecution and promote religious freedom.

The United States will continue to speak out against human rights abuses and it will continue to carry on human rights dialogues with countries willing to engage us constructively. Because police and internal security services can be a source of human rights violations, we use training and contacts between U.S. law enforcement and their foreign counterparts to help address these problems. We do not provide training to police or military units implicated in human rights abuses. When appropriate, we are prepared to take strong measures against human rights violators. These include economic sanctions, visa restrictions, and restricting sales of arms and police equipment that may be used to commit human rights abuses. The Administration proposed legislation to prevent the United States from becoming a safe haven for human rights violators. Both the Immigration and Naturalization Service and the Federal Bureau of Investigation are coordinating investigative efforts on cases involving allegations of human rights abuse to pursue criminal prosecution or administrative removal proceedings in appropriate instances.

In the 1990s, the United States took the lead in seeking compensation for Holocaust survivors, many of whom are impoverished. Over a million individuals are eligible to apply for benefits under agreements concluded with Germany, Austria, and Switzerland. We must now be certain that these agreements are carried out in a fair and equitable manner, and that steps are taken to complete the work we have commenced in the areas of Holocaust education, the payment of Holocaust era insurance policies, and the restitution of art and other property.

Humanitarian Activities

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

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

Private firms and NGOs that principally address human rights issues or democratic principles often become natural allies in assisting in the relief of humanitarian crises. We frequently find we have natural partners in labor unions, human rights groups, environmental advocates, and chambers of commerce in providing international humanitarian assistance. In providing this often life saving assistance, these private and non-governmental groups visibly demonstrate another aspect of, and complement to, our democratic values -- one of helping others in need. All of these values are thus seen by the individuals and governments helped by these organizations, and they underscore why our support of the humanitarian assistance efforts of private and non-governmental groups is in keeping with our values and objective of promoting democracy and human rights.

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

III. Integrated Regional Approaches

Our policies toward different regions reflect our overall strategy and guiding principles but must be tailored to the unique challenges and opportunities of each region. Thus, each uses a different application of the elements of engagement and does so in differing degrees. Each region may have its own focused strategic objectives, but, in the end, enhancing our own and the region's security while promoting prosperity, democracy, and human rights are still the ultimate goals.

Europe and Eurasia

European stability is vital to our own security. The United States has three strategic goals in Europe: integration of the region, a cooperative transatlantic relationship with Europe on global issues, and fostering opportunities while minimizing proliferation risks posed by collapse of the Soviet Union. The first goal, building a Europe that is truly integrated, democratic, prosperous, and at peace, would realize a vision the United States launched more than 50 years ago with the Marshall Plan and NATO. The greatest challenge to that remains the integration of Southeastern Europe into the rest of Europe, a strategic objective the United States shares with its NATO allies and the EU. The United States, its allies, and the EU recognize that continued instability, ethnic conflict, and potentially open warfare in Southeastern Europe would adversely affect European security and set back the process of creating a Europe that is truly whole and free. Accordingly, our strategy involves a series of interlocking building blocks, the progressive and interactive implementation of which will achieve step-by-step shared objectives. The building blocks identified below define our common priorities for Southeastern Europe, and -- more importantly -- the pursuit of each helps the attainment of all:

- Coexistence among ethnic groups and the rebuilding of civic society;
- Promotion of the return of refugees and displaced persons to their homes to undo the pernicious consequences of ethnic cleansing;
- Economic reform and revitalization, leading to sustainable economic growth;
- Democratic government based on the rule of law and full respect for human rights;
- Support for the nascent democratic government in the Federal Republic of Yugoslavia (FRY) as a means for advancing its return to the international community;
- A peaceful resolution of the status of Montenegro and Kosovo through arrangements acceptable to all sides;

- Strengthening regional cooperation as a basis for the region's revitalization and eventual integration with the rest of Europe;
- Adherence to international agreements such as the Dayton Accords, especially in recognition of international boundaries.

We are making progress towards our objectives. With the toppling of the Milosevic regime and the ascension of President Kostunica and his government, the process of transition from authoritarian rule to democratic governance is underway in the FRY. The United States and the international community support democratization and economic reform in the FRY to ensure long-lasting change, the removal of impediments to positive social, political, and economic change, and the stability and growth of the entire region of Southeastern Europe. Democratic consolidation and Western integration of the FRY will not be easy, but the United States stands ready to contribute to the achievement of these long-awaited goals.

Elsewhere in Southeastern Europe, elections in Croatia this year saw the victory of a pro-Western, pro-reform government that has become a constructive and stabilizing force in the region. Reform-minded leaders in Macedonia, Albania, and Slovenia continue to press forward with difficult economic reforms. Croatia and Albania both became WTO members this year, on the basis of commercially meaningful commitments that bolster their economic reform programs. Moderate pro-Dayton elements share political power in Bosnia. Kosovars had the opportunity to choose local leaders for the first time this year in Kosovo's democratic elections, and relatively moderate candidates were elected by large majorities. The FRY's new democratic leadership is moving quickly to integrate their nation into Europe and restore constructive cooperation with its neighbors. But much work remains. Economic and political reforms that will allow Southeastern European nations to move forward towards European integration must be accelerated. While Milosevic is out of power in the FRY, democratic change has not yet been consolidated and the new government faces a difficult winter. Greater ethnic reconciliation in Bosnia and Kosovo remains elusive. Security conditions allowing eventual withdrawal of U.S. troops from the region have still not been fully realized. Without a broad strategy of engagement and strong U.S. leadership, our vision of a stable, democratic, and prosperous Europe will not be realized.

Our second goal is to work with our allies and partners across the Atlantic to meet the global challenges no nation can meet alone. This means working together to consolidate this region's historic transition in favor of democracy and free markets; supporting peace efforts in troubled areas both within and outside the region; tackling global threats such as the potential use and continued proliferation of NBC weapons, terrorism, drug trafficking, international organized crime, environmental problems, or health crises; mass uncontrolled migration of refugees, and building a more open world economy without barriers to transatlantic trade and investment.

Our third goal is to develop the opportunities opened by the collapse of the Soviet Union while minimizing the associated proliferation risks. Russia, Ukraine, and the other New Independent States (NIS) today are undergoing fundamental changes to their political, economic, and social systems -- the outcome will have a profound impact on our own future and security. Core U.S. security interests are being advanced through our engagement with these countries, such as through U.S. efforts to help secure and dismantle the former Soviet arsenal of weapons of mass destruction. Our engagement also helps frame the key choices that only the peoples of the former Soviet Union and their leaders can make about their future, their role in world affairs, and the shape of their domestic political and economic institutions. Our strategy utilizes a long-term vision for the region, recognizing that this unprecedented period of transition will take decades, if not generations to complete.

Enhancing Security

NATO remains the anchor of U.S. engagement in European security matters, the foundation for assuring collective defense of Alliance members, and the linchpin of transatlantic security. As

the leading guarantor of European security and a force for European stability, NATO must play a leading role in promoting a more integrated and secure Europe; one prepared to respond to new challenges. At the same time, the United States actively supports the efforts of our European partners to develop their own European Security and Defense Policy (ESDP). We further support European efforts to increase and improve capabilities for collective defense and crisis response operations, including the capability to act militarily under the EU when NATO, as a whole, is not engaged. We seek a relationship that will benefit current, and the potential future, members of both organizations, and we intend to remain fully engaged in European security issues, both politically and militarily. The United States has maintained approximately 100,000 military personnel in Europe to fulfill our commitments to NATO. They provide a visible deterrent against aggression and coercion, contribute to regional stability, respond to crises, sustain our vital transatlantic ties, and preserve U.S. leadership in NATO.

NATO is pursuing several initiatives to enhance its ability to respond to the new challenges it will face in the 21st century. At NATO's Fiftieth Anniversary Summit in April 1999, Alliance leaders adopted an expansive agenda to adapt and prepare NATO for current and future challenges. This included an updated Strategic Concept, which envisions a larger, more capable and more flexible Alliance, committed to collective defense and able to undertake new missions. The Defense Capabilities Initiative (DCI) aims to improve defense capabilities and interoperability among NATO military forces, thus bolstering the effectiveness of multinational operations across the full spectrum of Alliance missions, to include Partner forces where appropriate. NATO and the EU are also forging a strategic partnership that will further reinforce European capabilities and contributions to transatlantic security. NATO's WMD Initiative, the other activities of NATO's senior groups on proliferation, and U.S. bilateral NBC defense cooperation with key allies, will increase the ability of the Alliance to counter the threat of NBC weapons and their means of delivery.

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

Together with our allies, we are pursuing efforts to help other countries that aspire to membership become the best possible candidates. These efforts include the NATO Membership Action Plan and the Partnership for Peace. We are also continuing bilateral programs to advance this agenda, such as the President's Warsaw Initiative, which is playing a critical role in promoting Western-style reform of the armed forces of Central and Eastern Europe, and Eurasia and helping them become more interoperable with NATO. Some European nations do not desire NATO membership, but do desire strengthened ties with the Alliance. The Partnership for Peace provides an ideal vehicle for such relationships. It formalizes relations, provides a mechanism for mutual beneficial interaction, and establishes a sound basis for combined action, should that be desired. This can be seen in the major contributions some Partnership for Peace members have made to NATO missions in the Balkans. Also, on a bilateral basis, the United States has concluded security of classified information agreements with all former Warsaw Pact countries.

NATO is pursuing several other initiatives to enhance its ability to respond to new challenges and deepen ties between the Alliance and Partner countries. NATO's Euro-Atlantic Partnership Council continues to strengthen political dialogue and practical cooperation with all partners, and the Alliance values its distinctive partnership with Ukraine, which provides a framework for enhanced relations and practical cooperation. We welcome Russia's re-engagement with NATO and Permanent Joint Council on the basis of the 1997 NATO-Russia Founding Act. Our shared goal remains to deepen and expand constructive Russian participation in the European security system.

The Organization for Security and Cooperation in Europe (OSCE) has a key role to play in enhancing Europe's stability. It provides the United States with a venue for developing Europe's security architecture in a manner that complements our NATO strategy. In many instances, cooperating through the OSCE to secure peace, deter aggression, and prevent, defuse and manage crises, broadens international support for the resolution of a particular security issue, and gives regional actors greater latitude to develop their own stability mechanisms. The Charter also recognizes that European security in the 21st century increasingly depends on building security within societies as well as security between states. In Istanbul, President Clinton joined the other 29 parties to the Treaty on Conventional Armed Forces in Europe (CFE) in signing the CFE Adaptation Agreement, which will replace obsolete bloc-to-bloc force limitations with nationally-based ceilings and provide for enhanced transparency of military forces through increased information and more inspections. The United States will continue to give strong support to the OSCE as our best choice to engage all the countries of Europe, the Caucasus, and Central Asia in an effort to advance democracy, human rights and the rule of law, and to encourage them to support one another when instability, insecurity, and human rights violations threaten peace in the region.

Kosovo - Securing the Peace

On March 24, 1999, after repeated attempts at diplomatic solutions had failed, NATO intervened militarily to end a vicious campaign of ethnic cleansing launched by the Milosevic regime in Belgrade against the ethnic Albanian community in Kosovo. During the eleven-week air campaign that comprised Operation Allied Force, fourteen of the Alliance's nineteen members participated in more than 38,000 combat sorties, almost one third the number flown during the 1991 Desert Storm campaign. In the end, due to the application of force in concert with continued international pressure, Milosevic capitulated, agreeing to NATO's conditions including the return of all refugees, the withdrawal of his military and police forces, and the deployment of an international civil and military presence. This unprecedented display of alliance solidarity ended Belgrade's reign of terror and prevented the real risk that violence in Kosovo would create turmoil throughout the region, undermining its new, fragile democracies and reversing our progress in Bosnia and Herzegovina. NATO's intervention also set the conditions for creating a stable, peaceful, and democratic way of life in Kosovo.

Today, assisting the international community to accomplish those objectives is a NATO-led force (KFOR) of approximately 40,000 personnel from nearly 35 countries (including 6,000 Americans) who continue to protect the peace achieved by last year's military action. The United States never commits its military forces lightly; the decision to contribute to KFOR was firmly grounded in the assessment that national interests, in particular European security and stability, were at stake. At the same time, compared to IFOR and SFOR, we were able to share more of the burden with our European allies, with U.S. troops comprising only 15% of the NATO-led force.

The international community continues to assist refugees and displaced persons to return to their homes and communities, a critical step to social renewal. To date, more than 898,000 Kosovars from diverse ethnic backgrounds have returned (many with the help of KFOR).

Rebuilding infrastructure and promoting economic growth is critical to the hope that one day Kosovo will have a sustainable free market economy. To this end, more than 36,000 new homes have been constructed and more than 70% of private enterprises have been restarted since the end of the war. Much more remains to be done, but the list of impressive economic achievements continues to grow. Supporting democratic institutions and processes is crucial component of our strategy. In October 2000, free and open municipal elections were held for the first time in Kosovo's history, a key step in establishing the autonomous institutions necessary for the Kosovars to govern themselves.

Finally, we continue to promote multiethnic reconciliation in recognition that real democracy requires peaceful coexistence among all ethnic groups and credible protection for minority rights.

Statistics indicate a dramatic decline in crime over the past year in Kosovo; however, sporadic ethnic violence still challenges the international community and requires our vigilance.

Today, Kosovo is largely an international protectorate focused on rebuilding itself and inculcating respect for the rule of law. As these intermediate goals are attained, however, Kosovo will continue its journey toward becoming a self-administering democratic community within a unified Europe. Kosovo's final status will ultimately be determined through a political process. The United States will work closely with the EU to ensure that the necessary political and economic environment exists to allow Kosovo's final status to be resolved eventually.

Federal Republic of Yugoslavia (Serbia and Montenegro) - Promoting Democracy

The prospects for sustained peace, stability, and growth throughout the region have improved with the removal of President Milosevic and the election of FRY President Kostunica. President Kostunica's victory signaled the end of destructive and isolationist policies of the Milosevic regime. His government has indicated a desire to seek a future with Europe. The United States remains committed to the people of Serbia and we will support the new democratic governments stated aspirations to reintegrate into Europe and the international community, and to use the transition as an opportunity to foster democracy and market reform in the FRY.

In Montenegro, the democratically elected government of President Djukanovic has made significant progress in implementing political and economic reforms. The United States will continue to support Montenegro and encourage dialogue and negotiation between Montenegro and the new democratic government in Belgrade.

In cooperation with our allies and the international community, efforts are underway to reintegrate the FRY into regional and international organizations. For example, in October 2000, the United States supported FRY admission into the Stability Pact and the United Nations. In November 2000, the U.S. supported the FRY's entry into OSCE. The FRY has also begun discussions with the IMF and World Bank on membership -- as one of the successor states to the Socialist Federal Republic of Yugoslavia -- and has asked to join the European Bank for Reconstruction and Development (EBRD). To bolster the FRY's democratic transition, the United States supported removal of the energy embargo and the travel ban, while maintaining sanctions on financial transactions and trade that could still benefit Milosevic and his cronies. The United States is assessing Serbia's immediate and long-term assistance and humanitarian needs, and is promoting dialogue and negotiation between Montenegro, Kosovo and a new democratic Serb government. While the success of the Kostunica government's effort to consolidate power and build democracy is by no means certain, and while peace in the region remains fragile, the United States stands ready to support the Serbian people at this historic moment in their efforts to have the FRY become a productive member of the international community of democracies.

Bosnia - Implementing Dayton

The full implementation of the Dayton Peace Accords is key to developing Bosnia as a stable, peaceful and economically viable state within Southeastern Europe. Dayton implementation will not only foster Bosnia's integration with Europe, but will also provide the conditions for eventual withdrawal of U.S. troops. To that end, we continue to support the return of refugees, implementation of political and economic reforms, the weakening of the nationalist political parties' grip on political and economic power, the strengthening of state institutions, the reform and integration of the Entity Armed Forces, and the apprehension of remaining war criminals.

While Dayton implementation continues to be measured and incremental, we are making progress. Refugee returns have increased significantly in 2000, in part due to a more secure environment established by NATO-led forces and international financial support. The improved security situation has allowed SFOR to reduce the number of troops in Bosnia from IFOR's initial commitment of 60,000 soldiers in 1995 to current levels of 20,800 -- a reduction by roughly two-

thirds. Further progress in implementing Dayton will allow for further reduction in our military presence.

Along with the international community, we continue to press Bosnian officials to accelerate efforts to promote the rule of law, fight corruption, institute economic reforms and create stable state institutions, including those associated with the armed forces. Recent elections have seen growing political pluralism among the electorate and the advancement of moderate, pro-Dayton parties. We seek to support these trends.

Bosnia has benefited from dramatic political change in Croatia, where a reform-oriented government was elected earlier this year. Upon taking power, the new government sent Bosnian Croats the unequivocal message that their future was in Bosnia, not Croatia, and that they should support the full implementation of the Dayton Accords. Croatia's new political orientation has led to the rise of moderate forces in the dominant Bosnian Croat political party and has resulted in a significant decline in Croatian support for the Bosnian Croat component of the Federation army, a necessary step for full military integration in the Federation.

Unfortunately, in the Republika Srpska (RS) some hard-line nationalists still resist efforts to implement several Dayton objectives, from refugee returns to the arrest of war criminals. While we have had some success in moving the Dayton process forward, genuine and sustainable change in the Republika Srpska will depend in part on the cooperation of the new government in the FRY. President Kostunica's public support for the Dayton Accords is encouraging, but must be matched by concrete actions to encourage Bosnian Serbs to pursue their future as part of Bosnia and Herzegovina.

Finally, it is imperative to our objectives that remaining Bosnian war criminals are apprehended and sent to The Hague. Consequently, we strongly support the efforts of the International Criminal Tribunal for the former Yugoslavia (ICTY). In 2000, six additional indicted war criminals were transferred to the ICTY, five of whom were detained by SFOR. The ICTY's work in the region has also benefited from the enhanced cooperation offered by the new government in Croatia.

Cyprus and the Aegean

Tensions on Cyprus, Greek-Turkish disagreements in the Aegean, and Turkey's relationship with the EU have serious implications for regional stability and the evolution of European political and security structures. Our goals are to stabilize the region by reducing long-standing Greek-Turkish tensions, pursuing a comprehensive settlement on Cyprus, and supporting Turkey's full integration into European institutions. A democratic, secular, stable, and Western-oriented Turkey is critical to these efforts and has supported broader U.S. efforts to enhance stability in Bosnia, the nations of the former Soviet Union and the Middle East, as well as to contain Iran and Iraq. The President's trip to Turkey and Greece in November 1999 highlighted encouraging signs of progress for reconciliation in the region, including talks on the Cyprus dispute that are being held under the auspices of the UN in New York and Geneva. The EU's historic decision in December 1999 at its Helsinki Summit to grant candidate status to Turkey -- which the United States strongly encouraged -- reinforced the development of Greek-Turkish rapprochement, while encouraging Turkey to expand its democracy and observance of human rights for all its citizens.

The Baltic States

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

by bringing together the governments and private sector interests in the Baltic and Nordic countries, Poland, Germany, and Russia.

Northern Ireland

Historic progress was achieved in implementing the Good Friday Accord when, on December 2, 1999, an inclusive power-sharing government was formed in Northern Ireland, the principle of consent was accepted with respect to any change in the territorial status of Northern Ireland, new institutions were launched for North-South cooperation on the island of Ireland, and the Irish Republican Army named a representative to the Independent International Commission on Decommissioning (IICD) of paramilitary weapons (loyalist paramilitaries named their representatives to the IICD soon thereafter). Although differences over the arms decommissioning issue led to suspension of the new institutions on February 11, 2000, the institutions were restored on May 27 following agreement between the British and Irish governments and political leaders. On June 25, the IICD reported that international inspectors visited several IRA arms dumps and concluded that the weapons were secure and could not be used without the IICD becoming aware that this happened. The IRA announced on June 26 that it had reestablished contact with the IICD. These developments followed continued progress in promoting human rights and equality in Northern Ireland, including the introduction of legislation to implement the important recommendations put forward for police reform in the Patten Report issued on September 9, 1999. Disagreements over progress on decommissioning of arms have affected progress.

The United States continues to work with the British and Irish governments and the political leaders in Northern Ireland to achieve full implementation of the Good Friday Accord. Working through the International Fund for Ireland and the private sector, we will help the people seize the opportunities that peace will bring to attract new investment and bridge the community divide, create new factories, workplaces, and jobs, and establish new centers of learning for the 21st century.

Russia and the Newly Independent States (NIS)

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

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

The United States strategy toward Russia and the NIS has made every American safer. Threat reduction programs have assisted in the deactivation of former Soviet nuclear warheads and greatly decreased the possibility of sensitive materials, technology, expertise, or equipment falling into the wrong hands. We are working aggressively to strengthen export controls in Russia and the other NIS and to stem proliferation of sensitive missile and nuclear technology, as well as other WMD or

advanced conventional weapons to potential regional aggressors such as Iran. The Administration has supported the sovereignty and territorial integrity of the NIS, including through agreement on the adapted CFE Treaty, which was made possible by agreed schedules for the withdrawal of Russian forces from Georgia and Moldova. The integration of Russia, Ukraine, and other NIS with the new Europe and the international community remains a key priority. Despite disagreements over NATO enlargement and the Kosovo conflict, Russian troops serve shoulder-to-shoulder with U.S. and NATO forces in Kosovo and Bosnia. The United States remains committed to further development of the NATO-Russia relationship and the NATO-Ukraine distinctive partnership.

Our engagement with Russia, Ukraine, and other NIS is broad-based and draws upon new ties and partnerships between U.S. and NIS cities, regions, universities, scientists, students, and business people. United States assistance programs have helped these countries begin to develop the laws and legal infrastructure necessary for the rule of law as well as the building blocks of civil society. Still, the challenges ahead in each of these areas are immense. Economic hardship, social dislocation, and rampant crime and corruption threaten the foundations of democratic and law-based governance. Looming environmental problems will complicate NIS governments' ability to develop appropriate and effective responses and policies. Similarly, government pressure on independent media, citizens groups, nongovernmental organizations (NGOs), and religious groups remain a recurring source of concern.

We must continue our efforts to encourage strong and effective property laws and practices in central and Eastern Europe. Such laws are a necessity for a society based on the rule of law, and are a prerequisite for competing in international markets and participating in Western institutions. A starting point is the enactment and enforcement of laws providing for the restitution of property, seized during the Nazi and communist eras, to rightful owners.

Promoting Prosperity

Europe is a key partner in America's global commercial engagement. Europe and the United States produce almost half of all global goods and services; more than 60% of total U.S. investment abroad is in Europe; commerce between us exceeds \$1 billion every day; and fourteen million workers on both sides of the Atlantic earn their livelihoods from transatlantic commerce. As part of the New Transatlantic Agenda launched in 1995, the United States and the EU agreed to take concrete steps to reduce barriers to trade and investment through creation of an open New Transatlantic Marketplace and through Mutual Recognition Agreements in goods that eliminate redundant testing and certification requirements. Our governments are also cooperating closely with the civil society dialogues established under the New Transatlantic Agenda: the Transatlantic Business Dialogue, Transatlantic Consumer Dialogue, Transatlantic Environment Dialogue, and Transatlantic Labor Dialogue. These people-to-people dialogues create opportunities for increased communication focusing on best practices, and can help their governments identify and reduce barriers to greater transatlantic interaction. In return, our governments should be committed to listen, learn, and facilitate.

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

The second element of the Transatlantic Economic Partnership is a broader, cooperative approach to addressing a wide range of trade issues. We will continue to refrain from imposing

duties on electronic transmissions and develop a work program in the WTO for electronic commerce. We will seek to adopt common positions and effective strategies for accelerating compliance with WTO commitments on intellectual property. We will seek to promote government procurement opportunities, including promoting compatibility of electronic procurement information and government contracting systems. To promote fair competition, we will seek to enhance the compatibility of our procedures with potentially significant reductions in cost for U.S. companies.

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

Within Southeastern Europe, President Clinton and other international leaders launched a relatively new addition to the security architecture of Europe in July 1999. Called the "Stability Pact for Southeastern Europe," the pact is a historic partnership between the international community and the countries of Southeastern Europe, designed to bolster security and advance integration into the European and transatlantic mainstream by accelerating the region's democratic and economic development. By reducing ethnic conflict, promoting democratization and civil society, increasing trade and investment opportunities and supporting regional cooperation, we are promoting stability and prosperity in the region and providing a basis for greater integration into Europe.

Since the inception of the Stability Pact, donors have committed approximately \$6 billion in development assistance for the countries of Southeastern Europe. European countries and institutions, together with international financial institutions, are providing over 85% of this assistance. Of this \$6 billion, the international community has pledged more than \$2.3 billion for over 200 "Quick Start" projects -- many of which are focused on energy, water and transport infrastructure improvements that will have an immediate impact on people's lives. All of the "Quick Start" projects are to be underway by the end of March 2001.

In support of economic development and reform in Southeastern Europe, the U.S. is promoting increased investment throughout the region. OPIC has launched a \$150 million equity investment fund that will invest in companies in a range of sectors, including telecommunications, light manufacturing, distribution and consumer goods. The United States and the EBRID have created a \$150 million fund to provide technical assistance and lending, in cooperation with local financial institutions, to promote micro, small and medium enterprise development in Southeast Europe. The United States will work with the EBRID to expand the operation of this fund and other activities to Montenegro.

To combat corruption and bureaucratic uncertainty, countries in the region have agreed under the Stability Pact to increase efforts to promote transparency and the rule of law. Under the agreed upon Anti-Corruption Initiative, each member country in the region has committed to make domestic government procurements more transparent, take specific measures to promote public service integrity, and establish a review body to monitor accountability in the administration of foreign aid programs and national anti-corruption efforts.

To promote deeper integration with the rest of Europe and transatlantic institutions, the United States supports EU efforts to play a leading role in the Stability Pact and welcomes closer relations between the EU and the countries of the region. We are urging the EU to strengthen these ties and to act quickly on proposals to open further its markets to Southeastern European products. As the United States' support (in October and November 2000) for FRY admission into the Stability Pact, UN, and OSCE demonstrates, guidelines like those expressed by the Stability Pact serve as worthy benchmarks for inclusiveness into a wider circle of nations.

The United States will continue its strong support for the Stability Pact and broader stabilization efforts. In October 2000, the FRY was formally admitted to join the Stability Pact. The critical challenge for the Stability Pact in the coming months is to persuade the international community and Southeastern Europe that it is in their mutual interests to follow through on important commitments that each has made to the other.

Now that the government in Belgrade has changed, the United States is promoting reintegration of the FRY into regional and international organizations. The energy embargo and travel ban have been lifted, and we are working with the Europeans and other donors to identify priorities for assistance and reconstruction, including Danube River cleanup.

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

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

We focus particular attention on promoting the development of Caspian energy resources and their export to world markets, thereby expanding and diversifying world energy supplies and promoting prosperity in the region.

Getting Caspian energy to world markets will help achieve important goals. It will help enhance prospects for prosperity and independence of the Caspian states. It can help support the development of stable democratic countries, and bolster relationships among the states. Development of Caspian energy resources will improve our energy security, as well as that of Turkey and other allies. It will create commercial opportunities for U.S. companies and other companies around the world. Throughout the region, targeted exchange programs have familiarized key decision makers and opinion molders with the workings of our democracy.

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

Promoting Democracy and Human Rights

Democratic reforms in Central and Eastern Europe and Eurasia are the best measures to avert conditions that could foster ethnic violence and regional conflict. Already, the prospect of joining or rejoining the Western democratic family through NATO, the EU, and other institutions has strengthened the forces of democracy and reform in many countries of the region and encouraged them to settle long-standing disputes over borders and ethnic minorities. Together with our West European partners we are helping these nations build civil societies.

We continue to promote the integration of Southeastern Europe's democracies into the European mainstream by promoting democratic, economic and military reforms, deepening regional cooperation, and supporting regional efforts to fight organized crime. The opening of a Southeast Europe Cooperation Initiative (SECI) information clearinghouse in Bucharest in the spring of 1999 highlighted efforts by SECI to integrate the efforts of national law enforcement agencies in the fight against cross-border crime. The UN, EU, and NATO operations in the area focused on developing professional civil and military institutions that are respectful and promote human rights and respect for civil authority. Landmark democratic elections in Croatia at the beginning of 2000, and important regional elections, such as those held in Montenegro in June 2000, showed promise for the process of democracy. Where the democratic transition is still in progress, or threatened by external influences, the situation bears continued vigilance. In Kosovo, where violence continued to plague efforts to restore stability, promote tolerance, and begin the establishment of a Kosovar capacity for substantial self-rule, we are determined to succeed in the protection of the rights of individual minorities and the implementation of an ambitious democratic framework for the people of Kosovo.

Municipal elections in Kosovo have paved the way for the establishment of local institutions as the international community encourages the creation of a constitutional framework for Kosovar autonomy called for under the Rambouillet Agreement and UN Security Council Resolution 1244. As local Kosovars accept responsibility for the process of democracy and protection of minority rights, our efforts in Kosovo will shift from a focus on military security and the training of international and indigenous police forces, to deepened support for those civil efforts that promote democracy, the rule of law, and respect for human rights.

We continue to support the efforts of the International Criminal Tribunal for the former Yugoslavia. In 2000, the pace of detention, transfer, and prosecution of indicted war criminals remained brisk, especially as the new government in Croatia reaffirmed that country's support for the implementation of the Dayton Agreements. New opportunities have also opened with the change of government in Belgrade. We and our European allies have made clear to President Kostunica his obligation to cooperate with the ICTY and our expectation that all indicted war criminals, including former President Milosevic, will be held accountable.

East Asia and the Pacific

Our regional strategy is based on the premise that a stable and prosperous East Asia and Pacific is vital to our own national security interests. United States leadership in expanding mutually beneficial economic relationships and U.S. security commitments within the Pacific rim are central to stability, and even more importantly, they foster an environment within which all Asia/Pacific nations can prosper. We continue to advance this vision of the Asia/Pacific by promoting democracy and human rights, advancing economic integration and rules-based trade, and enhancing security. These three pillars of our security strategy for Asia are mutually reinforcing, and provide the framework for our bilateral and multilateral initiatives. Cooperation with our allies and friends in the region to achieve our common goals remains a cornerstone of our strategy.

Enhancing Security

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

Our security strategy in East Asia and the Pacific encompasses a broad range of potential threats, and includes the following priorities: deterring aggression and promoting peaceful resolution of crises; promoting access to and the security of sea lines of communication in cooperation with our allies and partners; actively promoting our nonproliferation goals and safeguarding nuclear technology; strengthening both active and passive counterproliferation capabilities of key allies; combating the spread of transnational threats, including drug-trafficking, piracy, terrorism and the spread of AIDS; fostering bilateral and multilateral security cooperation, with a particular emphasis on combating transnational threats and enhancing future cooperation in peacekeeping operations; and promoting regional dialogue through bilateral talks and multilateral fora.

Japan

The U.S.-Japan alliance remains the cornerstone for achieving common security objectives and maintaining a peaceful and prosperous environment for the Asia Pacific region. The 1997 revised Guidelines for U.S.-Japan Defense Cooperation create a solid basis for more effective and credible U.S.-Japan cooperation in peacetime, in the event of an armed attack on Japan, and in situations in areas surrounding Japan. They provide a general framework for the roles and missions of the two countries, and facilitate coordination in peacetime and contingencies. The revised Guidelines, like the U.S.-Japan security relationship itself, are not directed against any other country; rather, they enable the U.S.-Japan alliance to continue fostering peace and security throughout the region. In April 1998, in order to support the new Guidelines, both governments agreed to a revised Acquisition and Cross-Servicing Agreement (ACSA) that expands the provision of supplies and services to include reciprocal provision of logistics support during situations surrounding Japan that have an important influence on Japan's peace and security. Japan approved implementing legislation for the Guidelines in the spring of 1999. Japan's generous host-nation support for the U.S. overseas presence also serves as a critical strategic contribution to the alliance and to regional security.

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

Korean Peninsula

Tensions on the Korean Peninsula, albeit reduced as a result of the June 2000 North-South Summit, remain the leading threat to peace and stability in East Asia. The Democratic People's Republic of Korea (DPRK) has publicly stated a preference for peaceful reunification, but continues to dedicate a large portion of its dwindling resources to its huge military forces. Renewed military conflict has been prevented since 1953 by a combination of the Armistice Agreement, which brought an end to open hostilities; the United Nations Command, which has visibly represented the will of the UN Security Council to secure peace; the physical presence of U.S. and ROK troops in the Combined Forces Command, which has demonstrated the alliance's resolve; and, increasingly, diplomatic activities of the United States, ROK, and Japan.

President Kim Dae-jung continues to pursue a course toward peace and stability on the Korean peninsula, seeking new channels of dialogue with North Korea and developing areas of cooperation between South and North. During their June 2000 meeting in Tokyo, President Clinton and President Kim affirmed the importance of the North-South Summit for building a more permanent peace, and the indispensability of the strong U.S.-ROK defense alliance as a stabilizing pillar for the region. The United States is working to create conditions of stability by maintaining

solidarity with our South Korean and Japanese allies, emphasizing America's commitment to shaping a peaceful and prosperous Korean Peninsula, and ensuring that a struggling North Korea does not opt for a military solution to its political and economic problems.

Peaceful resolution of the Korean conflict with a democratic, non-nuclear, reunified peninsula will enhance peace and security in the East Asian region and is clearly in our strategic interest. We have taken steps to improve bilateral political and economic ties with North Korea -- consistent with the objectives of our alliance with the ROK -- to draw the North into more normal relations with the region and the rest of the world. Secretary Albright furthered that objective during her historic meeting with North Korean leader Kim Jong Il in late October 2000. The United States has also outlined to the DPRK what steps it must take to cut all ties to terrorism, and be considered for removal from the list of state sponsors of terrorism. But our willingness to continue to improve bilateral relations will continue to be commensurate with the North's cooperation in efforts to reduce tensions on the peninsula and to stem its NBC weapons programs.

South Korea has set an example for nonproliferation by accepting the 1991 Denuclearization Agreement, agreeing to IAEA safeguards, and developing a peaceful nuclear program that brings benefits to the region. We are firm that North Korea must maintain the freeze on production and reprocessing of fissile material, dismantle its graphite-moderated reactors and related facilities, and fully comply with its NPT obligations under the Agreed Framework. The United States, too, must fulfill its obligations under the Agreed Framework, and the Administration will work with the Congress to ensure the success of our efforts to address the North Korean nuclear threat.

Beyond fully implementing the Agreed Framework, we seek to eliminate North Korea's indigenous and export missile program and their weapons of mass destruction through a step-by-step process. Based on U.S.-North Korean discussions, North Korea has undertaken to refrain from flight testing long-range missiles of any kind as we move toward more normal relations. Working closely with our ROK and Japanese allies, we will improve relations with North Korea on the basis of it moving forward on the missile and WMD agendas, and we will take necessary measures in the other direction if the North chooses to go down a different path.

We encourage the North to work with South Korea to implement the agreements reached at the North-South Summit; continue the United Nations Command-Korean People's Army General Officer Dialogue at Panmunjom; participate constructively in the Four Party Talks among the United States, China, and North and South Korea to reduce tensions and negotiate a peace agreement; and continue our efforts to recover the remains of American servicemen missing since the Korean War.

Pyongyang's more recent diplomatic and economic outreach to the rest of the world are encouraging, but as yet no reciprocal confidence-building measures have been forthcoming. It is crucial that the United States and the ROK maintain deterrence during the process of reconciliation and economic integration on the Korean Peninsula. We favor a step by step process of using reciprocal confidence building measures that link economic and diplomatic initiatives to real reductions in the military threat on the peninsula.

China

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

In recent years, the United States and China have taken a number of steps to strengthen cooperation in international affairs: intensive diplomatic work to restore relations damaged by our mistaken bombing of the Chinese Embassy in Belgrade; successful conclusion of a bilateral agreement on Chinese WTO accession; two presidential bilateral meetings in 2000; regular

exchanges of visits by cabinet and sub-cabinet officials to consult on political, military, security, nonproliferation, arms control, economic, financial, and human rights issues; cooperating in efforts to account for Americans missing as a result of World War II and the Korean War; establishing a consultation mechanism to strengthen military maritime safety; holding discussions on humanitarian assistance and disaster relief, and environmental security; and establishing working groups on law enforcement cooperation. China is also a participant in science, technology, and health research. Our cooperation in promoting environmental protection and sustainable development is steadily increasing to the benefit of U.S. interests in the Asia-Pacific region.

At the same time, China's rise as a major power presents an array of potential challenges. Many of China's neighbors are closely monitoring China's growing defense expenditures and modernization of the People's Liberation Army (PLA). Given international and regional focus on China's growing military power, China's adherence to multilateral nonproliferation and arms control regimes, as well as increased military transparency, is of growing importance.

United States interests have been advanced in discussions with China on arms control and nonproliferation issues. We have advanced our dialogue on nonproliferation and arms control through exchanges at the Secretary of Defense, Secretary of State, and sub-cabinet level in 1999 and 2000, building on previous accomplishments. The United States and China announced in earlier exchanges that they will not target their strategic nuclear weapons at each other and confirmed their common goal of halting the spread of WMD. Both our nations have signed the Comprehensive Test Ban Treaty. We have consulted on the Missile Technology Control Regime and missile nonproliferation, and we continue to press China to exercise restraint in its missile policies and practices. In November 2000, China publicly announced that it would reinforce its export control system, and that it had no intention to assist any country in the development of ballistic missiles that could be used to deliver nuclear weapons. Both nations have ratified the Chemical Weapons Convention, and China has further strengthened its controls on the export of dual-use chemicals and related production equipment and technology to assure they are not used for production of chemical weapons. Both nations have called for strengthening of the Biological Weapons Convention and early conclusion of a protocol establishing a practical and effective mechanism to enhance compliance and improve transparency. We also reached agreement with China on practices for end-use visits on U.S. high technology exports to China and we will continue a dialogue on implementation of this agreement.

China is working with the United States on important regional security issues. On the Korean Peninsula, the United States and China share an interest in peace and stability and worked together to support the June 2000 North-South Summit. We have both worked to convince North Korea to freeze its dangerous nuclear program, and believe the four-party peace talks are an important tool in working toward establishment of peace and stability in Northeast Asia.

To help maintain peace, security, and stability in the Western Pacific, and to promote our broad foreign policy objectives, we are implementing fully the terms of the Taiwan Relations Act by maintaining unofficial relations between the American people and the people of Taiwan. We are keeping the focus on peaceful resolution by working assiduously to encourage the PRC and Taiwan to reestablish direct dialogue, while maintaining our firm commitment to Taiwan's self-defense by providing defensive arms to Taiwan.

Our key security objectives for the future include: sustaining the strategic dialogue begun by the recent summits and other high-level exchanges; enhancing stability in the Taiwan Strait by maintaining our "one China" policy, promoting peaceful resolution of cross-Strait issues, and encouraging dialogue between Beijing and Taipei; strengthening China's adherence to international nonproliferation norms, particularly with respect to export controls on ballistic missile and dual-use technologies; encouraging China to adopt broader, more effective export control policies; achieving greater openness and transparency in China's military; encouraging a constructive PRC role in

international affairs through active cooperation in multilateral fora such as the ASEAN Regional Forum (ARF) and the Asia Pacific Economic Cooperation Forum (APEC); and improving law enforcement cooperation in such areas as counterterrorism, counternarcotics, and migrant trafficking.

Southeast Asia and the Pacific

Our strategic interest in Southeast Asia centers on developing regional, multilateral, and bilateral security and economic relationships that assist in conflict prevention and resolution. United States security objectives in the region are: strengthening our security alliances and partnerships with Australia, Thailand, the Philippines, and Singapore; sustaining facilities access arrangements with these countries and other ASEAN nations; and encouraging effective multilateral cooperation by expanding participation in regional exercises geared toward disaster relief operations and combating such transnational threats as piracy and drug-trafficking. We continue to view ASEAN as the key regional institution for enhancing security and prosperity. We will continue to work on our relationship with ASEAN and enhance our multilateral security dialogue under the ARF. We must also pursue multilateral, or sometimes bilateral, initiatives with ASEAN to address transnational issues such as the spread of infectious disease, alien smuggling, trafficking in women and children, environmental protection, and combating organized crime, particularly the flow of heroin from Burma and other countries in the region.

Promoting Prosperity

A prosperous and open Asia/Pacific is key to the economic health of the United States. Thirty percent of U.S. exports go to Asia, supporting millions of U.S. jobs, and we export more to Asia than Europe. The economic benefits of a strong Asia/Pacific are likely to increase as China and Taiwan enter into the WTO. Our historic decision to grant Permanent Normal Trade Relations to China will enable U.S. businesses to expand into China under a rules-based trading regime.

Our economic objectives in the region include the following: continuing recovery from the financial crisis; furthering progress within APEC toward liberalizing trade and investment; increasing U.S. exports to Asia/Pacific countries through market-opening measures and leveling the playing field for U.S. business; and concluding the WTO accession negotiations for the PRC and Taiwan on satisfactory commercial terms.

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

The United States will continue to work with the IMF, the World Bank, other international financial institutions, the governments in the region, and the private sector to strengthen financial markets, bolster investor confidence, and deepen on-going reforms in the region's economies. In doing so, we will remain mindful of the need to promote protection of worker rights. We will continue to encourage South Korea, Thailand, and Indonesia to implement economic reforms to lay a solid basis for long-term economic growth. U.S. initiatives in APEC will open new opportunities for economic cooperation and permit U.S. companies to expand their involvement in substantial infrastructure planning and construction throughout the region. We will continue our efforts to encourage all Asia Pacific nations to pursue open markets.

China

Integrating the PRC more fully into the global trading system is manifestly in our national interest. China is a major potential market for our goods and services. Our exports to China already support hundreds of thousands of jobs across our country and China's WTO entry will significantly expand that number.

An important part of integrating China into the market-based world economic system is opening China's highly protected market through elimination of trade barriers and removal of distorting restraints on economic activity. We have negotiated and vigorously enforced landmark agreements to combat piracy of intellectual property and advance the interests of our creative industries. We have also negotiated -- and vigorously enforced -- agreements on textile trade. We will continue to press China to open its markets as it engages in sweeping economic reform, and to respect and adhere to core labor standards as codified by the ILO. Most recently, the United States reached a market access agreement with China, paving the way for China's accession to the World Trade Organization. The bilateral agreement concluded in November 1999 will create jobs and opportunities for Americans through the opening of Chinese markets, promote economic reform in China, and enhance the understanding of the Chinese people of the rule of law in the development of their domestic civil society in compliance with international obligations. We are now working with other Working Party members to complete the multilateral negotiation of China's WTO accession. Our enactment of Permanent Normal Trade Relations status for China will accelerate and expand these favorable trends.

Japan

Japan has a crucial role to play in Asia's economic health: generating substantial growth to help maintain a growing world economy and absorb a growing share of imports from emerging markets. We have urged Japan to reform its financial sector, stimulate domestic demand, deregulate its economy, and further open its markets to foreign goods and services. The Administration continues to make progress on increasing market access in Asia's largest economy. Since the beginning of the first Clinton Administration, the United States and Japan have reached 39 trade agreements designed to open Japanese markets in such key sectors as autos and auto parts, civil aviation, and insurance. In the Enhanced Initiative on Deregulation, Japan agreed to regulatory reforms to promote domestic demand-led growth and also to increase business opportunities for U.S. firms in such vital areas as telecommunications, competition policy enforcement, and medical/pharmaceutical products. Through the Foreign Direct Investment Initiative, Japan agreed to measures to improve the environment for foreign investment. As a result, U.S. firms are increasing their presence in the Japanese market by acquiring Japanese firms, and are thereby contributing to Japan's economic recovery. The Administration also has intensified efforts to monitor and enforce trade agreements with Japan to ensure that they are fully implemented. The United States also uses multilateral venues, such as WTO dispute settlement and negotiation of new multilateral agreements, to further open markets and accomplish our trade objectives with Japan. The U.S.-Japan Common Agenda is a bilateral U.S.-Japan program coordinating scientific and financial resources of the world's two largest economies on more than seventy projects worldwide. The projects focus on eradicating infectious disease, protecting the environment, and promoting scientific and technological cooperation.

Republic of Korea

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

Southeast Asia and the Pacific

The United States strongly supports efforts to sustain and strengthen economic recovery in the ten nations of ASEAN. We accomplish this by maintaining our open market for Southeast Asian goods and services as well as our support for IMF-led recovery programs for several ASEAN nations. There are challenges ahead. Thailand's economic recovery is continuing, however, high oil prices and the slow pace of banking and corporate sector reforms are impeding Thailand's full economic recovery from the financial crisis. Thais are preparing for elections in January 2001. The

survival and vindication of Thailand's new constitution would reflect well on the future of democracy in Southeast Asia, but the Thais worry about political stability ahead. In Indonesia, slow progress on corporate and financial sector restructuring endangers economic recovery. Rapid sale of assets held by the Indonesian Bank Restructuring Agency (IBRA) is the key to alleviating the large public debt burden and improving investor sentiment. IBRA has begun to move ahead, but without stronger support from the government, progress will remain uneven. Privatization of the banking sector, which has been largely under government control since the crisis, is another area of worrying policy drift. With Vietnam, we are working toward completion of a broad commercial agreement that will open that country's markets, promote economic reform, and open the way for congressional approval of Normal Trade Relations for Vietnam. Nearby in Singapore, in November 2000, President Clinton and Prime Minister Goh of Singapore agreed to launch negotiations for a free trade agreement. In addition to the economic benefits both countries would be expected to gain, the two leaders have recognized the importance of continued U.S. engagement in Asia based on economic and security interests. Working with ASEAN members to address environmental degradation -- from forest fires and haze, to fisheries depletion and deforestation -- while striving for sustainable economic growth, is a high priority.

Australia and New Zealand

We will continue to build on our close working relationship with Australia and New Zealand to strengthen our bilateral trade and economic relationships. We will also work with these two key partners to develop international support for further action by APEC and by the World Trade Organization to develop rules-based trade and encourage sector liberalization.

Promoting Democracy and Human Rights

The United States will continue to support the democratic aspirations of Asian/Pacific peoples and to promote respect for human rights. Our strategy is best served through close coordination with our allies and friends in the region, both at the governmental and non-governmental organization level. Our priorities include: progress on human rights, religious freedom and rule of law issues in China; a meaningful political dialogue between the ruling authorities in Burma and the democratic opposition; supporting Indonesia's democratic transition; and contributing to East Timor's transition to independence.

Indonesia

The United States strongly supports a united, prosperous, and democratic Indonesia that plays a positive role in regional security. The October 1999 election was a historic moment for Indonesia, putting it on course to become the world's third largest democracy. We continue to assist Indonesia in managing the considerable challenges of national reconciliation, democratic reform and economic recovery. We have tailored a comprehensive assistance package focused on: economic development; humanitarian assistance and infrastructure development in strife-torn areas; and technical assistance in key government sectors designed to reinforce the democratic process and the rule of law.

Burma

The United States will continue to work with other concerned states to create the conditions for a meaningful dialogue between the regime and the democratic opposition led by Aung San Suu Kyi. Our strategy includes investment and other sanctions to increase pressure on the regime to respect basic human rights. At the same time, we support the efforts of the United Nations Secretary General to use his good offices to promote dialogue leading to a democratic transition.

East Timor

The UN Transitional Authority in East Timor (UNTAET), established in October 1999, followed on the success of the UN-sanctioned International force in East Timor (INTERFET). The UN-Sanctioned International Force in East Timor was an Australian-led mission that deployed in September 1999, with U.S. support, to quell the post-referendum violence in East Timor. The UN

Transitional Authority in East Timor took over security responsibilities from INTERFET in February 2000. UNTAET has continued to further the goal of an independent and viable East Timor. Our contributions have a strong impact on UNTAET's success. We are providing long-term development assistance and transitional employment opportunities to the East Timorese people, as well as financial and technical support for the UN transition administration. Our military forces have provided on-going health and infrastructure support directly to the East Timorese people, and have maintained a presence to coordinate humanitarian and civic assistance projects. We remain committed to attaining a durable solution to the plight of East Timorese refugees in Indonesia. A challenge for the future is assisting with the establishment of a small yet viable East Timor Defense Force.

The Western Hemisphere

Our hemisphere enters the 21st century with an unprecedented opportunity to secure a future of stability and prosperity-building on the fact that virtually all nations in the hemisphere are democratic and committed to free market economies. The end of armed conflict in Central America and other improvements in regional security have coincided with remarkable political and economic progress throughout the Americas. The people of the Americas are taking advantage of the vast opportunities being created as emerging markets are connected through electronic commerce and as maturing democracies allow individuals to more fully express their preferences. Sub-regional political, economic, and security cooperation in North America, the Caribbean, Central America, the Andean region, and the Southern Cone have contributed positively to peace and prosperity throughout the hemisphere. Equally important, the people of the Americas have reaffirmed their commitment to combat together the difficult threats posed by drug trafficking and corruption. The United States, which helped shape this new climate in the hemisphere, seeks to secure its benefits while safeguarding our citizens against these threats.

Enhancing Security

Our strategy of engagement in the Western Hemisphere has included strengthening and expanding U.S. defense cooperation with friends throughout the region, and supporting their efforts to institute democratic norms within their defense establishments including civilian control, transparency, and public accountability. As these democratic norms take root, regional confidence builds. The United States also will continue working to strengthen regional and sub-regional cooperative security mechanisms that could serve to deepen regional confidence and foster sustained regional stability. We will continue to offer our strong support for the peaceful resolution of disputes in the region, and will encourage continued dialogue and peaceful engagement among nations of the region to achieve this goal. While respecting sovereignty concerns, we remain committed to promoting cooperative approaches throughout the hemisphere to international peacekeeping threats and humanitarian crises.

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

Particularly pernicious is the threat of drug trafficking. Working with the OAS and other organizations, we seek to eliminate the scourge of drug trafficking in our hemisphere. Countries of the hemisphere are striving to better organize and coordinate efforts to extradite and prosecute individuals charged with drug trafficking and related crimes; combat money laundering; seize assets used in criminal activity; halt illicit traffic in precursors and essential chemicals; strike at the financial support networks; enhance national drug abuse awareness and treatment programs; and drastically curtail illicit crops through alternative development and eradication programs. In the

Caribbean, and bilaterally with Mexico and Colombia, we are working to increase counterdrug and law enforcement cooperation.

At the same time, we recognize linkages between the threats posed to the United States as the principal consumer of illicit drugs and related threats posed to source countries and transit zone states. Accordingly, as we seek to expand regional cooperation in the counterdrug arena, we recognize our obligation to aggressively combat the illegal export of U.S.-origin weapons to criminal and insurgent groups that are engaged in, or benefit from, drug trafficking.

Colombia is of special importance because drug trafficking is fueling the longest running internal conflict in the region. The combination of armed insurgents, growing paramilitary movement, corruption, and economic malaise extends beyond its borders and has implications for regional peace and security. To turn the tide, the United States is providing the Colombian Government assistance to wage a comprehensive effort to promote the mutually reinforcing goals of peace, illicit drug control, economic development, and respect for human rights. The Government of Colombia has developed a comprehensive six-year strategy, Plan Colombia, to revive its economy, strengthen the democratic pillars of society, promote the peace process, and reduce drug production and trafficking. We are providing significant assistance for Plan Colombia in a manner that will concurrently promote U.S. and Colombian interests, and we will encourage our allies and international institutions to do the same.

The extent of bilateral cooperation with Mexico in the fight against drug trafficking is unprecedented. We have created the High-Level Contact Group and a variety of working groups to reach a joint diagnosis and settle on a common strategy. Moreover, the mutually agreed upon Performance Measures of Effectiveness will allow us to better evaluate our counterdrug efforts. We are working together to reduce demand for illegal drugs, combat money laundering, avoid the misuse of precursors and essential chemicals, stop the illegal trafficking of arms or migrants, broaden our ability to intercept drugs, and apprehend those who are involved in drug trafficking.

Promoting Prosperity

Economic growth and integration in the Americas will profoundly affect the prosperity of the United States in the 21st century. This begins with our immediate neighbors, Canada and Mexico. Since the 1989 U.S.-Canada Free Trade Agreement, and subsequently the 1993 North American Free Trade Agreement, our trade with Canada and Mexico has grown rapidly. Canada remains our largest trade partner, and Mexico has become our second largest trading partner. The United States and Mexico have also resolved important trade differences, made progress toward easier access for the relevant products of both nations, and consolidated our trade area as one of the most powerful in the world. In the hemisphere as a whole, our trade initiatives offer a historic opportunity to capitalize on and strengthen the unprecedented trend toward democracy and free market economics.

We seek to advance the goal of an integrated hemisphere of free market democracies by building on NAFTA. Formal negotiations are in progress to initiate the Free Trade Area of the Americas (FTAA) by 2005. The negotiations cover a broad range of important issues, including market access, investment, services, government procurement, dispute settlement, agriculture, intellectual property rights, competition policy, subsidies, anti-dumping, and countervailing duties. We will seek to ensure that the agreement also supports workers' rights, environmental protection and sustainable development. To address the concerns of smaller economies prior to completion of the FTAA, and in light of the increased competition NAFTA presents, we have obtained Congressional approval for enhanced trade preferences offered to Central American and Caribbean countries under the Caribbean Basin Trade Partnership Act.

The United States will continue its effective partnership with the IMF, the World Bank, the Inter-American Development Bank, the governments of Latin America, and the private sector to help the region's countries in their transition to integrated, market economies. A key target of this partnership is assisting the reform and recovery of banking sectors hurt by financial market turmoil

over the past several years. We will continue to support financial and economic reform efforts in Brazil and Argentina to reduce their vulnerability to external shocks, as well as help Ecuador on its difficult road to economic recovery and sustainable levels of debt service. Similarly, we will continue to play an active role with our regional partners in facilitating timely responses to, and recovery from natural disasters, such as Hurricane Mitch in Honduras and Nicaragua, Hurricane Keith in Belize, and the adverse economic disruptions throughout the region resulting from El Nino.

Helping countries in the hemisphere to translate economic growth into social progress is critical for promoting sustainable growth and sustaining democracy. Despite recent progress, Latin American and Caribbean countries have the greatest income disparities of any region -- with the poorest 20% of individuals receiving just 4.5% of the total income within the region. We will continue to support investments in human development, particularly the provision of stronger and more efficient basic education and health services. Between the United States and Mexico there has been significant growth in educational programs emphasizing literacy, bilingual education and exchanges between classroom teachers, cultural institutions and artists. In the area of health, we are creating the Border Health Commission to study the epidemiology of the border area in order to battle diseases.

We also view it as essential that economic prosperity in our hemisphere be pursued in an environmentally sustainable manner. From our shared seas and freshwater resources to migratory bird species and transboundary air pollution, the environmental policies of our neighbors can have a direct impact on quality of life at home. Working with Mexico, we have taken concerted action to monitor air quality, intensify research on environmental health issues, follow the cross-border movement of toxic wastes or illegal migrants, coordinate activities that will benefit nature preserves, and use debt relief to further protect tropical forests. United States Government assistance to the region recognizes the vital link between sustainable use of natural resources and long-term prosperity, a key to developing prosperous trading partners in this hemisphere.

Promoting Democracy and Human Rights

Latin American nations have made notable advances over the last several years, with the restoration of democratic institutions in old democracies like Chile and Uruguay, the consolidation of democratic practices in countries like Nicaragua and Guatemala, and the move to a competitive democratic system in Mexico where the freest and most transparent presidential and general elections in the country's history were held in July 2000. Of particular significance has been the growing hemispheric consensus on the importance of defending democracy when threatened. Through the OAS, the nations of the Hemisphere have stood firm in support of constitutionally-elected governments under stress, as in the cases of Ecuador, Guatemala, Paraguay, Haiti, and the Dominican Republic. In Peru, the OAS is playing a critical role in facilitating democratic reforms that are expected to lead to free and fair elections in April 2001. We are committed to working with our partners in the region to further consolidate democratic governance and guard against democratic reversals.

But our ability to sustain the hemispheric agenda crafted through the Summit of the Americas process and the OAS depends in part on meeting the challenges posed by weak democratic institutions, persistently high unemployment and crime rates, and serious income disparities. In some Latin American countries, citizens will not fully realize the benefits of political liberalization and economic growth without regulatory, judicial, law enforcement, and educational reforms, as well as increased efforts to integrate all members of society into the formal economy.

The hemisphere's leaders are committed to strengthening democracy, justice, and human rights. They have pledged to intensify efforts to promote democratic reforms at the regional and local level, protect the rights of migrant workers and their families, improve the capabilities and competence of civil and criminal justice systems, and encourage a strong and active civil society. Specific initiatives have included: ratification of the Inter-American Convention Against Corruption

to strengthen the integrity of governmental institutions; creation of a Special Rapporteur for Freedom of Expression as part of the Inter-American Commission for Human Rights; and establishment of an Inter-American Justice Studies Center to facilitate training personnel and exchanging information, and other forms of technical cooperation to improve judicial systems.

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

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

The United States supports the full implementation of enduring political, economic, security, and judicial reforms in Haiti. Recognizing the severe challenges that confront the Haitian people, we will continue to provide humanitarian assistance directly to those in need through non-governmental organizations, while working with civil society and Haitian authorities to encourage development of sustainable democratic institutions. In cooperation with the OAS and international financial institutions, we will maintain pressure on the Haitian regime to adopt credible, free, and fair electoral processes and to privatize state-owned industries as an incentive to foreign investment. Concerned by the continued use of Haiti as a transshipment point for illegal drugs entering the United States, we support the further development of the counterdrug capabilities by the Haitian National Police as well as modernization and reform of judicial institutions.

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

The Middle East, North Africa, Southwest, and South Asia Enhancing Security

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

The Middle East Peace Process

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

Before the death of Syrian President Assad, Israel and Syria had narrowed their differences to a remarkable degree. Key differences remained, but the broad features of an agreement -- and many of its details -- were well established. The United States remains determined to continue to assist the two sides to find a way to overcome their final differences and hopeful that we will be able to do so. We also continue to believe that progress in Israeli-Syrian negotiations will allow progress on negotiations between Israel and Lebanon, and we will continue to press forward toward that goal.

On the Palestinian front, Israelis and Palestinians are confronting core issues that have defined their conflict for the past fifty years, seeking to build a lasting peace based on partnership and cooperation. Although the July 2000 summit at Camp David failed to achieve a permanent status agreement and violence has recently erupted in the West Bank and Gaza, the United States will continue its efforts to assist both sides in their search for a lasting and just peace. Our goal remains the normalization of relations between Israel and all Arab states. Through the multilateral working groups on security, refugees, water, and the environment, we are seeking to promote regional cooperation to address transboundary environmental issues that affect all parties.

North Africa

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

Southwest Asia

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

We will maintain an appropriate military presence in Southwest Asia using a combination of ground, air, and naval forces. The terrorist attack on the USS Cole has not deterred our resolve to maintain a continuous military presence in the Gulf to enhance regional stability and defend against threats to friendly countries. Our forces in the Gulf are backed by our ability to rapidly reinforce the region in time of crisis, which we have demonstrated convincingly. We remain committed to the UN Security Council resolutions and preventing the Iraqi regime from taking large-scale military action against Kuwait or the Kurd and Shia minorities in Iraq.

Our policy toward Iraq is comprised of three central elements: containment to prevent Saddam from again threatening the stability of the vital Gulf region; relief for the Iraqi people via the UN oil-for-food program; and support to those Iraqis seeking to replace Saddam's regime with a government that can live at peace with its neighbors and its people.

Containment of Iraq remains the foundation of our policy toward Saddam Hussein's regime. Until his government can be removed from power, it must be prevented from again threatening the region. In December 1999, the United Nations Security Council passed UNSCR 1284, a new omnibus resolution on Iraq. The United States supports Resolution 1284 because it buttresses the containment of Iraq while maximizing relief for the Iraqi people. The resolution expands the humanitarian aspects of the oil-for-food program to ensure the well being of the Iraqi people. It provides for a robust new inspection and monitoring regime that would finish the work begun by

UNSCOM. It would allow for a suspension of the economic sanctions in return for full Iraqi cooperation with UN arms inspections and Iraqi fulfillment of key disarmament tasks. This resolution would also lock in the Security Council's control over Iraqi finances to ensure that Saddam Hussein is never again able to disburse Iraq's resources as he would like.

Although Iraq continues to refuse to implement any of the requirements of Resolution 1284, the United States and other members of the Security Council have already begun to implement those sections of the resolution intended to improve the humanitarian situation of the Iraqi populace. Iraqi oil exports have increased dramatically, making possible the procurement of ever-larger quantities of humanitarian necessities. In addition, the Security Council has greatly expanded the lists of items that Iraq is allowed to import to include educational supplies, building materials, spare parts for the oil industry, infrastructure necessities, and other economic goods.

Nevertheless, we consistently maintain that sanctions on Iraq can only be lifted after it has met its obligations to the international community in full. Saddam's actions over the past decade lead us to conclude that his regime will never comply with the obligations contained in the relevant UN Security Council resolutions. For this reason, we actively support those who seek to bring a new democratic government to power in Baghdad. We recognize that this may be a slow and difficult process, but we believe it is the only solution to the problem of Saddam's regime.

Our policy toward Iran is aimed at changing the practices of the Iranian government in several key areas, including its efforts to obtain WMD and long-range missiles, its support for terrorism and groups that violently oppose the Middle East peace process, and its human rights practices. We view signs of change in Iranian policies with great interest, both with regard to the possibility of Iran assuming its rightful place in the world community and the chance for better bilateral ties. We welcome statements by some Iranian officials that advocate improved relations with the United States.

These positive signs must be balanced against the reality that Iran's support for terrorism has not yet ceased and serious violations of human rights persist. Iran is continuing its efforts to acquire WMD and develop long range missiles (including the 1,300 kilometer-range Shahab-3 it flight-tested in July 1998, July 2000, and again in September 2000). The United States will continue to oppose Iranian efforts to sponsor terrorism and to oppose transfers from any country to Iran of materials and technologies that could be used to develop long-range missiles or WMD. Additionally, the United States will continue to work with Arab allies threatened by WMD to develop a defense through efforts such as the Cooperative Defense Initiative.

The United States has demonstrated that we are ready to explore ways to build mutual confidence and avoid misunderstandings with Iran. In recognition of the positive changes in Iran, in particular the fair and free parliamentary elections of February 2000, we modified our sanctions to allow Iran to export to the United States carpets and foodstuffs -- key exports for small Iranian businesses and to facilitate people to people contact. We would welcome reciprocal steps from Iran, and continue to signal our willingness to engage in an authoritative government-to-government dialogue in which both sides will be able to discuss their issues of concern.

Meanwhile, we will strengthen our cooperation with allies and friends to encourage further positive changes in Iranian practices that threaten our shared interests. If a government-to-government dialogue can be initiated and sustained in a way that addresses the concerns of both sides, then the United States would be willing to develop with the Islamic Republic a road map leading to normal relations. It could be useful to begin a dialogue without preconditions.

South Asia

The President's trip to South Asia in March 2000 reflected the growing importance of the region to U.S. political, economic, and commercial interests. As the President emphasized, our strategy for South Asia is designed to help the peoples of that region by helping resolve long-standing conflicts, encouraging economic development, and assisting social development. Regional

stability and improved bilateral ties are also important for U.S. economic interests in a region that contains one-fifth of the world's population and one of its most important emerging markets. In addition, we seek to work closely with regional countries to stem the flow of illegal drugs from South Asia, most notably from Afghanistan.

The President stressed the importance we place on reconciliation between India and Pakistan and our encouragement of direct dialogue between them to resolve all their outstanding problems. He urged also that they respect the Line of Control in Kashmir, reject violence as a means to settle their dispute, and exercise mutual restraint.

We seek to establish relationships with India and Pakistan that are defined in terms of their own individual merits and reflect the full range of U.S. strategic, political and economic interests in each country. After the President's visit to India, we are working to enhance our relationship with India at all levels. We look forward to more frequent high-level contacts including meetings between our heads of government and our cabinet officials. With Pakistan, a long-standing friend with which we seek improved relations, we are constrained by the lack of a democratic government since the October 1999 military coup. We have urged Pakistan's leaders to quickly restore civilian rule and the democratic process. The President's visit to Islamabad signified our intent to stay engaged with Pakistan and work to promote that return to democracy.

We seek, as part of our dialogue with India and Pakistan, to encourage both countries to take steps to prevent further proliferation, reduce the risk of conflict, and exercise restraint in their nuclear and missile programs. The United States does not believe that nuclear weapons have made India or Pakistan more secure. We hope they will abandon their nuclear weapons programs and join the NPT as non-nuclear weapon states. Indian and Pakistani nuclear and long-range missile tests have been dangerously destabilizing and threaten to spark a dangerous arms race in South Asia. Such a race will further undermine the global nonproliferation regime and thus threaten international security.

In concert with the other permanent members of the UN Security Council, the G-8 nations, and many others in the international community, the United States has called on India and Pakistan to take a number of steps that would bring them closer to the international mainstream on nonproliferation. These include: signing and ratifying the Comprehensive Nuclear Test Ban Treaty, joining the clear international consensus in support of a cutoff of fissile material production, strengthening export controls, and refraining from an arms race in nuclear weapons and long-range missiles. We have also urged them to resume their direct dialogue and take decisive steps to reduce tensions in South Asia. In that regard, we have urged India and Pakistan to agree to a multilateral moratorium on the production of fissile material, pending the conclusion of a Fissile Materials Cutoff Treaty (FIVICT).

Afghanistan remains a serious threat to U.S. worldwide interests because of the Taliban's continued sheltering of international terrorists and its increasing export of illicit drugs. Afghanistan remains the primary safehaven for terrorists threatening the United States, including Usama bin Ladin. The United Nations and the United States have levied sanctions against the Taliban for harboring Usama bin Ladin and other terrorists, and will continue to pressure the Taliban until it complies with international requests to bring bin Ladin to justice. The United States remains concerned about those countries, including Pakistan, that support the Taliban and allow it to continue to harbor such radical elements. We are engaged in energetic diplomatic efforts, including through the United Nations and with Russia and other concerned countries, to address these concerns on an urgent basis.

Promoting Prosperity

The United States has two principal economic objectives in the region: to promote regional economic cooperation and development, and to ensure an unrestricted flow of oil from the region. We seek to promote regional trade and cooperation on infrastructure through the peace process and

our Qualifying Industrial Zone program, which provides economic benefits for certain countries that enter into business arrangements with Israel. In South Asia, we will continue to work with the region's countries in their efforts to implement market reforms, strengthen educational systems, and end the use of child and sweatshop labor.

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

Promoting Democracy and Human Rights

We encourage the spread of democratic values throughout the Middle East, North Africa and Southwest and South Asia and will pursue this objective aided by constructive dialogue with countries in the region. In Iran, for example, we hope the nation's leaders will carry out the people's mandate for a government that respects and protects the rule of law, both in its internal and external affairs. In Pakistan, we have pressed the new military rulers to provide a detailed roadmap with a timetable for a return to elected civilian government. In India, during the President's visit, we supported the establishment of an Asian Center for Democratic Governance, which would seek to promote the forms and substance of democracy throughout Asia. We will promote responsible indigenous moves toward increasing political participation and enhancing the quality of governance, and we will continue to challenge governments in the region to improve their human rights records. We will work with the governments and human rights organizations of the region to promote tolerance for the diverse religious groups present in the Middle East and South Asia. In particular, we have sought to encourage and end to violence against minority religious groups, and a repeal of "blasphemy laws" which are used to discriminate against minorities.

Respect for human rights also requires rejection of terrorism. If the nations in the region are to safeguard their own citizens from the threat of terror, they cannot tolerate acts of

indiscriminate violence against civilians, nor can they offer refuge to those who commit such acts. We will continue to enforce UNSC sanctions against the Taliban for harboring terrorists such as Usama bin Ladin and look for other ways to pressure the Taliban to end its support for such groups.

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

Sub-Saharan Africa

In recent years, the United States has engaged in a concerted effort to transform our relationship with Africa. We have supported efforts by many African nations to move toward multi-party democracy, hold free and fair elections, promote human rights, allow freedom of the press and association, enhance civil and judicial institutions, and reform their economies. A new, post-Cold War political order is emerging in Africa, with emphasis on democratic and pragmatic approaches

to solving political, economic, and environmental problems, and developing human and natural resources. United States-Africa ties are deepening, and U.S.-Africa trade is expanding.

Sustaining these recent successes will require that we identify those issues that most directly affect our interests. We will promote regional stability through engagement with sub-regional organizations and key African states using carefully harmonized U.S. programs and initiatives. We recognize and are sensitive to the challenges many African states face as they move toward multi-party democracy and civil-military relations, and we will work to focus our limited resources on assisting their transition. Our immediate objective is to increase the number of capable states in Africa, that is, nations that are able to define the challenges they face, manage their resources to effectively address those challenges, and build stability and peace within their borders and their sub-regions.

Enhancing Security

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

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

Nigeria's rapid change from an autocratic, military regime to a civilian, democratically elected government has afforded us the opportunity to build a promising security, political and economic relationship with the most populous country in Africa. With nearly one in six Africans living in Nigeria, the impact of serious cooperative efforts to tackle significant drug trafficking, corruption, and other crime could be enormously beneficial to the United States and a large proportion of Africans. In Sierra Leone, we are working with West Africa -- particularly Nigeria -- the United Kingdom, and the UN to prevent the spread of conflict, promote accountability, and deal with the role of diamonds in financing the rebels. We are also seeking to establish the control of a democratically elected government over the national territory. Additionally, we are addressing the role of diamonds and the proliferation of small arms in fueling conflicts in Angola, the Democratic Republic of the Congo, and elsewhere. In the Democratic Republic of the Congo and Angola, where fighting threatens to destabilize a broad swath of central and southern Africa, we are working closely with the region and the UN to support the Lusaka peace process. Similarly, we have provided significant political support to the Arusha Peace Process to bring a resolution to the ongoing conflict in Burundi. We have also been working closely with the UN and Organization for African Unity (OAU) to attempt to establish a lasting peace between Ethiopia and Eritrea.

Sudan continues to pose a threat to regional stability and the national security interests of the United States. We have moved to counter Sudan's support for international terrorism and regional destabilization by maintaining the sanctions imposed against the Khartoum regime until it takes concrete, verifiable steps to end support for terrorism on Sudanese soil; we continue to press for the regime's isolation through the UN Security Council. We support regional efforts for a just and fair peace and national reconciliation in Sudan based on the Inter-Governmental Authority on Development's Declaration of Principles.

Persistent conflict and continuing political instability in some African countries remain obstacles to Africa's development and to our national security, political and economic interests there, including assured access to oil reserves and other important natural resources. To foster regional stability and peace in Africa, the United States in 1996 launched the African Crisis Response Initiative (ACRI) to train African militaries to conduct effective peacekeeping and humanitarian operations. It will focus on developing a sustainable regional capacity to address the multiple challenges to peace and security on the continent. We are consulting closely on expanded ACRI activity with the UN Department of Peacekeeping Operations, the OAU and its Crisis Management Center, and African sub-regional organizations already pursuing similar capability enhancements. A different effort, Operation Focus Relief, is training and equipping seven West African battalions for peace enforcement missions in Sierra Leone. And finally, another initiative, the Enhanced International Peacekeeping Capabilities (EIPC) program, provides funding to upgrade peacekeeping and training centers, and "train the trainer" in countries around the world in order to make them more interoperable with U.S. and other peacekeeping forces, thereby sharing the burden.

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

Promoting Prosperity

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

Further integrating Africa into the global economy will also directly serve U.S. interests by continuing to expand an already important new market for U.S. exports. The approximately 700 million people of sub-Saharan Africa represent one of the world's largest basically untapped markets. Although the United States enjoys only a 7% market share in Africa, already 100,000 American jobs depend on our exports there. Increasing both the U.S. market share and the size of the African market will bring tangible benefits to U.S. workers and increase prosperity and economic opportunity in Africa. Our aim, therefore, is to assist African nations to implement economic reforms, improve public governance and combat corruption, create favorable climates for trade and investment, and achieve sustainable development.

To support the economic transformation underway in Africa, the President in June 1997 launched the Partnership for Economic Growth and Opportunity in Africa Initiative. The Administration has implemented many of the Initiative's objectives and continues to work closely with Congress to implement remaining key elements of this initiative. The enactment of the African Growth and Opportunity Act on May 18, 2000 marked the beginning of a new relationship between the United States and sub-Saharan Africa. This legislation provides the opportunity for substantial preferential market access to the U.S. market for eligible sub-Saharan African countries, and provides an economic, human rights, and civil-judicial benchmark towards which current non-eligible countries can aspire and focus their development efforts.

By significantly broadening market access, spurring growth, and helping the poorest nations eliminate or reduce their bilateral debt, the Initiative and the legislation better enable us to help African nations undertake difficult economic reforms and build better lives for their people through

sustainable development. We are working with African governments on shared interests in the world trading system, such as developing electronic commerce, improving WTO capacity-building functions, and eliminating agricultural export subsidies. We also are pursuing initiatives to encourage U.S. trade with and investment in Africa, including targeted technical assistance, enhanced debt forgiveness, and increased bilateral trade ties.

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

Helping Africans generate the food and income necessary to feed themselves is critical for promoting sustainable growth and development. Despite some recent progress, the percentage of malnourished people and lack of diversified sustainable agricultural production in Africa is the highest of any region in the world, and more help is greatly needed. In 1998 we launched the Africa Food Security Initiative (AFSI), a USAID-led effort to help improve agricultural productivity, support research, expand income-generating projects, and address nutritional needs for the rural poor. While maintaining its program focus in the original AFSI countries -- Ethiopia, Mali, Mozambique, Malawi, and Uganda -- the initiative is now being expanded into countries where food security is declining, such as Tanzania and Zambia, as well as Ghana and Kenya, where we can build on other USAID programs to accelerate our goals of improved child nutrition and increased agricultural incomes.

The initial focus under the AFSI involved countries that were either on the fast growth track or countries that had undertaken a degree of structural adjustment that would put them on the right path. Ethiopia, Mali, Mozambique, Malawi, and Uganda, the initial focus countries, have performed reasonably well under the circumstances. Productivity and agriculture incomes had been rising before the floods in southern Africa or the drought in East Africa. All of these countries either met or exceeded their performance targets last year. Food grains production per capita, one of the Initiative's objectives, has continued its upward trend last year. Of these countries, all except Ethiopia -- whose war with Eritrea has continued during this period -- are showing improving food security trends.

However, the picture is less encouraging in much of Africa. Malnutrition accounts for about one-third of all children's deaths in Africa. And although there has been a decline in the percentage of preschoolers in Africa who are stunted, the number is going up -- the only place in the world where this is the case -- from about 35 million in 1980 to a projection of 50 million in 2005.

The Africa Food Security Initiative, while maintaining its program focus in the original AFSI countries, is expanding its program into countries where food security is declining, such as Tanzania and Zambia, as well as Ghana and Kenya, where we can build on USAID program to accelerate our goals of improved child nutrition and increased agriculture incomes.

USAID has been able to make progress on the Initiative by focusing on working with governments to improve agricultural policies, working with farmers and researchers to increase the technologies that allow for yield increases (or cut production costs), and working with farmer groups to improve their ability to market their produce more competitively. We are also working closely with African partners to make available usable technologies such as air traffic control systems and other airfield improvements, as well as introducing the U.S. Army Corps of Engineers to provide training and demonstration projects.

African nations are also engaged in battle with age-old diseases, such as malaria and tuberculosis (TB), which sap economic productivity and development. Worse, the epidemic of

HIV/AIDS is devastating the continent, reversing hard-fought gains in development, dramatically reducing life expectancy, decreasing GDPs, and threatening security and stability in the hardest-hit nations. The Administration has made the battle against AIDS and other diseases a priority for international action and investment in Africa. Over the past two years, the President has doubled bilateral assistance for the fight against HIV/AIDS, launched the Millennium Vaccine Initiative to accelerate the search for vaccines against HIV/AIDS, malaria, and TB, and launched a campaign to mobilize new resources from other donors, such as the G-8, and the private sector. We have also begun the Leadership in Fighting an Epidemic (LIFE) initiative, a \$100 million effort with legislative backing, which focuses on training and prevention activities for selected sub-Saharan African militaries.

Promoting Democracy and Human Rights

In Africa as elsewhere, democracies have proved to be stronger partners for peace, stability and sustained prosperity. We will continue to support the important progress African nations have achieved and to broaden the growing circle of African democracies.

The restoration of civilian democratic government in Nigeria can help return that country to its place as a leader in Africa. The government and people of Nigeria have succeeded in restoring democratic civilian government, freed political prisoners, lifted onerous restrictions on labor unions, and worked to restore the authority of the judicial system. Nigeria's new civilian government has taken sweeping steps to ensure that the military remains in the barracks and that fighting corruption will be a top priority. The peaceful elections in February 1999 and inauguration of the new civilian government in May 1999 were important steps in this transformation.

As in any democratic transition, Nigeria's new government is facing enormous challenges: creating accountable government, building support within the military for civilian rule, protecting human rights, and rebuilding the economy so it benefits all citizens. President Clinton met with President Obasanjo at the White House in October 1999 and again in Nigeria in August 2000. The discussions reaffirmed our nation's commitment to work with him on the security, economic, political, and social challenges faced by Nigeria. Kenya, which has played a critical role in maintaining regional stability, is also facing an historic transition. President Daniel Moi has announced that he will step down in 2002, after twenty-four years in power. He leaves a country that is suffering from a weak economy and deteriorating social infrastructure. We must continue to actively engage the Government of Kenya on such matters as conflict resolution, regional stability, and economic development as well as encouraging commitment to constitutional reform and human rights.

Democracy assistance has proven to be an effective tool in both Senegal and Zimbabwe. In Senegal, President Abdou Diouf accepted defeat in the March elections and turned power over peacefully to Abdoulaye Wade, the opposition leader. The most recent elections had a record high voter turnout of educated voters despite several complicating factors. In order to help post-apartheid South Africa achieve its economic, political, democratic, and security goals for all its citizens, we will continue to provide substantial bilateral assistance, vigorously promote U.S. trade and investment, and pursue close cooperation and support for our mutual interests.

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

IV. Conclusions

Over the last eight years, we have once again mustered the creative energies of our Nation to reestablish the United States' military and economic strength within the world community. This leadership position has been achieved in a manner in which our forefathers would likely have been pleased; a nation leading by the authority that comes from the attractiveness of its values and force

of its example, rather than the power of its military might to compel by force or sanction. As a result, the world now looks to the United States to be not just a broker of peace, but a catalyst of coalitions, and a guarantor of global financial stability. It has been achieved in spite of a period of tumultuous change in the strategic landscape. Yet, it has been realized because we have maintained a steadfast focus on simple goals -- peace, shared prosperity, and freedom -- that lift the condition of all nations and people that choose to join us.

Our strategy for engagement is comprised of many different policies, the key elements of which include:

- Adapting our alliances
- Encouraging the reorientation of other states, including former adversaries
- Encouraging democratization, open markets, free trade, and sustainable development
- Preventing conflict
- Countering potential regional aggressors
- Confronting new threats
- Steering international peace and stability operations.

These elements are building blocks within a strategic architecture that describe a foreign policy for a global age. They are not easily summed up in a single phrase but they have all been guided by two simple principles -- protecting our interests and advancing our values. Together, the sum of these goals, elements, and principles represent the blueprint for our strategy of engagement, and we believe that strategy will best achieve our vision for the future.

But we must not be too sanguine about the future. New challenges to the sustainability of our current economic, political, and national security successes will arise. The true question is what will best ensure our leadership in the years ahead. It took great vision almost a decade ago to realize that strength abroad would depend not only on maintaining an internationalist philosophy but also on reestablishing strength at home. Putting our economic house in order, while not retreating into isolationism proved a wise course and validated the mutual linkage between disparate goals of peace, shared prosperity, and democracy. Any other policy choice might well have permitted the world to fall into a series of regional conflicts in the aftermath of the Cold War and possibly have precluded opportunity for the U.S. economic recovery of the 1990s. Although past is not necessarily prologue, the inexorable trend of globalization supports the continued viability of a strategy of engagement. We must not, in reaction to the real or perceived costs of engagement, retreat into a policy of "Fortress America." To do so would lead us down a path that would dishonor our commitments, ignore our friends, and discount belief in our values. The result would be a global loss of our authority and with it ultimately our power. A strategy of engagement, however, is the surest way to enhance not only our power but also our authority, and thus our leadership, into the 21st century.

2002

**Стратегия Национальной Безопасности
Соединённых Штатов Америки
(Вашингтон, сентябрь 2002 г.)**

The National Security Strategy of the United States of America
September 2002

The great struggles of the twentieth century between liberty and totalitarianism ended with a decisive victory for the forces of freedom—and a single sustainable model for national success: freedom, democracy, and free enterprise. In the twenty-first century, only nations that share a commitment to protecting basic human rights and guaranteeing political and economic freedom will be able to unleash the potential of their people and assure their future prosperity. People everywhere want to be able to speak freely; choose who will govern them; worship as they please; educate their children—male and female; own property; and enjoy the benefits of their labor. These values of freedom are right and true for every person, in every society—and the duty of protecting these values against their enemies is the common calling of freedom-loving people across the globe and across the ages.

Today, the United States enjoys a position of unparalleled military strength and great economic and political influence. In keeping with our heritage and principles, we do not use our strength to press for unilateral advantage. We seek instead to create a balance of power that favors human freedom: conditions in which all nations and all societies can choose for themselves the rewards and challenges of political and economic liberty. In a world that is safe, people will be able to make their own lives better. We will defend the peace by fighting terrorists and tyrants. We will preserve the peace by building good relations among the great powers. We will extend the peace by encouraging free and open societies on every continent.

Defending our Nation against its enemies is the first and fundamental commitment of the Federal Government. Today, that task has changed dramatically. Enemies in the past needed great armies and great industrial capabilities to endanger America. Now, shadowy networks of individuals can bring great chaos and suffering to our shores for less than it costs to purchase a single tank. Terrorists are organized to penetrate open societies and to turn the power of modern technologies against us.

To defeat this threat we must make use of every tool in our arsenal—military power, better homeland defenses, law enforcement, intelligence, and vigorous efforts to cut off terrorist financing.

The war against terrorists of global reach is a global enterprise of uncertain duration. America will help nations that need our assistance in combating terror. And America will hold to account nations that are compromised by terror, including those who harbor terrorists—because the allies of terror are the enemies of civilization. The United States and countries cooperating with us must not allow the terrorists to develop new home bases. Together, we will seek to deny them sanctuary at every turn.

The gravest danger our Nation faces lies at the crossroads of radicalism and technology. Our enemies have openly declared that they are seeking weapons of mass destruction, and evidence indicates that they are doing so with determination. The United States will not allow these efforts to succeed. We will build defenses against ballistic missiles and other means of delivery. We will cooperate with other nations to deny, contain, and curtail our enemies' efforts to acquire dangerous technologies. And, as a matter of common sense and self-defense, America will act against such emerging threats before they are fully formed. We cannot defend America and our friends by hoping for the best. So we must be prepared to defeat our enemies' plans, using the best intelligence and proceeding with deliberation. History will judge harshly those who saw this coming danger but failed to act. In the new world we have entered, the only path to peace and security is the path of action.

As we defend the peace, we will also take advantage of an historic opportunity to preserve the peace. Today, the international community has the best chance since the rise of the nation-state in the seventeenth century to build a world where great powers compete in peace instead of continually prepare for war. Today, the world's great powers find ourselves on the same side—united by common dangers of terrorist violence and chaos. The United States will build on these common interests to promote global security. We are also increasingly united by common values. Russia is in the midst of a hopeful transition, reaching for its democratic future and a partner in the war on terror. Chinese leaders are discovering that economic freedom is the only source of national wealth. In time, they will find that social and political freedom is the only source of national greatness. America will encourage the advancement of democracy and economic openness in both nations, because these are the best foundations for domestic stability and international order. We will strongly resist aggression from other great powers—even as we welcome their peaceful pursuit of prosperity, trade, and cultural advancement.

Finally, the United States will use this moment of opportunity to extend the benefits of freedom across the globe. We will actively work to bring the hope of democracy, development, free markets, and free trade to every corner of the world. The events of September 11, 2001, taught us that weak states, like Afghanistan, can pose as great a danger to our national interests as strong states. Poverty does not make poor people into terrorists and murderers. Yet poverty, weak institutions, and corruption can make weak states vulnerable to terrorist networks and drug cartels within their borders.

The United States will stand beside any nation determined to build a better future by seeking the rewards of liberty for its people. Free trade and free markets have proven their ability to lift whole societies out of poverty—so the United States will work with individual nations, entire regions, and the entire global trading community to build a world that trades in freedom and therefore grows in prosperity. The United States will deliver greater development assistance through the New Millennium Challenge Account to nations that govern justly, invest in their people, and encourage economic freedom. We will also continue to lead the world in efforts to reduce the terrible toll of HIV/AIDS and other infectious diseases.

In building a balance of power that favors freedom, the United States is guided by the conviction that all nations have important responsibilities. Nations that enjoy freedom must actively fight terror. Nations that depend on international stability must help prevent the spread of weapons

of mass destruction. Nations that seek international aid must govern themselves wisely, so that aid is well spent. For freedom to thrive, accountability must be expected and required.

We are also guided by the conviction that no nation can build a safer, better world alone. Alliances and multilateral institutions can multiply the strength of freedom-loving nations. The United States is committed to lasting institutions like the United Nations, the World Trade Organization, the Organization of American States, and NATO as well as other long-standing alliances. Coalitions of the willing can augment these permanent institutions. In all cases, international obligations are to be taken seriously. They are not to be undertaken symbolically to rally support for an ideal without furthering its attainment.

Freedom is the non-negotiable demand of human dignity; the birthright of every person—in every civilization. Throughout history, freedom has been threatened by war and terror; it has been challenged by the clashing wills of powerful states and the evil designs of tyrants; and it has been tested by widespread poverty and disease. Today, humanity holds in its hands the opportunity to further freedom's triumph over all these foes. The United States welcomes our responsibility to lead in this great mission.

George W Bush
THE WHITE HOUSE,
September 17, 2002

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I. Overview of America's International Strategy

"Our Nation's cause has always been larger than our Nation's defense. We fight, as we always fight, for a just peace—a peace that favors liberty. We will defend the peace against the threats from terrorists and tyrants. We will preserve the peace by building good relations among the great powers. And we will extend the peace by encouraging free and open societies on every continent."

President Bush
West Point, New York
June 1, 2002

The United States possesses unprecedented—and unequalled—strength and influence in the world. Sustained by faith in the principles of liberty, and the value of a free society, this position comes with unparalleled responsibilities, obligations, and opportunity. The great strength of this nation must be used to promote a balance of power that favors freedom.

For most of the twentieth century, the world was divided by a great struggle over ideas: destructive totalitarian visions versus freedom and equality.

That great struggle is over. The militant visions of class, nation, and race which promised utopia and delivered misery have been defeated and discredited. America is now threatened less by conquering states than we are by failing ones. We are menaced less by fleets and armies than by catastrophic technologies in the hands of the embittered few. We must defeat these threats to our Nation, allies, and friends.

This is also a time of opportunity for America. We will work to translate this moment of influence into decades of peace, prosperity, and liberty.

The U.S. national security strategy will be based on a distinctly American internationalism that reflects the union of our values and our national interests. The aim of this strategy is to help make the world not just safer but better. Our goals on the path to progress are clear: political and economic freedom, peaceful relations with other states, and respect for human dignity.

And this path is not America's alone. It is open to all.

To achieve these goals, the United States will:

- champion aspirations for human dignity;
- strengthen alliances to defeat global terrorism and work to prevent attacks against us and our friends;
- work with others to defuse regional conflicts;
- prevent our enemies from threatening us, our allies, and our friends, with weapons of mass destruction;
- ignite a new era of global economic growth through free markets and free trade;
- expand the circle of development by opening societies and building the infrastructure of democracy;
- develop agendas for cooperative action with other main centers of global power; and
- transform America's national security institutions to meet the challenges and opportunities of the twenty-first century.

II. Champion Aspirations for Human Dignity

"Some worry that it is somehow undiplomatic or impolite to speak the language of right and wrong. I disagree. Different circumstances require different methods, but not different moralities."

President Bush

West Point, New York

June 1, 2002

In pursuit of our goals, our first imperative is to clarify what we stand for: the United States must defend liberty and justice because these principles are right and true for all people everywhere. No nation owns these aspirations, and no nation is exempt from them. Fathers and mothers in all societies want their children to be educated and to live free from poverty and violence. No people on earth yearn to be oppressed, aspire to servitude, or eagerly await the midnight knock of the secret police.

America must stand firmly for the nonnegotiable demands of human dignity: the rule of law; limits on the absolute power of the state; free speech; freedom of worship; equal justice; respect for women; religious and ethnic tolerance; and respect for private property.

These demands can be met in many ways. America's constitution has served us well. Many other nations, with different histories and cultures, facing different circumstances, have successfully incorporated these core principles into their own systems of governance. History has not been kind to those nations which ignored or flouted the rights and aspirations of their people.

America's experience as a great multi-ethnic democracy affirms our conviction that people of many heritages and faiths can live and prosper in peace. Our own history is a long struggle to live up to our ideals. But even in our worst moments, the principles enshrined in the Declaration of Independence were there to guide us. As a result, America is not just a stronger, but is a freer and more just society.

Today, these ideals are a lifeline to lonely defenders of liberty. And when openings arrive, we can encourage change—as we did in central and eastern Europe between 1989 and 1991, or in Belgrade in 2000. When we see democratic processes take hold among our friends in Taiwan or in the Republic of Korea, and see elected leaders replace generals in Latin America and Africa, we see examples of how authoritarian systems can evolve, marrying local history and traditions with the principles we all cherish.

Embodying lessons from our past and using the opportunity we have today, the national security strategy of the United States must start from these core beliefs and look outward for possibilities to expand liberty.

Our principles will guide our government's decisions about international cooperation, the character of our foreign assistance, and the allocation of resources. They will guide our actions and our words in international bodies.

We will:

- speak out honestly about violations of the nonnegotiable demands of human dignity using our voice and vote in international institutions to advance freedom;
- use our foreign aid to promote freedom and support those who struggle non-violently for it, ensuring that nations moving toward democracy are rewarded for the steps they take;
- make freedom and the development of democratic institutions key themes in our bilateral relations, seeking solidarity and cooperation from other democracies while we press governments that deny human rights to move toward a better future; and
- take special efforts to promote freedom of religion and conscience and defend it from encroachment by repressive governments. We will champion the cause of human dignity and oppose those who resist it.

III. Strengthen Alliances to Defeat Global Terrorism and Work to Prevent Attacks Against Us and Our Friends

“Just three days removed from these events, Americans do not yet have the distance of history. But our responsibility to history is already clear: to answer these attacks and rid the world of evil. War has been waged against us by stealth and deceit and murder. This nation is peaceful, but fierce when stirred to anger. The conflict was begun on the timing and terms of others. It will end in a way, and at an hour, of our choosing.”

President Bush

Washington, D.C. (The National Cathedral)

September 14, 2001

The United States of America is fighting a war against terrorists of global reach. The enemy is not a single political regime or person or religion or ideology. The enemy is terrorism—premeditated, politically motivated violence perpetrated against innocents.

In many regions, legitimate grievances prevent the emergence of a lasting peace. Such grievances deserve to be, and must be, addressed within a political process. But no cause justifies terror. The United States will make no concessions to terrorist demands and strike no deals with them. We make no distinction between terrorists and those who knowingly harbor or provide aid to them.

The struggle against global terrorism is different from any other war in our history. It will be fought on many fronts against a particularly elusive enemy over an extended period of time. Progress will come through the persistent accumulation of successes—some seen, some unseen.

Today our enemies have seen the results of what civilized nations can, and will, do against regimes that harbor, support, and use terrorism to achieve their political goals. Afghanistan has been liberated; coalition forces continue to hunt down the Taliban and al-Qaida. But it is not only this battlefield on which we will engage terrorists. Thousands of trained terrorists remain at large with cells in North America, South America, Europe, Africa, the Middle East, and across Asia.

Our priority will be first to disrupt and destroy terrorist organizations of global reach and attack their leadership; command, control, and communications; material support; and finances. This will have a disabling effect upon the terrorists' ability to plan and operate.

We will continue to encourage our regional partners to take up a coordinated effort that isolates the terrorists. Once the regional campaign localizes the threat to a particular state, we will help ensure the state has the military, law enforcement, political, and financial tools necessary to finish the task.

The United States will continue to work with our allies to disrupt the financing of terrorism. We will identify and block the sources of funding for terrorism, freeze the assets of terrorists and those who support them, deny terrorists access to the international financial system, protect legitimate charities from being abused by terrorists, and prevent the movement of terrorists' assets through alternative financial networks.

However, this campaign need not be sequential to be effective, the cumulative effect across all regions will help achieve the results we seek.

We will disrupt and destroy terrorist organizations by:

- direct and continuous action using all the elements of national and international power. Our immediate focus will be those terrorist organizations of global reach and any terrorist or state sponsor of terrorism which attempts to gain or use weapons of mass destruction (WMD) or their precursors;

- defending the United States, the American people, and our interests at home and abroad by identifying and destroying the threat before it reaches our borders. While the United States will constantly strive to enlist the support of the international community, we will not hesitate to act alone, if necessary, to exercise our right of self-defense by acting preemptively against such terrorists, to prevent them from doing harm against our people and our country; and

- denying further sponsorship, support, and sanctuary to terrorists by convincing or compelling states to accept their sovereign responsibilities.

We will also wage a war of ideas to win the battle against international terrorism. This includes:

- using the full influence of the United States, and working closely with allies and friends, to make clear that all acts of terrorism are illegitimate so that terrorism will be viewed in the same light as slavery, piracy, or genocide: behavior that no respectable government can condone or support and all must oppose;

- supporting moderate and modern government, especially in the Muslim world, to ensure that the conditions and ideologies that promote terrorism do not find fertile ground in any nation;

- diminishing the underlying conditions that spawn terrorism by enlisting the international community to focus its efforts and resources on areas most at risk; and

- using effective public diplomacy to promote the free flow of information and ideas to kindle the hopes and aspirations of freedom of those in societies ruled by the sponsors of global terrorism. While we recognize that our best defense is a good offense, we are also strengthening America's homeland security to protect against and deter attack.

This Administration has proposed the largest government reorganization since the Truman Administration created the National Security Council and the Department of Defense. Centered on a new Department of Homeland Security and including a new unified military command and a fundamental reordering of the FBI, our comprehensive plan to secure the homeland encompasses every level of government and the cooperation of the public and the private sector.

This strategy will turn adversity into opportunity. For example, emergency management systems will be better able to cope not just with terrorism but with all hazards. Our medical system will be strengthened to manage not just bioterror, but all infectious diseases and mass-casualty dangers. Our border controls will not just stop terrorists, but improve the efficient movement of legitimate traffic.

While our focus is protecting America, we know that to defeat terrorism in today's globalized world we need support from our allies and friends. Wherever possible, the United States will rely on regional organizations and state powers to meet their obligations to fight terrorism. Where governments find the fight against terrorism beyond their capacities, we will match their willpower and their resources with whatever help we and our allies can provide.

As we pursue the terrorists in Afghanistan, we will continue to work with international organizations such as the United Nations, as well as non-governmental organizations, and other countries to provide the humanitarian, political, economic, and security assistance necessary to rebuild Afghanistan so that it will never again abuse its people, threaten its neighbors, and provide a haven for terrorists.

In the war against global terrorism, we will never forget that we are ultimately fighting for our democratic values and way of life. Freedom and fear are at war, and there will be no quick or easy end to this conflict. In leading the campaign against terrorism, we are forging new, productive international relationships and redefining existing ones in ways that meet the challenges of the twenty-first century.

IV. Work with others to Defuse Regional Conflicts

"We build a world of justice, or we will live in a world of coercion. The magnitude of our shared responsibilities makes our disagreements look so small."

President Bush

Berlin, Germany

May 23, 2002

Concerned nations must remain actively engaged in critical regional disputes to avoid explosive escalation and minimize human suffering. In an increasingly interconnected world, regional crisis can strain our alliances, rekindle rivalries among the major powers, and create horrifying affronts to human dignity. When violence erupts and states falter, the United States will work with friends and partners to alleviate suffering and restore stability.

No doctrine can anticipate every circumstance in which U.S. action—direct or indirect—is warranted. We have finite political, economic, and military resources to meet our global priorities. The United States will approach each case with these strategic principles in mind:

- The United States should invest time and resources into building international relationships and institutions that can help manage local crises when they emerge.
- The United States should be realistic about its ability to help those who are unwilling or unready to help themselves. Where and when people are ready to do their part, we will be willing to move decisively. The Israeli-Palestinian conflict is critical because of the toll of human suffering, because of America's close relationship with the state of Israel and key Arab states, and because of that region's importance to other global priorities of the United States. There can be no peace for either side without freedom for both sides. America stands committed to an independent and democratic Palestine, living beside Israel in peace and security. Like all other people, Palestinians deserve a government that serves their interests and listens to their voices. The United States will continue to encourage all parties to step up to their responsibilities as we seek a just and comprehensive settlement to the conflict.

The United States, the international donor community, and the World Bank stand ready to work with a reformed Palestinian government on economic development, increased humanitarian assistance, and a program to establish, finance, and monitor a truly independent judiciary. If Palestinians embrace democracy, and the rule of law, confront corruption, and firmly reject terror, they can count on American support for the creation of a Palestinian state.

Israel also has a large stake in the success of a democratic Palestine. Permanent occupation threatens Israel's identity and democracy. So the United States continues to challenge Israeli leaders to take concrete steps to support the emergence of a viable, credible Palestinian state. As there is progress towards security, Israel forces need to withdraw fully to positions they held prior to

September 28, 2000. And consistent with the recommendations of the Mitchell Committee, Israeli settlement activity in the occupied territories must stop. As violence subsides, freedom of movement should be restored, permitting innocent Palestinians to resume work and normal life. The United States can play a crucial role but, ultimately, lasting peace can only come when Israelis and Palestinians resolve the issues and end the conflict between them.

In South Asia, the United States has also emphasized the need for India and Pakistan to resolve their disputes. This Administration invested time and resources building strong bilateral relations with India and Pakistan. These strong relations then gave us leverage to play a constructive role when tensions in the region became acute. With Pakistan, our bilateral relations have been bolstered by Pakistan's choice to join the war against terror and move toward building a more open and tolerant society. The Administration sees India's potential to become one of the great democratic powers of the twenty-first century and has worked hard to transform our relationship accordingly. Our involvement in this regional dispute, building on earlier investments in bilateral relations, looks first to concrete steps by India and Pakistan that can help defuse military confrontation.

Indonesia took courageous steps to create a working democracy and respect for the rule of law. By tolerating ethnic minorities, respecting the rule of law, and accepting open markets, Indonesia may be able to employ the engine of opportunity that has helped lift some of its neighbors out of poverty and desperation. It is the initiative by Indonesia that allows U.S. assistance to make a difference.

In the Western Hemisphere we have formed flexible coalitions with countries that share our priorities, particularly Mexico, Brazil, Canada, Chile, and Colombia. Together we will promote a truly democratic hemisphere where our integration advances security, prosperity, opportunity, and hope. We will work with regional institutions, such as the Summit of the Americas process, the Organization of American States (OAS), and the Defense Ministerial of the Americas for the benefit of the entire hemisphere.

Parts of Latin America confront regional conflict, especially arising from the violence of drug cartels and their accomplices. This conflict and unrestrained narcotics trafficking could imperil the health and security of the United States. Therefore we have developed an active strategy to help the Andean nations adjust their economies, enforce their laws, defeat terrorist organizations, and cut off the supply of drugs, while—as important—we work to reduce the demand for drugs in our own country.

In Colombia, we recognize the link between terrorist and extremist groups that challenge the security of the state and drug trafficking activities that help finance the operations of such groups. We are working to help Colombia defend its democratic institutions and defeat illegal armed groups of both the left and right by extending effective sovereignty over the entire national territory and provide basic security to the Colombian people.

In Africa, promise and opportunity sit side by side with disease, war, and desperate poverty. This threatens both a core value of the United States—preserving human dignity—and our strategic priority—combating global terror. American interests and American principles, therefore, lead in the same direction: we will work with others for an African continent that lives in liberty, peace, and growing prosperity. Together with our European allies, we must help strengthen Africa's fragile states, help build indigenous capability to secure porous borders, and help build up the law enforcement and intelligence infrastructure to deny havens for terrorists.

An ever more lethal environment exists in Africa as local civil wars spread beyond borders to create regional war zones. Forming coalitions of the willing and cooperative security arrangements are key to confronting these emerging transnational threats.

Africa's great size and diversity requires a security strategy that focuses on bilateral engagement and builds coalitions of the willing. This Administration will focus on three interlocking strategies for the region:

- countries with major impact on their neighborhood such as South Africa, Nigeria, Kenya, and Ethiopia are anchors for regional engagement and require focused attention;
- coordination with European allies and international institutions is essential for constructive conflict mediation and successful peace operations; and
- Africa's capable reforming states and sub-regional organizations must be strengthened as the primary means to address transnational threats on a sustained basis. Ultimately the path of political and economic freedom presents the surest route to progress in sub-Saharan Africa, where most wars are conflicts over material resources and political access often tragically waged on the basis of ethnic and religious difference. The transition to the African Union with its stated commitment to good governance and a common responsibility for democratic political systems offers opportunities to strengthen democracy on the continent.

V. Prevent Our Enemies from Threatening Us, Our Allies, and Our Friends with Weapons of Mass Destruction

"The gravest danger to freedom lies at the crossroads of radicalism and technology. When the spread of chemical and biological and nuclear weapons, along with ballistic missile technology—when that occurs, even weak states and small groups could attain a catastrophic power to strike great nations. Our enemies have declared this very intention, and have been caught seeking these terrible weapons. They want the capability to blackmail us, or to harm us, or to harm our friends—and we will oppose them with all our power."

President Bush

West Point, New York

June 1, 2002

The nature of the Cold War threat required the United States—with our allies and friends—to emphasize deterrence of the enemy's use of force, producing a grim strategy of mutual assured destruction. With the collapse of the Soviet Union and the end of the Cold War, our security environment has undergone profound transformation.

Having moved from confrontation to cooperation as the hallmark of our relationship with Russia, the dividends are evident: an end to the balance of terror that divided us; an historic reduction in the nuclear arsenals on both sides; and cooperation in areas such as counterterrorism and missile defense that until recently were inconceivable.

But new deadly challenges have emerged from rogue states and terrorists. None of these contemporary threats rival the sheer destructive power that was arrayed against us by the Soviet Union. However, the nature and motivations of these new adversaries, their determination to obtain destructive powers hitherto available only to the world's strongest states, and the greater likelihood that they will use weapons of mass destruction against us, make today's security environment more complex and dangerous.

In the 1990s we witnessed the emergence of a small number of rogue states that, while different in important ways, share a number of attributes. These states:

- brutalize their own people and squander their national resources for the personal gain of the rulers;
- display no regard for international law, threaten their neighbors, and callously violate international treaties to which they are party;
- are determined to acquire weapons of mass destruction, along with other advanced military technology, to be used as threats or offensively to achieve the aggressive designs of these regimes;
- sponsor terrorism around the globe; and
- reject basic human values and hate the United States and everything for which it stands. At the time of the Gulf War, we acquired irrefutable proof that Iraq's designs were not limited to the chemical weapons it had used against Iran and its own people, but also extended to the acquisition of nuclear weapons and biological agents. In the past decade North Korea has become the world's principal purveyor of ballistic missiles, and has tested increasingly capable missiles while

developing its own WMD arsenal. Other rogue regimes seek nuclear, biological, and chemical weapons as well. These states' pursuit of, and global trade in, such weapons has become a looming threat to all nations.

We must be prepared to stop rogue states and their terrorist clients before they are able to threaten or use weapons of mass destruction against the United States and our allies and friends. Our response must take full advantage of strengthened alliances, the establishment of new partnerships with former adversaries, innovation in the use of military forces, modern technologies, including the development of an effective missile defense system, and increased emphasis on intelligence collection and analysis.

Our comprehensive strategy to combat WMD includes:

- Proactive counterproliferation efforts. We must deter and defend against the threat before it is unleashed. We must ensure that key capabilities—detection, active and passive defenses, and counterforce capabilities—are integrated into our defense transformation and our homeland security systems. Counterproliferation must also be integrated into the doctrine, training, and equipping of our forces and those of our allies to ensure that we can prevail in any conflict with WMD-armed adversaries.

- Strengthened nonproliferation efforts to prevent rogue states and terrorists from acquiring the materials, technologies, and expertise necessary for weapons of mass destruction. We will enhance diplomacy, arms control, multilateral export controls, and threat reduction assistance that impede states and terrorists seeking WMD, and when necessary, interdict enabling technologies and materials. We will continue to build coalitions to support these efforts, encouraging their increased political and financial support for nonproliferation and threat reduction programs. The recent G-8 agreement to commit up to \$20 billion to a global partnership against proliferation marks a major step forward.

- Effective consequence management to respond to the effects of WMD use, whether by terrorists or hostile states. Minimizing the effects of WMD use against our people will help deter those who possess such weapons and dissuade those who seek to acquire them by persuading enemies that they cannot attain their desired ends. The United States must also be prepared to respond to the effects of WMD use against our forces abroad, and to help friends and allies if they are attacked.

It has taken almost a decade for us to comprehend the true nature of this new threat. Given the goals of rogue states and terrorists, the United States can no longer solely rely on a reactive posture as we have in the past. The inability to deter a potential attacker, the immediacy of today's threats, and the magnitude of potential harm that could be caused by our adversaries' choice of weapons, do not permit that option. We cannot let our enemies strike first.

- In the Cold War, especially following the Cuban missile crisis, we faced a generally status quo, risk-averse adversary. Deterrence was an effective defense. But deterrence based only upon the threat of retaliation is less likely to work against leaders of rogue states more willing to take risks, gambling with the lives of their people, and the wealth of their nations.

- In the Cold War, weapons of mass destruction were considered weapons of last resort whose use risked the destruction of those who used them. Today, our enemies see weapons of mass destruction as weapons of choice. For rogue states these weapons are tools of intimidation and military aggression against their neighbors. These weapons may also allow these states to attempt to blackmail the United States and our allies to prevent us from deterring or repelling the aggressive behavior of rogue states. Such states also see these weapons as their best means of overcoming the conventional superiority of the United States.

- Traditional concepts of deterrence will not work against a terrorist enemy whose avowed tactics are wanton destruction and the targeting of innocents; whose so-called soldiers seek martyrdom in death and whose most potent protection is statelessness. The overlap between states that sponsor terror and those that pursue WMD compels us to action. For centuries, international

law recognized that nations need not suffer an attack before they can lawfully take action to defend themselves against forces that present an imminent danger of attack. Legal scholars and international jurists often conditioned the legitimacy of preemption on the existence of an imminent threat—most often a visible mobilization of armies, navies, and air forces preparing to attack.

We must adapt the concept of imminent threat to the capabilities and objectives of today's adversaries. Rogue states and terrorists do not seek to attack us using conventional means. They know such attacks would fail. Instead, they rely on acts of terror and, potentially, the use of weapons of mass destruction—weapons that can be easily concealed, delivered covertly, and used without warning.

The targets of these attacks are our military forces and our civilian population, in direct violation of one of the principal norms of the law of warfare. As was demonstrated by the losses on September 11, 2001, mass civilian casualties is the specific objective of terrorists and these losses would be exponentially more severe if terrorists acquired and used weapons of mass destruction.

The United States has long maintained the option of preemptive actions to counter a sufficient threat to our national security. The greater the threat, the greater is the risk of inaction—and the more compelling the case for taking anticipatory action to defend ourselves, even if uncertainty remains as to the time and place of the enemy's attack. To forestall or prevent such hostile acts by our adversaries, the United States will, if necessary, act preemptively.

The United States will not use force in all cases to preempt emerging threats, nor should nations use preemption as a pretext for aggression. Yet in an age where the enemies of civilization openly and actively seek the world's most destructive technologies, the United States cannot remain idle while dangers gather.

We will always proceed deliberately, weighing the consequences of our actions. To support preemptive options, we will:

- build better, more integrated intelligence capabilities to provide timely, accurate information on threats, wherever they may emerge;
- coordinate closely with allies to form a common assessment of the most dangerous threats; and
- continue to transform our military forces to ensure our ability to conduct rapid and precise operations to achieve decisive results. The purpose of our actions will always be to eliminate a specific threat to the United States or our allies and friends. The reasons for our actions will be clear, the force measured, and the cause just.

VI. Ignite a New Era of Global Economic Growth through Free Markets and Free Trade

"When nations close their markets and opportunity is hoarded by a privileged few, no amount—no amount—of development aid is ever enough. When nations respect their people, open markets, invest in better health and education, every dollar of aid, every dollar of trade revenue and domestic capital is used more effectively."

President Bush

Monterrey, Mexico

March 22, 2002

A strong world economy enhances our national security by advancing prosperity and freedom in the rest of the world. Economic growth supported by free trade and free markets creates new jobs and higher incomes. It allows people to lift their lives out of poverty, spurs economic and legal reform, and the fight against corruption, and it reinforces the habits of liberty.

We will promote economic growth and economic freedom beyond America's shores. All governments are responsible for creating their own economic policies and responding to their own economic challenges. We will use our economic engagement with other countries to underscore the benefits of policies that generate higher productivity and sustained economic growth, including:

- pro-growth legal and regulatory policies to encourage business investment, innovation, and entrepreneurial activity;

- tax policies—particularly lower marginal tax rates—that improve incentives for work and investment;
- rule of law and intolerance of corruption so that people are confident that they will be able to enjoy the fruits of their economic endeavors;
- strong financial systems that allow capital to be put to its most efficient use;
- sound fiscal policies to support business activity;
- investments in health and education that improve the well-being and skills of the labor force and population as a whole; and
- free trade that provides new avenues for growth and fosters the diffusion of technologies and ideas that increase productivity and opportunity. The lessons of history are clear: market economies, not command-and-control economies with the heavy hand of government, are the best way to promote prosperity and reduce poverty. Policies that further strengthen market incentives and market institutions are relevant for all economies—industrialized countries, emerging markets, and the developing world.

A return to strong economic growth in Europe and Japan is vital to U.S. national security interests. We want our allies to have strong economies for their own sake, for the sake of the global economy, and for the sake of global security. European efforts to remove structural barriers in their economies are particularly important in this regard, as are Japan's efforts to end deflation and address the problems of non-performing loans in the Japanese banking system. We will continue to use our regular consultations with Japan and our European partners—including through the Group of Seven (G-7)—to discuss policies they are adopting to promote growth in their economies and support higher global economic growth.

Improving stability in emerging markets is also key to global economic growth. International flows of investment capital are needed to expand the productive potential of these economies. These flows allow emerging markets and developing countries to make the investments that raise living standards and reduce poverty. Our long-term objective should be a world in which all countries have investment-grade credit ratings that allow them access to international capital markets and to invest in their future.

We are committed to policies that will help emerging markets achieve access to larger capital flows at lower cost. To this end, we will continue to pursue reforms aimed at reducing uncertainty in financial markets. We will work actively with other countries, the International Monetary Fund (IMF), and the private sector to implement the G-7 Action Plan negotiated earlier this year for preventing financial crises and more effectively resolving them when they occur.

The best way to deal with financial crises is to prevent them from occurring, and we have encouraged the IMF to improve its efforts doing so. We will continue to work with the IMF to streamline the policy conditions for its lending and to focus its lending strategy on achieving economic growth through sound fiscal and

monetary policy, exchange rate policy, and financial sector policy.

The concept of “free trade” arose as a moral principle even before it became a pillar of economics. If you can make something that others value, you should be able to sell it to them. If others make something that you value, you should be able to buy it. This is real freedom, the freedom for a person—or a nation—to make a living. To promote free trade, the United States has developed a comprehensive strategy:

- Seize the global initiative. The new global trade negotiations we helped launch at Doha in November 2001 will have an ambitious agenda, especially in agriculture, manufacturing, and services, targeted for completion in 2005. The United States has led the way in completing the accession of China and a democratic Taiwan to the World Trade Organization. We will assist Russia's preparations to join the WTO.

- Press regional initiatives. The United States and other democracies in the Western Hemisphere have agreed to create the Free Trade Area of the Americas, targeted for completion in

2005. This year the United States will advocate market-access negotiations with its partners, targeted on agriculture, industrial goods, services, investment, and government procurement. We will also offer more opportunity to the poorest continent, Africa, starting with full use of the preferences allowed in the African Growth and Opportunity Act, and leading to free trade.

- Move ahead with bilateral free trade agreements. Building on the free trade agreement with Jordan enacted in 2001, the Administration will work this year to complete free trade agreements with Chile and Singapore. Our aim is to achieve free trade agreements with a mix of developed and developing countries in all regions of the world. Initially, Central America, Southern Africa, Morocco, and Australia will be our principal focal points.

- Renew the executive-congressional partnership. Every administration's trade strategy depends on a productive partnership with Congress. After a gap of 8 years, the Administration reestablished majority support in the Congress for trade liberalization by passing Trade Promotion Authority and the other market opening measures for developing countries in the Trade Act of 2002. This Administration will work with Congress to enact new bilateral, regional, and global trade agreements that will be concluded under the recently passed Trade Promotion Authority.

- Promote the connection between trade and development. Trade policies can help developing countries strengthen property rights, competition, the rule of law, investment, the spread of knowledge, open societies, the efficient allocation of resources, and regional integration—all leading to growth, opportunity, and confidence in developing countries. The United States is implementing The Africa Growth and Opportunity Act to provide market-access for nearly all goods produced in the 35 countries of sub-

Saharan Africa. We will make more use of this act and its equivalent for the Caribbean Basin and continue to work with multilateral and regional institutions to help poorer countries take advantage of these opportunities. Beyond market access, the most important area where trade intersects with poverty is in public health. We will ensure that the WTO intellectual property rules are flexible enough to allow developing nations to gain access to critical medicines for extraordinary dangers like HIV/AIDS, tuberculosis, and malaria.

- Enforce trade agreements and laws against unfair practices. Commerce depends on the rule of law; international trade depends on enforceable agreements. Our top priorities are to resolve ongoing disputes with the European Union, Canada, and Mexico and to make a global effort to address new technology, science, and health regulations that needlessly impede farm exports and improved agriculture. Laws against unfair trade practices are often abused, but the international community must be able to address genuine concerns about government subsidies and dumping. International industrial espionage which undermines fair competition must be detected and deterred.

- Help domestic industries and workers adjust. There is a sound statutory framework for these transitional safeguards which we have used in the agricultural sector and which we are using this year to help the American steel industry. The benefits of free trade depend upon the enforcement of fair trading practices. These safeguards help ensure that the benefits of free trade do not come at the expense of American workers. Trade adjustment assistance will help workers adapt to the change and dynamism of open markets.

- Protect the environment and workers. The United States must foster economic growth in ways that will provide a better life along with widening prosperity. We will incorporate labor and environmental concerns into U.S. trade negotiations, creating a healthy "network" between multilateral environmental agreements with the WTO, and use the International Labor Organization, trade preference programs, and trade talks to improve working conditions in conjunction with freer trade.

- Enhance energy security. We will strengthen our own energy security and the shared prosperity of the global economy by working with our allies, trading partners, and energy producers to expand the sources and types of global energy supplied, especially in the Western Hemisphere,

Africa, Central Asia, and the Caspian region. We will also continue to work with our partners to develop cleaner and more energy efficient technologies.

Economic growth should be accompanied by global efforts to stabilize greenhouse gas concentrations associated with this growth, containing them at a level that prevents dangerous human interference with the global climate. Our overall objective is to reduce America's greenhouse gas emissions relative to the size of our economy, cutting such emissions per unit of economic activity by 18 percent over the next 10 years, by the year 2012. Our strategies for attaining this goal will be to:

- remain committed to the basic U.N. Framework Convention for international cooperation;
- obtain agreements with key industries to cut emissions of some of the most potent greenhouse gases and give transferable credits to companies that can show real cuts;
- develop improved standards for measuring and registering emission reductions;
- promote renewable energy production and clean coal technology, as well as nuclear power—which produces no greenhouse gas emissions, while also improving fuel economy for U.S. cars and trucks;
- increase spending on research and new conservation technologies, to a total of \$4.5 billion—the largest sum being spent on climate change by any country in the world and a \$700 million increase over last year's budget; and
- assist developing countries, especially the major greenhouse gas emitters such as China and India, so that they will have the tools and resources to join this effort and be able to grow along a cleaner and better path.

VII. Expand the Circle of Development by Opening Societies and Building the Infrastructure of Democracy

“In World War II we fought to make the world safer, then worked to rebuild it. As we wage war today to keep the world safe from terror, we must also work to make the world a better place for all its citizens.”

President Bush

Washington, D.C. (Inter-American Development Bank)

March 14, 2002

A world where some live in comfort and plenty, while half of the human race lives on less than \$2 a day, is neither just nor stable. Including all of the world's poor in an expanding circle of development—and opportunity—is a moral imperative and one of the top priorities of U.S. international policy.

Decades of massive development assistance have failed to spur economic growth in the poorest countries. Worse, development aid has often served to prop up failed policies, relieving the pressure for reform and perpetuating misery. Results of aid are typically measured in dollars spent by donors, not in the rates of growth and poverty reduction achieved by recipients. These are the indicators of a failed strategy.

Working with other nations, the United States is confronting this failure. We forged a new consensus at the U.N. Conference on Financing for Development in Monterrey that the objectives of assistance—and the strategies to achieve those objectives—must change.

This Administration's goal is to help unleash the productive potential of individuals in all nations. Sustained growth and poverty reduction is impossible without the right national policies. Where governments have implemented real policy changes, we will provide significant new levels of assistance. The United States and other developed countries should set an ambitious and specific target: to double the size of the world's poorest economies within a decade.

The United States Government will pursue these major strategies to achieve this goal:

- Provide resources to aid countries that have met the challenge of national reform. We propose a 50 percent increase in the core development assistance given by the United States. While continuing our present programs, including humanitarian assistance based on need alone, these

billions of new dollars will form a new Millennium Challenge Account for projects in countries whose governments rule justly, invest in their people, and encourage economic freedom. Governments must fight corruption, respect basic human rights, embrace the rule of law, invest in health care and education, follow responsible economic policies, and enable entrepreneurship. The Millennium Challenge Account will reward countries that have demonstrated real policy change and challenge those that have not to implement reforms.

- Improve the effectiveness of the World Bank and other development banks in raising living standards. The United States is committed to a comprehensive reform agenda for making the World Bank and the other multilateral development banks more effective in improving the lives of the world's poor. We have reversed the downward trend in U.S. contributions and proposed an 18 percent increase in the U.S. contributions to the International Development Association (IDA)—the World Bank's fund for the poorest countries—and the African Development Fund. The key to raising living standards and reducing poverty around the world is increasing productivity growth, especially in the poorest countries. We will continue to press the multilateral development banks to focus on activities that increase economic productivity, such as improvements in education, health, rule of law, and private sector development. Every project, every loan, every grant must be judged by how much it will increase productivity growth in developing countries.

- Insist upon measurable results to ensure that development assistance is actually making a difference in the lives of the world's poor. When it comes to economic development, what really matters is that more children are getting a better education, more people have access to health care and clean water, or more workers can find jobs to make a better future for their families. We have a moral obligation to measure the success of our development assistance by whether it is delivering results. For this reason, we will continue to demand that our own development assistance as well as assistance from the multilateral development banks has measurable goals and concrete benchmarks for achieving those goals. Thanks to U.S. leadership, the recent IDA replenishment agreement will establish a monitoring and evaluation system that measures recipient countries' progress. For the first time, donors can link a portion of their contributions to IDA to the achievement of actual development results, and part of the U.S. contribution is linked in this way. We will strive to make sure that the World Bank and other multilateral development banks build on this progress so that a focus on results is an integral part of everything that these institutions do.

- Increase the amount of development assistance that is provided in the form of grants instead of loans. Greater use of results-based grants is the best way to help poor countries make productive investments, particularly in the social sectors, without saddling them with ever-larger debt burdens. As a result of U.S. leadership, the recent IDA agreement provided for significant increases in grant funding for the poorest countries for education, HIV/AIDS, health, nutrition, water, sanitation, and other human needs. Our goal is to build on that progress by increasing the use of grants at the other multilateral development banks. We will also challenge universities, nonprofits, and the private sector to match government efforts by using grants to support development projects that show results.

- Open societies to commerce and investment. Trade and investment are the real engines of economic growth. Even if government aid increases, most money for development must come from trade, domestic capital, and foreign investment. An effective strategy must try to expand these flows as well. Free markets and free trade are key priorities of our national security strategy.

- Secure public health. The scale of the public health crisis in poor countries is enormous. In countries afflicted by epidemics and pandemics like HIV/AIDS, malaria, and tuberculosis, growth and development will be threatened until these scourges can be contained. Resources from the developed world are necessary but will be effective only with honest governance, which supports prevention programs and provides effective local infrastructure. The United States has strongly backed the new global fund for HIV/AIDS organized by U.N. Secretary General Kofi Annan and its focus on combining prevention with a broad strategy for treatment and care. The United States

already contributes more than twice as much money to such efforts as the next largest donor. If the global fund demonstrates its promise, we will be ready to give even more.

- Emphasize education. Literacy and learning are the foundation of democracy and development. Only about 7 percent of World Bank resources are devoted to education. This proportion should grow. The United States will increase its own funding for education assistance by at least 20 percent with an emphasis on improving basic education and teacher training in Africa. The United States can also bring information technology to these societies, many of whose education systems have been devastated by HIV/AIDS.

- Continue to aid agricultural development. New technologies, including biotechnology, have enormous potential to improve crop yields in developing countries while using fewer pesticides and less water. Using sound science, the United States should help bring these benefits to the 800 million people, including 300 million children, who still suffer from hunger and malnutrition.

VIII. Develop Agendas for Cooperative Action with the Other Main Centers of Global Power

“We have our best chance since the rise of the nation-state in the 17th century to build a world where the great powers compete in peace instead of prepare for war.”

President Bush

West Point, New York

June 1, 2002

America will implement its strategies by organizing coalitions—as broad as practicable—of states able and willing to promote a balance of power that favors freedom. Effective coalition leadership requires clear priorities, an appreciation of others’ interests, and consistent consultations among partners with a spirit of humility.

There is little of lasting consequence that the United States can accomplish in the world without the sustained cooperation of its allies and friends in Canada and Europe. Europe is also the seat of two of the strongest and most able international institutions in the world: the North Atlantic Treaty Organization (NATO), which has, since its inception, been the fulcrum of transatlantic and inter-European security, and the European Union (EU), our partner in opening world trade.

The attacks of September 11 were also an attack on NATO, as NATO itself recognized when it invoked its Article V self-defense clause for the first time. NATO’s core mission—collective defense of the transatlantic alliance of democracies—remains, but NATO must develop new structures and capabilities to carry out that mission under new circumstances. NATO must build a capability to field, at short notice, highly mobile, specially trained forces whenever they are needed to respond to a threat against any member of the alliance.

The alliance must be able to act wherever our interests are threatened, creating coalitions under NATO’s own mandate, as well as contributing to mission-based coalitions. To achieve this, we must:

- expand NATO’s membership to those democratic nations willing and able to share the burden of defending and advancing our common interests;
- ensure that the military forces of NATO nations have appropriate combat contributions to make in coalition warfare;
- develop planning processes to enable those contributions to become effective multinational fighting forces;
- take advantage of the technological opportunities and economies of scale in our defense spending to transform NATO military forces so that they dominate potential aggressors and diminish our vulnerabilities;
- streamline and increase the flexibility of command structures to meet new operational demands and the associated requirements of training, integrating, and experimenting with new force configurations; and
- maintain the ability to work and fight together as allies even as we take the necessary steps to transform and modernize our forces. If NATO succeeds in enacting these changes, the rewards

will be a partnership as central to the security and interests of its member states as was the case during the Cold War. We will sustain a common perspective on the threats to our societies and improve our ability to take common action in defense of our nations and their interests. At the same time, we welcome our European allies' efforts to forge a greater foreign policy and defense identity with the EU, and commit ourselves to close consultations to ensure that these developments work with NATO. We cannot afford to lose this opportunity to better prepare the family of transatlantic democracies for the challenges to come.

The attacks of September 11 energized America's Asian alliances. Australia invoked the ANZUS Treaty to declare the September 11 was an attack on Australia itself, following that historic decision with the dispatch of some of the world's finest combat forces for Operation Enduring Freedom. Japan and the Republic of Korea provided unprecedented levels of military logistical support within weeks of the terrorist attack. We have deepened cooperation on counterterrorism with our alliance partners in Thailand and the Philippines and received invaluable assistance from close friends like Singapore and New Zealand.

The war against terrorism has proven that America's alliances in Asia not only underpin regional peace and stability, but are flexible and ready to deal with new challenges. To enhance our Asian alliances and friendships, we will:

- look to Japan to continue forging a leading role in regional and global affairs based on our common interests, our common values, and our close defense and diplomatic cooperation;
- work with South Korea to maintain vigilance towards the North while preparing our alliance to make contributions to the broader stability of the region over the longer term;
- build on 50 years of U.S.-Australian alliance cooperation as we continue working together to resolve regional and global problems—as we have so many times from the Battle of the Coral Sea to Tora Bora;
- maintain forces in the region that reflect our commitments to our allies, our requirements, our technological advances, and the strategic environment; and
- build on stability provided by these alliances, as well as with institutions such as ASEAN and the Asia-Pacific Economic Cooperation forum, to develop a mix of regional and bilateral strategies to manage change in this dynamic region. We are attentive to the possible renewal of old patterns of great power competition. Several potential great powers are now in the midst of internal transition—most importantly Russia, India, and China. In all three cases, recent developments have encouraged our hope that a truly global consensus about basic principles is slowly taking shape.

With Russia, we are already building a new strategic relationship based on a central reality of the twenty-first century: the United States and Russia are no longer strategic adversaries. The Moscow Treaty on Strategic Reductions is emblematic of this new reality and reflects a critical change in Russian thinking that promises to lead to productive, long-term relations with the Euro-Atlantic community and the United States. Russia's top leaders have a realistic assessment of their country's current weakness and the policies—internal and external—needed to reverse those weaknesses. They understand, increasingly, that Cold War approaches do not serve their national interests and that Russian and American strategic interests overlap in many areas.

United States policy seeks to use this turn in Russian thinking to refocus our relationship on emerging and potential common interests and challenges. We are broadening our already extensive cooperation in the global war on terrorism. We are facilitating Russia's entry into the World Trade Organization, without lowering standards for accession, to promote beneficial bilateral trade and investment relations. We have created the NATO-Russia Council with the goal of deepening security cooperation among Russia, our European allies, and ourselves. We will continue to bolster the independence and stability of the states of the former Soviet Union in the belief that a prosperous and stable neighborhood will reinforce Russia's growing commitment to integration into the Euro-Atlantic community.

At the same time, we are realistic about the differences that still divide us from Russia and about the time and effort it will take to build an enduring strategic partnership. Lingering distrust of our motives and policies by key Russian elites slows improvement in our relations. Russia's uneven commitment to the basic values of free-market democracy and dubious record in combating the proliferation of weapons of mass destruction remain matters of great concern. Russia's very weakness limits the opportunities for cooperation. Nevertheless, those opportunities are vastly greater now than in recent years—or even decades.

The United States has undertaken a transformation in its bilateral relationship with India based on a conviction that U.S. interests require a strong relationship with India. We are the two largest democracies, committed to political freedom protected by representative government. India is moving toward greater economic freedom as well. We have a common interest in the free flow of commerce, including through the vital sea lanes of the Indian Ocean. Finally, we share an interest in fighting terrorism and in creating a strategically stable Asia.

Differences remain, including over the development of India's nuclear and missile programs, and the pace of India's economic reforms. But while in the past these concerns may have dominated our thinking about India, today we start with a view of India as a growing world power with which we have common strategic interests. Through a strong partnership with India, we can best address any differences and shape a dynamic future.

The United States relationship with China is an important part of our strategy to promote a stable, peaceful, and prosperous Asia-Pacific region. We welcome the emergence of a strong, peaceful, and prosperous China. The democratic development of China is crucial to that future. Yet, a quarter century after beginning the process of shedding the worst features of the Communist legacy, China's leaders have not yet made the next series of fundamental choices about the character of their state. In pursuing advanced military capabilities that can threaten its neighbors in the Asia-Pacific region, China is following an outdated path that, in the end, will hamper its own pursuit of national greatness. In time, China will find that social and political freedom is the only source of that greatness.

The United States seeks a constructive relationship with a changing China. We already cooperate well where our interests overlap, including the current war on terrorism and in promoting stability on the Korean peninsula. Likewise, we have coordinated on the future of Afghanistan and have initiated a comprehensive dialogue on counterterrorism and similar transitional concerns. Shared health and environmental threats, such as the spread of HIV/AIDS, challenge us to promote jointly the welfare of our citizens.

Addressing these transnational threats will challenge China to become more open with information, promote the development of civil society, and enhance individual human rights. China has begun to take the road to political openness, permitting many personal freedoms and conducting village-level elections, yet remains strongly committed to national one-party rule by the Communist Party. To make that nation truly accountable to its citizen's needs and aspirations, however, much work remains to be done. Only by allowing the Chinese people to think, assemble, and worship freely can China reach its full potential.

Our important trade relationship will benefit from China's entry into the World Trade Organization, which will create more export opportunities and ultimately more jobs for American farmers, workers, and companies. China is our fourth largest trading partner, with over \$100 billion in annual two-way trade. The power of market principles and the WTO's requirements for transparency and accountability will advance openness and the rule of law in China to help establish basic protections for commerce and for citizens. There are, however, other areas in which we have profound disagreements. Our commitment to the self-defense of Taiwan under the Taiwan Relations Act is one. Human rights is another. We expect China to adhere to its nonproliferation commitments. We will work to narrow differences where they exist, but not allow them to preclude cooperation where we agree.

The events of September 11, 2001, fundamentally changed the context for relations between the United States and other main centers of global power, and opened vast, new opportunities. With our long-standing allies in Europe and Asia, and with leaders in Russia, India, and China, we must develop active agendas of cooperation lest these relationships become routine and unproductive.

Every agency of the United States Government shares the challenge. We can build fruitful habits of consultation, quiet argument, sober analysis, and common action. In the long-term, these are the practices that will sustain the supremacy of our common principles and keep open the path of progress.

IX. Transform America's National Security Institutions to Meet the Challenges and Opportunities of the Twenty-First Century

"Terrorists attacked a symbol of American prosperity. They did not touch its source. America is successful because of the hard work, creativity, and enterprise of our people."

President Bush

Washington, D.C. (Joint Session of Congress)

September 20, 2001

The major institutions of American national security were designed in a different era to meet different requirements. All of them must be transformed.

It is time to reaffirm the essential role of American military strength. We must build and maintain our defenses beyond challenge. Our military's highest priority is to defend the United States. To do so effectively, our military must:

- assure our allies and friends;
- dissuade future military competition;
- deter threats against U.S. interests, allies, and friends; and
- decisively defeat any adversary if deterrence fails.

The unparalleled strength of the United States armed forces, and their forward presence, have maintained the peace in some of the world's most strategically vital regions. However, the threats and enemies we must confront have changed, and so must our forces. A military structured to deter massive Cold War-era armies must be transformed to focus more on how an adversary might fight rather than where and when a war might occur. We will channel our energies to overcome a host of operational challenges.

The presence of American forces overseas is one of the most profound symbols of the U.S. commitments to allies and friends. Through our willingness to use force in our own defense and in defense of others, the United States demonstrates its resolve to maintain a balance of power that favors freedom. To contend with uncertainty and to meet the many security challenges we face, the United States will require bases and stations within and beyond Western Europe and Northeast Asia, as well as temporary access arrangements for the long-distance deployment of U.S. forces.

Before the war in Afghanistan, that area was low on the list of major planning contingencies. Yet, in a very short time, we had to operate across the length and breadth of that remote nation, using every branch of the armed forces. We must prepare for more such deployments by developing assets such as advanced remote sensing, long-range precision strike capabilities, and transformed maneuver and expeditionary forces. This broad portfolio of military capabilities must also include the ability to defend the homeland, conduct information operations, ensure U.S. access to distant theaters, and protect critical U.S. infrastructure and assets in outer space. Innovation within the armed forces will rest on experimentation with new approaches to warfare, strengthening joint operations, exploiting U.S. intelligence advantages, and taking full advantage of science and technology. We must also transform the way the Department of Defense is run, especially in financial management and recruitment and retention. Finally, while maintaining near-term readiness and the ability to fight the war on terrorism, the goal must be to provide the President with a wider range of military options to discourage aggression or any form of coercion against the United States, our allies, and our friends.

We know from history that deterrence can fail; and we know from experience that some enemies cannot be deterred. The United States must and will maintain the capability to defeat any attempt by an enemy—whether a state or non-state actor—to impose its will on the United States, our allies, or our friends. We will maintain the forces sufficient to support our obligations, and to defend freedom. Our forces will be strong enough to dissuade potential adversaries from pursuing a military build-up in hopes of surpassing, or equaling, the power of the United States.

Intelligence—and how we use it—is our first line of defense against terrorists and the threat posed by hostile states. Designed around the priority of gathering enormous information about a massive, fixed object—the Soviet bloc—the intelligence community is coping with the challenge of following a far more complex and elusive set of targets.

We must transform our intelligence capabilities and build new ones to keep pace with the nature of these threats. Intelligence must be appropriately integrated with our defense and law enforcement systems and coordinated with our allies and friends. We need to protect the capabilities we have so that we do not arm our enemies with the knowledge of how best to surprise us. Those who would harm us also seek the benefit of surprise to limit our prevention and response options and to maximize injury.

We must strengthen intelligence warning and analysis to provide integrated threat assessments for national and homeland security. Since the threats inspired by foreign governments and groups may be conducted inside the United States, we must also ensure the proper fusion of information between intelligence and law enforcement.

Initiatives in this area will include:

- strengthening the authority of the Director of Central Intelligence to lead the development and actions of the Nation's foreign intelligence capabilities;
- establishing a new framework for intelligence warning that provides seamless and integrated warning across the spectrum of threats facing the nation and our allies;
- continuing to develop new methods of collecting information to sustain our intelligence advantage;
- investing in future capabilities while working to protect them through a more vigorous effort to prevent the compromise of intelligence capabilities; and
- collecting intelligence against the terrorist danger across the government with all-

source analysis. As the United States Government relies on the armed forces to defend America's interests, it must rely on diplomacy to interact with other nations. We will ensure that the Department of State receives funding sufficient to ensure the success of American diplomacy. The State Department takes the lead in managing our bilateral relationships with other governments. And in this new era, its people and institutions must be able to interact equally adroitly with non-governmental organizations and international institutions. Officials trained mainly in international politics must also extend their reach to understand complex issues of domestic governance around the world, including public health, education, law enforcement, the judiciary, and public diplomacy.

Our diplomats serve at the front line of complex negotiations, civil wars, and other humanitarian catastrophes. As humanitarian relief requirements are better understood, we must also be able to help build police forces, court systems, and legal codes, local and provincial government institutions, and electoral systems. Effective international cooperation is needed to accomplish these goals, backed by American readiness to play our part.

Just as our diplomatic institutions must adapt so that we can reach out to others, we also need a different and more comprehensive approach to public information efforts that can help people around the world learn about and understand America. The war on terrorism is not a clash of civilizations. It does, however, reveal the clash inside a civilization, a battle for the future of the Muslim world. This is a struggle of ideas and this is an area where America must excel.

We will take the actions necessary to ensure that our efforts to meet our global security commitments and protect Americans are not impaired by the potential for investigations, inquiry, or

prosecution by the International Criminal Court (ICC), whose jurisdiction does not extend to Americans and which we do not accept. We will work together with other nations to avoid complications in our military operations and cooperation, through such mechanisms as multilateral and bilateral agreements that will protect U.S. nationals from the ICC. We will implement fully the American Servicemembers Protection Act, whose provisions are intended to ensure and enhance the protection of U.S. personnel and officials.

We will make hard choices in the coming year and beyond to ensure the right level and allocation of government spending on national security. The United States Government must strengthen its defenses to win this war. At home, our most important priority is to protect the homeland for the American people.

Today, the distinction between domestic and foreign affairs is diminishing. In a globalized world, events beyond America's borders have a greater impact inside them. Our society must be open to people, ideas, and goods from across the globe. The characteristics we most cherish—our freedom, our cities, our systems of movement, and modern life—are vulnerable to terrorism. This vulnerability will persist long after we bring to justice those responsible for the September 11 attacks. As time passes, individuals may gain access to means of destruction that until now could be wielded only by armies, fleets, and squadrons. This is a new condition of life. We will adjust to it and thrive—in spite of it.

In exercising our leadership, we will respect the values, judgment, and interests of our friends and partners. Still, we will be prepared to act apart when our interests and unique responsibilities require. When we disagree on particulars, we will explain forthrightly the grounds for our concerns and strive to forge viable alternatives. We will not allow such disagreements to obscure our determination to secure together, with our allies and our friends, our shared fundamental interests and values.

Ultimately, the foundation of American strength is at home. It is in the skills of our people, the dynamism of our economy, and the resilience of our institutions. A diverse, modern society has inherent, ambitious, entrepreneurial energy. Our strength comes from what we do with that energy. That is where our national security begins.

2006

**Стратегия Национальной Безопасности
Соединённых Штатов Америки
(Вашингтон, март 2006 г.)**

THE NATIONAL SECURITY STRATEGY OF THE UNITED STATES OF AMERICA
MARCH 2006

My Fellow Americans,

America is at war. This is a wartime national security strategy required by the grave challenge we face – the rise of terrorism fueled by an aggressive ideology of hatred and murder, fully revealed to the American people on September 11, 2001. This strategy reflects our most solemn obligation: to protect the security of the American people.

America also has an unprecedented opportunity to lay the foundations for future peace. The ideals that have inspired our history – freedom, democracy, and human dignity – are increasingly inspiring individuals and nations throughout the world. And because free nations tend toward peace, the advance of liberty will make America more secure.

These inseparable priorities – fighting and winning the war on terror and promoting freedom as the alternative to tyranny and despair – have now guided American policy for more than 4 years.

We have kept on the offensive against terrorist networks, leaving our enemy weakened, but not yet defeated.

We have joined with the Afghan people to bring down the Taliban regime – the protectors of the al-Qaida network – and aided a new, democratic government to rise in its place.

We have focused the attention of the world on the proliferation of dangerous weapons – although great challenges in this area remain.

We have stood for the spread of democracy in the broader Middle East – meeting challenges yet seeing progress few would have predicted or expected.

We have cultivated stable and cooperative relations with all the major powers of the world.

We have dramatically expanded our efforts to encourage economic development and the hope it brings – and focused these efforts on the promotion of reform and achievement of results.

We led an international coalition to topple the dictator of Iraq, who had brutalized his own people, terrorized his region, defied the international community, and sought and used weapons of mass destruction.

And we are fighting alongside Iraqis to secure a united, stable, and democratic Iraq – a new ally in the war on terror in the heart of the Middle East.

We have seen great accomplishments, confronted new challenges, and refined our approach as conditions changed. We have also found that the defense of freedom brings us loss and sorrow, because freedom has determined enemies. We have always known that the war on terror would require great sacrifice – and in this war, we have said farewell to some very good men and women. The terrorists have used dramatic acts of murder – from the streets of Fallujah to the subways of London – in an attempt to undermine our will. The struggle against this enemy – an enemy that targets the innocent without conscience or hesitation – has been difficult. And our work is far from over.

America now faces a choice between the path of fear and the path of confidence. The path of fear – isolationism and protectionism, retreat and retrenchment – appeals to those who find our challenges too great and fail to see our opportunities. Yet history teaches that every time American leaders have taken this path, the challenges have only increased and the missed opportunities have left future generations less secure.

This Administration has chosen the path of confidence. We choose leadership over isolationism, and the pursuit of free and fair trade and open markets over protectionism. We choose to deal with challenges now rather than leaving them for future generations. We fight our enemies abroad instead of waiting for them to arrive in our country. We seek to shape the world, not merely be shaped by it; to influence events for the better instead of being at their mercy.

The path we have chosen is consistent with the great tradition of American foreign policy. Like the policies of Harry Truman and Ronald Reagan, our approach is idealistic about our national goals, and realistic about the means to achieve them.

To follow this path, we must maintain and expand our national strength so we can deal with threats and challenges before they can damage our people or our interests. We must maintain a military without peer – yet our strength is not founded on force of arms alone. It also rests on economic prosperity and a vibrant democracy. And it rests on strong alliances, friendships, and international institutions, which enable us to promote freedom, prosperity, and peace in common purpose with others.

Our national security strategy is founded upon two pillars:

The first pillar is promoting freedom, justice, and human dignity – working to end tyranny, to promote effective democracies, and to extend prosperity through free and fair trade and wise development policies. Free governments are accountable to their people, govern their territory effectively, and pursue economic and political policies that benefit their citizens. Free governments do not oppress their people or attack other free nations. Peace and international stability are most reliably built on a foundation of freedom.

The second pillar of our strategy is confronting the challenges of our time by leading a growing community of democracies. Many of the problems we face – from the threat of pandemic disease, to proliferation of weapons of mass destruction, to terrorism, to human trafficking, to natural disasters – reach across borders. Effective multinational efforts are essential to solve these problems. Yet history has shown that only when we do our part will others do theirs. America must continue to lead.

GEORGE W. BUSH
THE WHITE HOUSE
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I. OVERVIEW OF AMERICA'S NATIONAL SECURITY STRATEGY

It is the policy of the United States to seek and support democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world. In the world today, the fundamental character of regimes matters as much as the distribution of power among them. The goal of our statecraft is to help create a world of democratic, well-governed states that can meet the needs of their citizens and conduct themselves responsibly in the international system. This is the best way to provide enduring security for the American people.

Achieving this goal is the work of generations. The United States is in the early years of a long struggle, similar to what our country faced in the early years of the Cold War. The 20th century witnessed the triumph of freedom over the threats of fascism and communism. Yet a new totalitarian ideology now threatens, an ideology grounded not in secular philosophy but in the perversion of a proud religion. Its content may be different from the ideologies of the last century, but its means are similar: intolerance, murder, terror, enslavement, and repression.

Like those who came before us, we must lay the foundations and build the institutions that our country needs to meet the challenges we face. The chapters that follow will focus on several essential tasks. The United States must:

Champion aspirations for human dignity;
 Strengthen alliances to defeat global terrorism and work to prevent attacks against us and our friends;
 Work with others to defuse regional conflicts;
 Prevent our enemies from threatening us, our allies, and our friends with weapons of mass destruction (WMD);
 Ignite a new era of global economic growth through free markets and free trade;
 Expand the circle of development by opening societies and building the infrastructure of democracy;
 Develop agendas for cooperative action with other main centers of global power;
 Transform America's national security institutions to meet the challenges and opportunities of the 21st century; and
 Engage the opportunities and confront the challenges of globalization.

II. CHAMPION ASPIRATIONS FOR HUMAN DIGNITY

A. Summary of National Security Strategy 2002

The United States must defend liberty and justice because these principles are right and true for all people everywhere. These nonnegotiable demands of human dignity are protected most

securely in democracies. The United States Government will work to advance human dignity in word and deed, speaking out for freedom and against violations of human rights and allocating appropriate resources to advance these ideals.

B. Successes and Challenges since 2002

Since 2002, the world has seen extraordinary progress in the expansion of freedom, democracy, and human dignity:

The peoples of Afghanistan and Iraq have replaced tyrannies with democracies.

In Afghanistan, the tyranny of the Taliban has been replaced by a freely-elected government; Afghans have written and ratified a constitution guaranteeing rights and freedoms unprecedented in their history; and an elected legislature gives the people a regular voice in their government.

In Iraq, a tyrant has been toppled; over 8 million Iraqis voted in the nation's first free and fair election; a freely negotiated constitution was passed by a referendum in which almost 10 million Iraqis participated; and, for the first time in their history, nearly 12 million Iraqis have elected a permanent government under a popularly determined constitution.

The people of Lebanon have rejected the heavy hand of foreign rule. The people of Egypt have experienced more open but still flawed elections. Saudi Arabia has taken some preliminary steps to give its citizens more of a voice in their government. Jordan has made progress in opening its political process. Kuwait and Morocco are pursuing agendas of political reform.

The "color revolutions" in Georgia, Ukraine, and Kyrgyzstan have brought new hope for freedom across the Eurasian landmass.

Democracy has made further advances in Africa, Latin America, and Asia, with peaceful transfers of power; growth in independent judiciaries and the rule of law; improved election practices; and expanding political and economic rights.

The human desire for freedom is universal, but the growth of freedom is not inevitable. Without support from free nations, freedom's spread could be hampered by the challenges we face:

Many governments are at fragile stages of political development and need to consolidate democratic institutions – and leaders that have won democratic elections need to uphold the principles of democracy;

Some governments have regressed, eroding the democratic freedoms their peoples enjoy;

Some governments have not delivered the benefits of effective democracy and prosperity to their citizens, leaving them susceptible to or taken over by demagogues peddling an anti-free market authoritarianism;

Some regimes seek to separate economic liberty from political liberty, pursuing prosperity while denying their people basic rights and freedoms; and

Tyranny persists in its harshest form in a number of nations.

C. The Way Ahead

The United States has long championed freedom because doing so reflects our values and advances our interests. It reflects our values because we believe the desire for freedom lives in every human heart and the imperative of human dignity transcends all nations and cultures.

Championing freedom advances our interests because the survival of liberty at home increasingly depends on the success of liberty abroad. Governments that honor their citizens' dignity and desire for freedom tend to uphold responsible conduct toward other nations, while governments that brutalize their people also threaten the peace and stability of other nations. Because democracies are the most responsible members of the international system, promoting democracy is the most effective long-term measure for strengthening international stability; reducing regional conflicts; countering terrorism and terror-supporting extremism; and extending peace and prosperity.

To protect our Nation and honor our values, the United States seeks to extend freedom across the globe by leading an international effort to end tyranny and to promote effective democracy.

1. Explaining the Goal: Ending Tyranny

Tyranny is the combination of brutality, poverty, instability, corruption, and suffering, forged under the rule of despots and despotic systems. People living in nations such as the Democratic People's Republic of Korea (DPRK), Iran, Syria, Cuba, Belarus, Burma, and Zimbabwe know firsthand the meaning of tyranny; it is the bleak reality they endure every day. And the nations they border know the consequences of tyranny as well, for the misrule of tyrants at home leads to instability abroad. All tyrannies threaten the world's interest in freedom's expansion, and some tyrannies, in their pursuit of WMD or sponsorship of terrorism, threaten our immediate security interests as well. Tyranny is not inevitable, and recent history reveals the arc of the tyrant's fate. The 20th century has been called the "Democracy Century," as tyrannies fell one by one and democracies rose in their stead. At mid-century about two dozen of the world's governments were democratic; 50 years later this number was over 120. The democratic revolution has embraced all cultures and all continents.

Though tyranny has few advocates, it needs more adversaries. In today's world, no tyrant's rule can survive without the support or at least the tolerance of other nations. To end tyranny we must summon the collective outrage of the free world against the oppression, abuse, and impoverishment that tyrannical regimes inflict on their people – and summon their collective action against the dangers tyrants pose to the security of the world.

An end to tyranny will not mark an end to all global ills. Disputes, disease, disorder, poverty, and injustice will outlast tyranny, confronting democracies long after the last tyrant has fallen. Yet tyranny must not be tolerated – it is a crime of man, not a fact of nature.

2. Explaining the Goal: Promoting Effective Democracies

As tyrannies give way, we must help newly free nations build effective democracies: states that are respectful of human dignity, accountable to their citizens, and responsible towards their neighbors. Effective democracies:

- Honor and uphold basic human rights, including freedom of religion, conscience, speech, assembly, association, and press;

- Are responsive to their citizens, submitting to the will of the people, especially when people vote to change their government;

- Exercise effective sovereignty and maintain order within their own borders, protect independent and impartial systems of justice, punish crime, embrace the rule of law, and resist corruption; and

- Limit the reach of government, protecting the institutions of civil society, including the family, religious communities, voluntary associations, private property, independent business, and a market economy.

In effective democracies, freedom is indivisible. Political, religious, and economic liberty advance together and reinforce each other. Some regimes have opened their economies while trying to restrict political or religious freedoms. This will not work. Over time, as people gain control over their economic lives, they will insist on more control over their political and personal lives as well. Yet political progress can be jeopardized if economic progress does not keep pace. We will harness the tools of economic assistance, development aid, trade, and good governance to help ensure that new democracies are not burdened with economic stagnation or endemic corruption. Elections are the most visible sign of a free society and can play a critical role in advancing effective democracy. But elections alone are not enough – they must be reinforced by other values, rights, and institutions to bring about lasting freedom. Our goal is human liberty protected by democratic institutions.

Participation in elections by individuals or parties must include their commitment to the equality of all citizens; minority rights; civil liberties; voluntary and peaceful transfer of power; and the peaceful resolution of differences. Effective democracy also requires institutions that can protect individual liberty and ensure that the government is responsive and accountable to its citizens. There must be an independent media to inform the public and facilitate the free exchange of ideas. There must be political associations and political parties that can freely compete. Rule of law must

be reinforced by an independent judiciary, a professional legal establishment, and an honest and competent police force.

These principles are tested by the victory of Hamas candidates in the recent elections in the Palestinian territories. The Palestinian people voted in a process that was free, fair, and inclusive.

The Palestinian people having made their choice at the polls, the burden now shifts to those whom they have elected to take the steps necessary to advance peace, prosperity, and statehood for the Palestinian people. Hamas has been designated as a terrorist organization by the United States and European Union (EU) because it has embraced terrorism and deliberately killed innocent civilians. The international community has made clear that there is a fundamental contradiction between armed group and militia activities and the building of a democratic state. The international community has also made clear that a two-state solution to the conflict requires all participants in the democratic process to renounce violence and terror, accept Israel's right to exist, and disarm as outlined in the Roadmap. These requirements are clear, firm, and of long standing. The opportunity for peace and statehood – a consistent goal of this Administration – is open if Hamas will abandon its terrorist roots and change its relationship with Israel.

The elected Hamas representatives also have an opportunity and a responsibility to uphold the principles of democratic government, including protection of minority rights and basic freedoms and a commitment to a recurring, free, and fair electoral process. By respecting these principles, the new Palestinian leaders can demonstrate their own commitment to freedom and help bring a lasting democracy to the Palestinian territories. But any elected government that refuses to honor these principles cannot be considered fully democratic, however it may have taken office.

3. How We Will Advance Freedom: Principled in Goals and Pragmatic in Means

We have a responsibility to promote human freedom. Yet freedom cannot be imposed; it must be chosen. The form that freedom and democracy take in any land will reflect the history, culture, and habits unique to its people. The United States will stand with and support advocates of freedom in every land. Though our principles are consistent, our tactics will vary. They will reflect, in part, where each government is on the path from tyranny to democracy. In some cases, we will take vocal and visible steps on behalf of immediate change. In other cases, we will lend more quiet support to lay the foundation for future reforms. As we consider which approaches to take, we will be guided by what will most effectively advance freedom's cause while we balance other interests that are also vital to the security and well-being of the American people.

In the cause of ending tyranny and promoting effective democracy, we will employ the full array of political, economic, diplomatic, and other tools at our disposal, including:

- Speaking out against abuses of human rights;

- Supporting publicly democratic reformers in repressive nations, including by holding high-level meetings with them at the White House, Department of State, and U.S. Embassies;

- Using foreign assistance to support the development of free and fair elections, rule of law, civil society, human rights, women's rights, free media, and religious freedom;

- Tailoring assistance and training of military forces to support civilian control of the military and military respect for human rights in a democratic society;

- Applying sanctions that designed to target those who rule oppressive regimes while sparing the people;

- Encouraging other nations not to support oppressive regimes;

- Partnering with other democratic nations to promote freedom, democracy, and human rights in specific countries and regions;

- Strengthening and building new initiatives such as the Broader Middle East and North Africa Initiative's Foundation for the Future, the Community of Democracies, and the United Nations Democracy Fund;

- Forming creative partnerships with nongovernmental organizations and other civil society voices to support and reinforce their work;

Working with existing international institutions such as the United Nations and regional organizations such as the Organization for Security and Cooperation in Europe, the African Union (AU), and the Organization of American States (OAS) to help implement their democratic commitments, and helping establish democracy charters in regions that lack them;

Supporting condemnation in multilateral institutions of egregious violations of human rights and freedoms;

Encouraging foreign direct investment in and foreign assistance to countries where there is a commitment to the rule of law, fighting corruption, and democratic accountability; and

Concluding free trade agreements (FTAs) that encourage countries to enhance the rule of law, fight corruption, and further democratic accountability.

These tools must be used vigorously to protect the freedoms that face particular peril around the world: religious freedom, women's rights, and freedom for men, women, and children caught in the cruel network of human trafficking.

Against a terrorist enemy that is defined by religious intolerance, we defend the First Freedom: the right of people to believe and worship according to the dictates of their own conscience, free from the coercion of the state, the coercion of the majority, or the coercion of a minority that wants to dictate what others must believe.

No nation can be free if half its population is oppressed and denied fundamental rights. We affirm the inherent dignity and worth of women, and support vigorously their full participation in all aspects of society.

Trafficking in persons is a form of modern-day slavery, and we strive for its total abolition. Future generations will not excuse those who turn a blind eye to it.

Our commitment to the promotion of freedom is a commitment to walk alongside governments and their people as they make the difficult transition to effective democracies. We will not abandon them before the transition is secure because immature democracies can be prone to conflict and vulnerable to exploitation by terrorists. We will not let the challenges of democratic transitions frighten us into clinging to the illusory stability of the authoritarian.

America's closest alliances and friendships are with countries with whom we share common values and principles. The more countries demonstrate that they treat their own citizens with respect and are committed to democratic principles, the closer and stronger their relationship with America is likely to be.

The United States will lead and calls on other nations to join us in a common international effort. All free nations have a responsibility to stand together for freedom because all free nations share an interest in freedom's advance

III. STRENGTHEN ALLIANCES TO DEFEAT GLOBAL TERRORISM AND WORK TO PREVENT ATTACKS AGAINST US AND OUR FRIENDS

A. Summary of National Security Strategy 2002

Defeating terrorism requires a long-term strategy and a break with old patterns. We are fighting a new enemy with global reach. The United States can no longer simply rely on deterrence to keep the terrorists at bay or defensive measures to thwart them at the last moment. The fight must be taken to the enemy, to keep them on the run. To succeed in our own efforts, we need the support and concerted action of friends and allies. We must join with others to deny the terrorists what they need to survive: safe haven, financial support, and the support and protection that certain nation-states historically have given them.

B. Current Context: Successes and Challenges

The war against terror is not over. America is safer, but not yet safe. As the enemy adjusts to our successes, so too must we adjust. The successes are many:

Al-Qaida has lost its safe haven in Afghanistan.

A multinational coalition joined by the Iraqis is aggressively prosecuting the war against the terrorists in Iraq.

The al-Qaida network has been significantly degraded. Most of those in the al-Qaida network responsible for the September 11 attacks, including the plot's mastermind Khalid Shaykh Muhammad, have been captured or killed.

There is a broad and growing global consensus that the deliberate killing of innocents is never justified by any calling or cause.

Many nations have rallied to fight terrorism, with unprecedented cooperation on law enforcement, intelligence, military, and diplomatic activity.

Numerous countries that were part of the problem before September 11 are now increasingly becoming part of the solution – and this transformation has occurred without destabilizing friendly regimes in key regions.

The Administration has worked with Congress to adopt and implement key reforms like the Patriot Act which promote our security while also protecting our fundamental liberties.

The enemy is determined, however, and we face some old and new challenges:

Terrorist networks today are more dispersed and less centralized. They are more reliant on smaller cells inspired by a common ideology and less directed by a central command structure.

While the United States Government and its allies have thwarted many attacks, we have not been able to stop them all. The terrorists have struck in many places, including Afghanistan, Egypt, Indonesia, Iraq, Israel, Jordan, Morocco, Pakistan, Russia, Saudi Arabia, Spain, and the United Kingdom. And they continue to seek WMD in order to inflict even more catastrophic attacks on us and our friends and allies.

The ongoing fight in Iraq has been twisted by terrorist propaganda as a rallying cry.

Some states, such as Syria and Iran, continue to harbor terrorists at home and sponsor terrorist activity abroad.

C. The Way Ahead

From the beginning, the War on Terror has been both a battle of arms and a battle of ideas – a fight against the terrorists and against their murderous ideology. In the short run, the fight involves using military force and other instruments of national power to kill or capture the terrorists, deny them safe haven or control of any nation; prevent them from gaining access to WMD; and cut off their sources of support. In the long run, winning the war on terror means winning the battle of ideas, for it is ideas that can turn the disenchanted into murderers willing to kill innocent victims.

While the War on Terror is a battle of ideas, it is not a battle of religions. The transnational terrorists confronting us today exploit the proud religion of Islam to serve a violent political vision: the establishment, by terrorism and subversion, of a totalitarian empire that denies all political and religious freedom. These terrorists distort the idea of jihad into a call for murder against those they regard as apostates or unbelievers – including Christians, Jews, Hindus, other religious traditions, and all Muslims who disagree with them. Indeed, most of the terrorist attacks since September 11 have occurred in Muslim countries – and most of the victims have been Muslims.

To wage this battle of ideas effectively, we must be clear-eyed about what does and does not give rise to terrorism:

Terrorism is not the inevitable by-product of poverty. Many of the September 11 hijackers were from middle-class backgrounds, and many terrorist leaders, like bin Laden, are from privileged upbringings.

Terrorism is not simply a result of hostility to U.S. policy in Iraq. The United States was attacked on September 11 and earlier, well before we toppled the Saddam Hussein regime. Moreover, countries that stayed out of the Iraq war have not been spared from terror attack.

Terrorism is not simply a result of Israeli-Palestinian issues. Al-Qaida plotting for the September 11 attacks began in the 1990s, during an active period in the peace process.

Terrorism is not simply a response to our efforts to prevent terror attacks. The al-Qaida network targeted the United States long before the United States targeted al-Qaida. Indeed, the terrorists are emboldened more by perceptions of weakness than by demonstrations of resolve.

Terrorists lure recruits by telling them that we are decadent and easily intimidated and will retreat if attacked.

The terrorism we confront today springs from:

Political alienation. Transnational terrorists are recruited from people who have no voice in their own government and see no legitimate way to promote change in their own country. Without a stake in the existing order, they are vulnerable to manipulation by those who advocate a perverse vision based on violence and destruction.

Grievances that can be blamed on others. The failures the terrorists feel and see are blamed on others, and on perceived injustices from the recent or sometimes distant past. The terrorists' rhetoric keeps wounds associated with this past fresh and raw, a potent motivation for revenge and terror.

Sub-cultures of conspiracy and misinformation. Terrorists recruit more effectively from populations whose information about the world is contaminated by falsehoods and corrupted by conspiracy theories. The distortions keep alive grievances and filter out facts that would challenge popular prejudices and self-serving propaganda.

An ideology that justifies murder. Terrorism ultimately depends upon the appeal of an ideology that excuses or even glorifies the deliberate killing of innocents. A proud religion – the religion of Islam – has been twisted and made to serve an evil end, as in other times and places other religions have been similarly abused.

Defeating terrorism in the long run requires that each of these factors be addressed. The genius of democracy is that it provides a counter to each.

In place of alienation, democracy offers an ownership stake in society, a chance to shape one's own future.

In place of festering grievances, democracy offers the rule of law, the peaceful resolution of disputes, and the habits of advancing interests through compromise.

In place of a culture of conspiracy and misinformation, democracy offers freedom of speech, independent media, and the marketplace of ideas, which can expose and discredit falsehoods, prejudices, and dishonest propaganda.

In place of an ideology that justifies murder, democracy offers a respect for human dignity that abhors the deliberate targeting of innocent civilians.

Democracy is the opposite of terrorist tyranny, which is why the terrorists denounce it and are willing to kill the innocent to stop it. Democracy is based on empowerment, while the terrorists' ideology is based on enslavement. Democracies expand the freedom of their citizens, while the terrorists seek to impose a single set of narrow beliefs. Democracy sees individuals as equal in worth and dignity, having an inherent potential to create and to govern themselves. The terrorists see individuals as objects to be exploited, and then to be ruled and oppressed.

Democracies are not immune to terrorism. In some democracies, some ethnic or religious groups are unable or unwilling to grasp the benefits of freedom otherwise available in the society. Such groups can evidence the same alienation and despair that the transnational terrorists exploit in undemocratic states. This accounts for the emergence in democratic societies of homegrown terrorists such as were responsible for the bombings in London in July 2005 and for the violence in some other nations. Even in these cases, the long-term solution remains deepening the reach of democracy so that all citizens enjoy its benefits.

The strategy to counter the lies behind the terrorists' ideology is to empower the very people the terrorists most want to exploit: the faithful followers of Islam. We will continue to support political reforms that empower peaceful Muslims to practice and interpret their faith. The most vital work will be done within the Islamic world itself, and Jordan, Morocco, and Indonesia have begun to make important strides in this effort. Responsible Islamic leaders need to denounce an ideology that distorts and exploits Islam for destructive ends and defiles a proud religion.

Many of the Muslim faith are already making this commitment at great personal risk. They realize they are a target of this ideology of terror. Everywhere we have joined in the fight against terrorism, Muslim allies have stood beside us, becoming partners in this vital cause. Pakistan and Saudi Arabia have launched effective efforts to capture or kill the leadership of the al-Qaida network. Afghan troops are in combat against Taliban remnants. Iraqi soldiers are sacrificing to defeat al-Qaida in their own country. These brave citizens know the stakes – the survival of their own liberty, the future of their own region, the justice and humanity of their own traditions – and the United States is proud to stand beside them.

The advance of freedom and human dignity through democracy is the long-term solution to the transnational terrorism of today. To create the space and time for that long-term solution to take root, there are four steps we will take in the short term.

Prevent attacks by terrorist networks before they occur. A government has no higher obligation than to protect the lives and livelihoods of its citizens. The hard core of the terrorists cannot be deterred or reformed; they must be tracked down, killed, or captured. They must be cut off from the network of individuals and institutions on which they depend for support. That network must in turn be deterred, disrupted, and disabled by using a broad range of tools.

Deny WMD to rogue states and to terrorist allies who would use them without hesitation. Terrorists have a perverse moral code that glorifies deliberately targeting innocent civilians. Terrorists try to inflict as many casualties as possible and seek WMD to this end. Denying terrorists WMD will require new tools and new international approaches. We are working with partner nations to improve security at vulnerable nuclear sites worldwide and bolster the ability of states to detect, disrupt, and respond to terrorist activity involving WMD.

Deny terrorist groups the support and sanctuary of rogue states. The United States and its allies in the War on Terror make no distinction between those who commit acts of terror and those who support and harbor them, because they are equally guilty of murder. Any government that chooses to be an ally of terror, such as Syria or Iran, has chosen to be an enemy of freedom, justice, and peace. The world must hold those regimes to account.

Deny the terrorists control of any nation that they would use as a base and launching pad for terror. The terrorists' goal is to overthrow a rising democracy; claim a strategic country as a haven for terror; destabilize the Middle East; and strike America and other free nations with ever-increasing violence. This we can never allow. This is why success in Afghanistan and Iraq is vital, and why we must prevent terrorists from exploiting ungoverned areas.

America will lead in this fight, and we will continue to partner with allies and will recruit new friends to join the battle.

Afghanistan and Iraq: The Front Lines in the War on Terror

Winning the War on Terror requires winning the battles in Afghanistan and Iraq.

In Afghanistan, the successes already won must be consolidated. A few years ago, Afghanistan was condemned to a pre-modern nightmare. Now it has held two successful free elections and is a staunch ally in the war on terror. Much work remains, however, and the Afghan people deserve the support of the United States and the entire international community.

The terrorists today see Iraq as the central front of their fight against the United States. They want to defeat America in Iraq and force us to abandon our allies before a stable democratic government has been established that can provide for its own security. The terrorists believe they would then have proven that the United States is a waning power and an unreliable friend. In the chaos of a broken Iraq the terrorists believe they would be able to establish a safe haven like they had in Afghanistan, only this time in the heart of a geopolitically vital region. Surrendering to the terrorists would likewise hand them a powerful recruiting tool: the perception that they are the vanguard of history.

When the Iraqi Government, supported by the Coalition, defeats the terrorists, terrorism will be dealt a critical blow. We will have broken one of al-Qaida's most formidable factions – the

network headed by Zarqawi – and denied him the safe haven he seeks in Iraq. And the success of democracy in Iraq will be a launching pad for freedom's success throughout a region that for decades has been a source of instability and stagnation.

The Administration has explained in some detail the strategy for helping the Iraqi people defeat the terrorists and neutralize the insurgency in Iraq. This requires supporting the Iraqi people in integrating activity along three broad tracks:

Political: Work with Iraqis to:

Isolate hardened enemy elements who are unwilling to accept a peaceful political process;

Engage those outside the political process who are willing to turn away from violence and invite them into that process; and

Build stable, pluralistic, and effective national institutions that can protect the interests of all Iraqis.

Security: Work with Iraqi Security Forces to:

Clear areas of enemy control by remaining on the offensive, killing and capturing enemy fighters, and denying them safe haven;

Hold areas freed from enemy control with an adequate Iraqi security force presence that ensures these areas remain under the control of a peaceful Iraqi Government; and

Build Iraqi Security Forces and the capacity of local institutions to deliver services, advance the rule of law, and nurture civil society.

Economic: Work with the Iraqi Government to:

Restore Iraq's neglected infrastructure so that Iraqis can meet increasing demand and the needs of a growing economy;

Reform Iraq's economy so that it can be self-sustaining based on market principles; and

Build the capacity of Iraqi institutions to maintain their infrastructure, rejoin the international economic community, and improve the general welfare and prosperity of all Iraqis.

IV. WORK WITH OTHERS TO DEFUSE REGIONAL CONFLICTS

A. Summary of National Security Strategy 2002

Regional conflicts are a bitter legacy from previous decades that continue to affect our national security interests today. Regional conflicts do not stay isolated for long and often spread or devolve into humanitarian tragedy or anarchy. Outside parties can exploit them to further other ends, much as al-Qaida exploited the civil war in Afghanistan. This means that even if the United States does not have a direct stake in a particular conflict, our interests are likely to be affected over time. Outsiders generally cannot impose solutions on parties that are not ready to embrace them, but outsiders can sometimes help create the conditions under which the parties themselves can take effective action.

B. Current Context: Successes and Challenges

The world has seen remarkable progress on a number of the most difficult regional conflicts that destroyed millions of lives over decades.

In Sudan, the United States led international negotiations that peacefully resolved the 20-year conflict between the Government of Sudan and the Sudanese Peoples Liberation Movement.

In Liberia, the United States led international efforts to restore peace and bolster stability after vicious internal conflict.

Israeli forces have withdrawn from the Gaza Strip and the northern West Bank, creating the prospect for transforming Israeli-Palestinian relations and underscoring the need for the Palestinian Authority to stand up an effective, responsible government.

Relations between India and Pakistan have improved, with an exchange of high-level visits and a new spirit of cooperation in the dispute over Kashmir – a cooperation made more tangible by humanitarian actions undertaken following a destructive earthquake.

The cooperative approach to the relief effort following the tsunami that hit Indonesia resulted in political shifts that helped make possible a peaceful settlement in the bitter separatist conflict in Aceh.

In Northern Ireland, the implementation of key parts of the Good Friday Agreement, including the decommissioning of weapons, marked a substantial milestone in ending that long-standing civil conflict.

Numerous remaining regional challenges demand the world's attention:

In Darfur, the people of an impoverished region are the victims of genocide arising from a civil war that pits a murderous militia, backed by the Sudanese Government, against a collection of rebel groups.

In Colombia, a democratic ally is fighting the persistent assaults of Marxist terrorists and drug-traffickers.

In Venezuela, a demagogue awash in oil money is undermining democracy and seeking to destabilize the region.

In Cuba, an anti-American dictator continues to oppress his people and seeks to subvert freedom in the region.

In Uganda, a barbaric rebel cult – the Lord's Resistance Army – is exploiting a regional conflict and terrorizing a vulnerable population.

In Ethiopia and Eritrea, a festering border dispute threatens to erupt yet again into open war.

In Nepal, a vicious Maoist insurgency continues to terrorize the population while the government retreats from democracy.

C. The Way Ahead

Regional conflicts can arise from a wide variety of causes, including poor governance, external aggression, competing claims, internal revolt, tribal rivalries, and ethnic or religious hatreds. If left unaddressed, however, these different causes lead to the same ends: failed states, humanitarian disasters, and ungoverned areas that can become safe havens for terrorists.

The Administration's strategy for addressing regional conflicts includes three levels of engagement: conflict prevention and resolution; conflict intervention; and post-conflict stabilization and reconstruction.

Effective international cooperation on these efforts is dependent on capable partners. To this end, Congress has enacted new authorities that will permit the United States to train and equip our foreign partners in a more timely and effective manner. Working with Congress, we will continue to pursue foreign assistance reforms that allow the President to draw on the skills of agencies across the United States Government.

1. Conflict Prevention and Resolution

The most effective long-term measure for conflict prevention and resolution is the promotion of democracy. Effective democracies may still have disputes, but they are equipped to resolve their differences peacefully, either bilaterally or by working with other regional states or international institutions. In the short term, however, a timely offer by free nations of "good offices" or outside assistance can sometimes prevent conflict or help resolve conflict once started. Such early measures can prevent problems from becoming crises and crises from becoming wars. The United States is ready to play this role when appropriate. Even with outside help, however, there is no substitute for bold and effective local leadership.

Progress in the short term may also depend upon the stances of key regional actors. The most effective way to address a problem within one country may be by addressing the wider regional context. This regional approach has particular application to Israeli-Palestinian issues, the conflicts in the Great Lakes region of Africa, and the conflict within Nepal.

2. Conflict Intervention

Some conflicts pose such a grave threat to our broader interests and values that conflict intervention may be needed to restore peace and stability. Recent experience has underscored that

the international community does not have enough high-quality military forces trained and capable of performing these peace operations. The Administration has recognized this need and is working with the North Atlantic Treaty Organization (NATO) to improve the capacity of states to intervene in conflict situations. We launched the Global Peace Operations Initiative at the 2004 G-8 Summit to train peacekeepers for duty in Africa. We are also supporting United Nations (U.N.) reform to improve its ability to carry out peacekeeping missions with enhanced accountability, oversight, and results-based management practices.

3. Post-Conflict Stabilization and Reconstruction

Once peace has been restored, the hard work of post-conflict stabilization and reconstruction must begin. Military involvement may be necessary to stop a bloody conflict, but peace and stability will last only if follow-on efforts to restore order and rebuild are successful. The world has found through bitter experience that success often depends on the early establishment of strong local institutions such as effective police forces and a functioning justice and penal system. This governance capacity is critical to establishing the rule of law and a free market economy, which provide long-term stability and prosperity.

To develop these capabilities, the Administration established a new office in the Department of State, the Office of the Coordinator for Reconstruction and Stabilization, to plan and execute civilian stabilization and reconstruction efforts. The office draws on all agencies of the government and integrates its activities with our military's efforts. The office will also coordinate United States Government efforts with other governments building similar capabilities (such as the United Kingdom, Canada, the EU, and others), as well as with new international efforts such as the U.N. Peacebuilding Commission.

4. Genocide

Patient efforts to end conflicts should not be mistaken for tolerance of the intolerable. Genocide is the intent to destroy in whole or in part a national, ethnic, racial, or religious group. The world needs to start honoring a principle that many believe has lost its force in parts of the international community in recent years: genocide must not be tolerated.

It is a moral imperative that states take action to prevent and punish genocide. History teaches that sometimes other states will not act unless America does its part. We must refine United States Government efforts – economic, diplomatic, and law-enforcement – so that they target those individuals responsible for genocide and not the innocent citizens they rule. Where perpetrators of mass killing defy all attempts at peaceful intervention, armed intervention may be required, preferably by the forces of several nations working together under appropriate regional or international auspices.

We must not allow the legal debate over the technical definition of “genocide” to excuse inaction. The world must act in cases of mass atrocities and mass killing that will eventually lead to genocide even if the local parties are not prepared for peace.

V. PREVENT OUR ENEMIES FROM THREATENING US, OUR ALLIES, AND OUR FRIENDS WITH WEAPONS OF MASS DESTRUCTION

A. Summary of National Security Strategy 2002

The security environment confronting the United States today is radically different from what we have faced before. Yet the first duty of the United States Government remains what it always has been: to protect the American people and American interests. It is an enduring American principle that this duty obligates the government to anticipate and counter threats, using all elements of national power, before the threats can do grave damage. The greater the threat, the greater is the risk of inaction – and the more compelling the case for taking anticipatory action to defend ourselves, even if uncertainty remains as to the time and place of the enemy's attack. There are few greater threats than a terrorist attack with WMD.

To forestall or prevent such hostile acts by our adversaries, the United States will, if necessary, act preemptively in exercising our inherent right of self-defense. The United States will

not resort to force in all cases to preempt emerging threats. Our preference is that nonmilitary actions succeed. And no country should ever use preemption as a pretext for aggression.

Countering proliferation of WMD requires a comprehensive strategy involving strengthened nonproliferation efforts to deny these weapons of terror and related expertise to those seeking them; proactive counterproliferation efforts to defend against and defeat WMD and missile threats before they are unleashed; and improved protection to mitigate the consequences of WMD use. We aim to convince our adversaries that they cannot achieve their goals with WMD, and thus deter and dissuade them from attempting to use or even acquire these weapons in the first place.

B. Current Context: Successes and Challenges

We have worked hard to protect our citizens and our security. The United States has worked extensively with the international community and key partners to achieve common objectives.

The United States has begun fielding ballistic missile defenses to deter and protect the United States from missile attacks by rogue states armed with WMD. The fielding of such missile defenses was made possible by the United States' withdrawal from the 1972 Anti-Ballistic Missile Treaty, which was done in accordance with the treaty's provisions.

In May 2003, the Administration launched the Proliferation Security Initiative (PSI), a global effort that aims to stop shipments of WMD, their delivery systems, and related material. More than 70 countries have expressed support for this initiative, and it has enjoyed several successes in impeding WMD trafficking.

United States leadership in extensive law enforcement and intelligence cooperation involving several countries led to the roll-up of the A.Q. Khan nuclear network.

Libya voluntarily agreed to eliminate its WMD programs shortly after a PSI interdiction of a shipment of nuclear-related material from the A.Q. Khan network to Libya.

The United States led in securing passage in April 2004 of United Nations Security Council (UNSC) Resolution 1540, requiring nations to criminalize WMD proliferation and institute effective export and financial controls.

We have led the effort to strengthen the ability of the International Atomic Energy Agency (IAEA) to detect and respond to nuclear proliferation.

The Administration has established a new comprehensive framework, Biodefense for the 21st Century, incorporating innovative initiatives to protect the United States against bioterrorism.

Nevertheless, serious challenges remain:

Iran has violated its Non-Proliferation Treaty safeguards obligations and refuses to provide objective guarantees that its nuclear program is solely for peaceful purposes.

The DPRK continues to destabilize its region and defy the international community, now boasting a small nuclear arsenal and an illicit nuclear program in violation of its international obligations.

Terrorists, including those associated with the al-Qaida network, continue to pursue WMD.

Some of the world's supply of weapons-grade fissile material – the necessary ingredient for making nuclear weapons – is not properly protected.

Advances in biotechnology provide greater opportunities for state and non-state actors to obtain dangerous pathogens and equipment.

C. The Way Ahead

We are committed to keeping the world's most dangerous weapons out of the hands of the world's most dangerous people.

1. Nuclear Proliferation

The proliferation of nuclear weapons poses the greatest threat to our national security. Nuclear weapons are unique in their capacity to inflict instant loss of life on a massive scale. For this reason, nuclear weapons hold special appeal to rogue states and terrorists.

The best way to block aspiring nuclear states or nuclear terrorists is to deny them access to the essential ingredient of fissile material. It is much harder to deny states or terrorists other key

components, for nuclear weapons represent a 60-year old technology and the knowledge is widespread. Therefore, our strategy focuses on controlling fissile material with two priority objectives: first, to keep states from acquiring the capability to produce fissile material suitable for making nuclear weapons; and second, to deter, interdict, or prevent any transfer of that material from states that have this capability to rogue states or to terrorists.

The first objective requires closing a loophole in the Non-Proliferation Treaty that permits regimes to produce fissile material that can be used to make nuclear weapons under cover of a civilian nuclear power program. To close this loophole, we have proposed that the world's leading nuclear exporters create a safe, orderly system that spreads nuclear energy without spreading nuclear weapons. Under this system, all states would have reliable access at reasonable cost to fuel for civilian nuclear power reactors. In return, those states would remain transparent and renounce the enrichment and reprocessing capabilities that can produce fissile material for nuclear weapons. In this way, enrichment and reprocessing will not be necessary for nations seeking to harness nuclear energy for strictly peaceful purposes.

The Administration has worked with the international community in confronting nuclear proliferation.

We may face no greater challenge from a single country than from Iran. For almost 20 years, the Iranian regime hid many of its key nuclear efforts from the international community. Yet the regime continues to claim that it does not seek to develop nuclear weapons. The Iranian regime's true intentions are clearly revealed by the regime's refusal to negotiate in good faith; its refusal to come into compliance with its international obligations by providing the IAEA access to nuclear sites and resolving troubling questions; and the aggressive statements of its President calling for Israel to "be wiped off the face of the earth." The United States has joined with our EU partners and Russia to pressure Iran to meet its international obligations and provide objective guarantees that its nuclear program is only for peaceful purposes. This diplomatic effort must succeed if confrontation is to be avoided.

As important as are these nuclear issues, the United States has broader concerns regarding Iran. The Iranian regime sponsors terrorism; threatens Israel; seeks to thwart Middle East peace; disrupts democracy in Iraq; and denies the aspirations of its people for freedom. The nuclear issue and our other concerns can ultimately be resolved only if the Iranian regime makes the strategic decision to change these policies, open up its political system, and afford freedom to its people. This is the ultimate goal of U.S. policy. In the interim, we will continue to take all necessary measures to protect our national and economic security against the adverse effects of their bad conduct. The problems lie with the illicit behavior and dangerous ambition of the Iranian regime, not the legitimate aspirations and interests of the Iranian people. Our strategy is to block the threats posed by the regime while expanding our engagement and outreach to the people the regime is oppressing.

The North Korean regime also poses a serious nuclear proliferation challenge. It presents a long and bleak record of duplicity and bad-faith negotiations. In the past, the regime has attempted to split the United States from its allies. This time, the United States has successfully forged a consensus among key regional partners – China, Japan, Russia, and the Republic of Korea (ROK) – that the DPRK must give up all of its existing nuclear programs. Regional cooperation offers the best hope for a peaceful, diplomatic resolution of this problem. In a joint statement signed on September 19, 2005, in the Six-Party Talks among these participants, the DPRK agreed to abandon its nuclear weapons and all existing nuclear programs. The joint statement also declared that the relevant parties would negotiate a permanent peace for the Korean peninsula and explore ways to promote security cooperation in Asia. Along with our partners in the Six-Party Talks, the United States will continue to press the DPRK to implement these commitments.

The United States has broader concerns regarding the DPRK as well. The DPRK counterfeits our currency; traffics in narcotics and engages in other illicit activities; threatens the ROK with its

army and its neighbors with its missiles; and brutalizes and starves its people. The DPRK regime needs to change these policies, open up its political system, and afford freedom to its people. In the interim, we will continue to take all necessary measures to protect our national and economic security against the adverse effects of their bad conduct.

The second nuclear proliferation objective is to keep fissile material out of the hands of rogue states and terrorists. To do this we must address the danger posed by inadequately safeguarded nuclear and radiological materials worldwide. The Administration is leading a global effort to reduce and secure such materials as quickly as possible through several initiatives including the Global Threat Reduction Initiative (GTRI). The GTRI locates, tracks, and reduces existing stockpiles of nuclear material. This new initiative also discourages trafficking in nuclear material by emplacing detection equipment at key transport nodes.

Building on the success of the PSI, the United States is also leading international efforts to shut down WMD trafficking by targeting key maritime and air transportation and transshipment routes, and by cutting off proliferators from financial resources that support their activities.

2. Biological Weapons

Biological weapons also pose a grave WMD threat because of the risks of contagion that would spread disease across large populations and around the globe. Unlike nuclear weapons, biological weapons do not require hard-to-acquire infrastructure or materials. This makes the challenge of controlling their spread even greater.

Countering the spread of biological weapons requires a strategy focused on improving our capacity to detect and respond to biological attacks, securing dangerous pathogens, and limiting the spread of materials useful for biological weapons. The United States is working with partner nations and institutions to strengthen global biosurveillance capabilities for early detection of suspicious outbreaks of disease. We have launched new initiatives at home to modernize our public health infrastructure and to encourage industry to speed the development of new classes of vaccines and medical countermeasures. This will also enhance our Nation's ability to respond to pandemic public health threats, such as avian influenza.

3. Chemical Weapons

Chemical weapons are a serious proliferation concern and are actively sought by terrorists, including al-Qaida. Much like biological weapons, the threat from chemical weapons increases with advances in technology, improvements in agent development, and ease in acquisition of materials and equipment.

To deter and defend against such threats, we work to identify and disrupt terrorist networks that seek chemical weapons capabilities, and seek to deny them access to materials needed to make these weapons. We are improving our detection and other chemical defense capabilities at home and abroad, including ensuring that U.S. military forces and emergency responders are trained and equipped to manage the consequences of a chemical weapons attack.

4. The Need for Action

The new strategic environment requires new approaches to deterrence and defense. Our deterrence strategy no longer rests primarily on the grim premise of inflicting devastating consequences on potential foes. Both offenses and defenses are necessary to deter state and non-state actors, through denial of the objectives of their attacks and, if necessary, responding with overwhelming force.

Safe, credible, and reliable nuclear forces continue to play a critical role. We are strengthening deterrence by developing a New Triad composed of offensive strike systems (both nuclear and improved conventional capabilities); active and passive defenses, including missile defenses; and a responsive infrastructure, all bound together by enhanced command and control, planning, and intelligence systems. These capabilities will better deter some of the new threats we face, while also bolstering our security commitments to allies. Such security commitments have

played a crucial role in convincing some countries to forgo their own nuclear weapons programs, thereby aiding our nonproliferation objectives.

Deterring potential foes and assuring friends and allies, however, is only part of a broader approach. Meeting WMD proliferation challenges also requires effective international action – and the international community is most engaged in such action when the United States leads.

Taking action need not involve military force. Our strong preference and common practice is to address proliferation concerns through international diplomacy, in concert with key allies and regional partners. If necessary, however, under long-standing principles of self defense, we do not rule out the use of force before attacks occur, even if uncertainty remains as to the time and place of the enemy's attack. When the consequences of an attack with WMD are potentially so devastating, we cannot afford to stand idly by as grave dangers materialize. This is the principle and logic of preemption. The place of preemption in our national security strategy remains the same. We will always proceed deliberately, weighing the consequences of our actions. The reasons for our actions will be clear, the force measured, and the cause just.

Iraq and Weapons of Mass Destruction

This Administration inherited an Iraq threat that was unresolved. In early 2001, the international support for U.N. sanctions and continued limits on the Iraqi regime's weapons-related activity was eroding, and key UNSC members were asking that they be lifted.

For America, the September 11 attacks underscored the danger of allowing threats to linger unresolved. Saddam Hussein's continued defiance of 16 UNSC resolutions over 12 years, combined with his record of invading neighboring countries, supporting terrorists, tyrannizing his own people, and using chemical weapons, presented a threat we could no longer ignore.

The UNSC unanimously passed Resolution 1441 on November 8, 2002, calling for full and immediate compliance by the Iraqi regime with its disarmament obligations. Once again, Saddam defied the international community. According to the Iraq Survey Group, the team of inspectors that went into Iraq after Saddam Hussein was toppled and whose report provides the fullest accounting of the Iraqi regime's illicit activities:

"Saddam continued to see the utility of WMD. He explained that he purposely gave an ambiguous impression about possession as a deterrent to Iran. He gave explicit direction to maintain the intellectual capabilities. As U.N. sanctions eroded there was a concomitant expansion of activities that could support full WMD reactivation. He directed that ballistic missile work continue that would support long-range missile development. Virtually no senior Iraqi believed that Saddam had forsaken WMD forever. Evidence suggests that, as resources became available and the constraints of sanctions decayed, there was a direct expansion of activity that would have the effect of supporting future WMD reconstitution."

With the elimination of Saddam's regime, this threat has been addressed, once and for all.

The Iraq Survey Group also found that pre-war intelligence estimates of Iraqi WMD stockpiles were wrong – a conclusion that has been confirmed by a bipartisan commission and congressional investigations. We must learn from this experience if we are to counter successfully the very real threat of proliferation.

First, our intelligence must improve. The President and the Congress have taken steps to reorganize and strengthen the U.S. intelligence community. A single, accountable leader of the intelligence community with authorities to match his responsibilities, and increased sharing of information and increased resources, are helping realize this objective.

Second, there will always be some uncertainty about the status of hidden programs since proliferators are often brutal regimes that go to great lengths to conceal their activities. Indeed, prior to the 1991 Gulf War, many intelligence analysts underestimated the WMD threat posed by the Iraqi regime. After that conflict, they were surprised to learn how far Iraq had progressed along various pathways to try to produce fissile material.

Third, Saddam's strategy of bluff, denial, and deception is a dangerous game that dictators play at their peril. The world offered Saddam a clear choice: effect full and immediate compliance with his disarmament obligations or face serious consequences. Saddam chose the latter course and is now facing judgment in an Iraqi court. It was Saddam's reckless behavior that demanded the world's attention, and it was his refusal to remove the ambiguity that he created that forced the United States and its allies to act. We have no doubt that the world is a better place for the removal of this dangerous and unpredictable tyrant, and we have no doubt that the world is better off if tyrants know that they pursue WMD at their own peril.

VI. IGNITE A NEW ERA OF GLOBAL ECONOMIC GROWTH THROUGH FREE MARKETS AND FREE TRADE

A. Summary of National Security Strategy 2002

Promoting free and fair trade has long been a bedrock tenet of American foreign policy. Greater economic freedom is ultimately inseparable from political liberty. Economic freedom empowers individuals, and empowered individuals increasingly demand greater political freedom. Greater economic freedom also leads to greater economic opportunity and prosperity for everyone. History has judged the market economy as the single most effective economic system and the greatest antidote to poverty. To expand economic liberty and prosperity, the United States promotes free and fair trade, open markets, a stable financial system, the integration of the global economy, and secure, clean energy development.

B. Current Context: Successes and Challenges

The global economy is more open and free, and many people around the world have seen their lives improve as prosperity and economic integration have increased. The Administration has accomplished much of the economic freedom agenda it set out in 2002:

Seizing the global initiative. We have worked to open markets and integrate the global economy through launching the Doha Development Agenda negotiations of the World Trade Organization (WTO). The United States put forward bold and historic proposals to reform global agricultural trade, to eliminate farm export subsidies and reduce trade-distorting support programs, to eliminate all tariffs on consumer and industrial goods, and to open global services markets. When negotiations stalled in 2003, the United States took the initiative to put Doha back on track, culminating in a successful framework agreement reached in Geneva in 2004. As talks proceed, the United States continues to lead the world in advancing bold proposals for economic freedom through open markets. We also have led the way in helping the accessions of new WTO members such as Armenia, Cambodia, Macedonia, and Saudi Arabia.

Pressing regional and bilateral trade initiatives. We have used FTAs to open markets, support economic reform and the rule of law, and create new opportunities for American farmers and workers. Since 2001, we have:

- Implemented or completed negotiations for FTAs with 14 countries on 5 continents, and are negotiating agreements with 11 additional countries;

- Partnered with Congress to pass the Central America Free Trade Agreement – Dominican Republic (CAFTA-DR), long sought by the leaders of El Salvador, Honduras, Guatemala, Nicaragua, Costa Rica, and Dominican Republic;

- Called in 2003 for the creation of a Middle East Free Trade Area (MEFTA) by 2013 to bring the Middle East into an expanding circle of opportunity;

- Negotiated FTAs with Bahrain, Jordan, Morocco, and Oman to provide a foundation for the MEFTA initiative;

- Launched in 2002 the Enterprise for ASEAN Initiative, which led to the completion of a free trade agreement with Singapore, and the launch of negotiations with Thailand and Malaysia;

- Concluded an FTA with Australia, one of America's strongest allies in the Asia-Pacific region and a major trading partner of the United States; and

Continued to promote the opportunities of increased trade to sub-Saharan Africa through the African Growth and Opportunity Act (AGOA), and extended opportunity to many other developing countries through the Generalized System of Preferences.

Pressing for open markets, financial stability, and deeper integration of the world economy. We have partnered with Europe, Japan, and other major economies to promote structural reforms that encourage growth, stability, and opportunity across the globe. The United States has:

Gained agreement in the G-7 on the Agenda for Growth, which commits member states to take concrete steps to reform domestic economic systems;

Worked with other nations that serve as regional and global engines of growth – such as India, China, the ROK, Brazil, and Russia – on reforms to open markets and ensure financial stability;

Urged China to move to a market-based, flexible exchange rate regime – a step that would help both China and the global economy; and

Pressed for reform of the International Financial Institutions to focus on results, fostering good governance and sound policies, and freeing poor countries from unpayable debts.

Enhancing energy security and clean development. The Administration has worked with trading partners and energy producers to expand the types and sources of energy, to open markets and strengthen the rule of law, and to foster private investment that can help develop the energy needed to meet global demand. In addition, we have:

Worked with industrialized and emerging nations on hydrogen, clean coal, and advanced nuclear technologies; and

Joined with Australia, China, India, Japan, and the ROK in forming the Asia-Pacific Partnership for Clean Development and Climate to accelerate deployment of clean technologies to enhance energy security, reduce poverty, and reduce pollution.

Several challenges remain:

Protectionist impulses in many countries put at risk the benefits of open markets and impede the expansion of free and fair trade and economic growth.

Nations that lack the rule of law are prone to corruption, lack of transparency, and poor governance. These nations frustrate the economic aspirations of their people by failing to promote entrepreneurship, protect intellectual property, or allow their citizens access to vital investment capital.

Many countries are too dependent upon foreign oil, which is often imported from unstable parts of the world.

Economic integration spreads wealth across the globe, but also makes local economies more subject to global market conditions.

Some governments restrict the free flow of capital, subverting the vital role that wise investment can play in promoting economic growth. This denies investments, economic opportunity, and new jobs to the people who need them most.

C. The Way Ahead

Economic freedom is a moral imperative. The liberty to create and build or to buy, sell, and own property is fundamental to human nature and foundational to a free society. Economic freedom also reinforces political freedom. It creates diversified centers of power and authority that limit the reach of government. It expands the free flow of ideas; with increased trade and foreign investment comes exposure to new ways of thinking and living which give citizens more control over their own lives.

To continue extending liberty and prosperity, and to meet the challenges that remain, our strategy going forward involves:

1. Opening markets and integrating developing countries.

While most of the world affirms in principle the appeal of economic liberty, in practice too many nations hold fast to the false comforts of subsidies and trade barriers. Such distortions of the

market stifle growth in developed countries, and slow the escape from poverty in developing countries. Against these short-sighted impulses, the United States promotes the enduring vision of a global economy that welcomes all participants and encourages the voluntary exchange of goods and services based on mutual benefit, not favoritism.

We will continue to advance this agenda through the WTO and through bilateral and regional FTAs.

The United States will seek completion of the Doha Development Agenda negotiations. A successful Doha agreement will expand opportunities for Americans and for others around the world. Trade and open markets will empower citizens in developing countries to improve their lives, while reducing the opportunities for corruption that afflict state-controlled economies.

We will continue to work with countries such as Russia, Ukraine, Kazakhstan, and Vietnam on the market reforms needed to join the WTO. Participation in the WTO brings opportunities as well as obligations – to strengthen the rule of law and honor the intellectual property rights that sustain the modern knowledge economy, and to remove tariffs, subsidies, and other trade barriers that distort global markets and harm the world's poor.

We will advance MEFTA by completing and bringing into force FTAs for Bahrain, Oman, and the United Arab Emirates and through other initiatives to expand open trade with and among countries in the region.

In Africa, we are pursuing an FTA with the countries of the Southern African Customs Union: Botswana, Lesotho, Namibia, South Africa, and Swaziland.

In Asia, we are pursuing FTAs with Thailand, the ROK, and Malaysia. We will also continue to work closely with China to ensure it honors its WTO commitments and protects intellectual property.

In our own hemisphere, we will advance the vision of a free trade area of the Americas by building on North American Free Trade Agreement, CAFTA-DR, and the FTA with Chile. We will complete and bring into force FTAs with Colombia, Peru, Ecuador, and Panama.

2. Opening, integrating, and diversifying energy markets to ensure energy independence.

Most of the energy that drives the global economy comes from fossil fuels, especially petroleum. The United States is the world's third largest oil producer, but we rely on international sources to supply more than 50 percent of our needs. Only a small number of countries make major contributions to the world's oil supply.

The world's dependence on these few suppliers is neither responsible nor sustainable over the long term. The key to ensuring our energy security is diversity in the regions from which energy resources come and in the types of energy resources on which we rely.

The Administration will work with resource-rich countries to increase their openness, transparency, and rule of law. This will promote effective democratic governance and attract the investment essential to developing their resources and expanding the range of energy suppliers.

We will build the Global Nuclear Energy Partnership to work with other nations to develop and deploy advanced nuclear recycling and reactor technologies. This initiative will help provide reliable, emission-free energy with less of the waste burden of older technologies and without making available separated plutonium that could be used by rogue states or terrorists for nuclear weapons. These new technologies will make possible a dramatic expansion of safe, clean nuclear energy to help meet the growing global energy demand.

We will work with international partners to develop other transformational technologies such as clean coal and hydrogen. Through projects like our FutureGen initiative, we seek to turn our abundant domestic coal into emissions-free sources of electricity and hydrogen, providing our economies increased power with decreased emissions.

On the domestic front, we are investing in zero-emission coal-fired plants; revolutionary solar and wind technologies; clean, safe nuclear energy; and cutting-edge methods of producing ethanol.

Our comprehensive energy strategy puts a priority on reducing our reliance on foreign energy sources. Diversification of energy sources also will help alleviate the “petroleum curse” – the tendency for oil revenues to foster corruption and prevent economic growth and political reform in some oil-producing states. In too many such nations, ruling elites enrich themselves while denying the people the benefits of their countries’ natural wealth. In the worst cases, oil revenues fund activities that destabilize their regions or advance violent ideologies. Diversifying the suppliers within and across regions reduces opportunities for corruption and diminishes the leverage of irresponsible rulers.

3. Reforming the International Financial System to Ensure Stability and Growth

In our interconnected world, stable and open financial markets are an essential feature of a prosperous global economy. We will work to improve the stability and openness of markets by:

Promoting Growth-Oriented Economic Policies Worldwide. Sound policies in the United States have helped drive much international growth. We cannot be the only source of strength, however. We will work with the world’s other major economies, including the EU and Japan, to promote structural reforms that open their markets and increase productivity in their nations and across the world.

Encouraging Adoption of Flexible Exchange Rates and Open Markets for Financial Services. The United States will help emerging economies make the transition to the flexible exchange rates appropriate for major economies. In particular, we will continue to urge China to meet its own commitment to a market-based, flexible exchange rate regime. We will also promote more open financial service markets, which encourage stable and sound financial practices.

Strengthening International Financial Institutions. At the dawn of a previous era 6 decades ago, the United States championed the creation of the World Bank and the International Monetary Fund (IMF). These institutions were instrumental in the development of the global economy and an expansion of prosperity unprecedented in world history. They remain vital today, but must adapt to new realities:

For the World Bank and regional development banks, we will encourage greater emphasis on investments in the private sector. We will urge more consideration of economic freedom, governance, and measurable results in allocating funds. We will promote an increased use of grants to relieve the burden of unsustainable debt.

For the IMF, we will seek to refocus it on its core mission: international financial stability. This means strengthening the IMF’s ability to monitor the financial system to prevent crises before they happen. If crises occur, the IMF’s response must reinforce each country’s responsibility for its own economic choices. A refocused IMF will strengthen market institutions and market discipline over financial decisions, helping to promote a stable and prosperous global economy. By doing so, over time markets and the private sector can supplant the need for the IMF to perform in its current role.

Building Local Capital Markets and the Formal Economy in the Developing World. The first place that small businesses in developing countries turn to for resources is their own domestic markets. Unfortunately, in too many countries these resources are unavailable due to weak financial systems, a lack of property rights, and the diversion of economic activity away from the formal economy into the black market. The United States will work with these countries to develop and strengthen local capital markets and reduce the black market. This will provide more resources to helping the public sector govern effectively and the private sector grow and prosper.

Creating a More Transparent, Accountable, and Secure International Financial System. The United States has worked with public and private partners to help secure the international financial system against abuse by criminals, terrorists, money launderers, and corrupt political leaders. We will continue to use international venues like the Financial Action Task Force to ensure that this global system is transparent and protected from abuse by tainted capital. We must also develop new tools that allow us to detect, disrupt, and isolate rogue financial players and gatekeepers.

VII. EXPAND THE CIRCLE OF DEVELOPMENT BY OPENING SOCIETIES AND BUILDING THE INFRASTRUCTURE OF DEMOCRACY

A. Summary of National Security Strategy 2002

Helping the world's poor is a strategic priority and a moral imperative. Economic development, responsible governance, and individual liberty are intimately connected. Past foreign assistance to corrupt and ineffective governments failed to help the populations in greatest need. Instead, it often impeded democratic reform and encouraged corruption. The United States must promote development programs that achieve measurable results – rewarding reforms, encouraging transparency, and improving people's lives. Led by the United States, the international community has endorsed this approach in the Monterrey Consensus.

B. Current Context: Successes and Challenges

The United States has improved the lives of millions of people and transformed the practice of development by adopting more effective policies and programs.

Advancing Development and Reinforcing Reform. The Administration pioneered a revolution in development strategy with the Millennium Challenge Account program, rewarding countries that govern justly, invest in their people, and foster economic freedom. The program is based on the principle that each nation bears the responsibility for its own development. It offers governments the opportunity and the means to undertake transformational change by designing their own reform and development programs, which are then funded through the Millennium Challenge Corporation (MCC). The MCC has approved over \$1.5 billion for compacts in eight countries, is working with over a dozen other countries on compacts, and has committed many smaller grants to other partner countries.

Turning the Tide Against AIDS and Other Infectious Diseases. The President's Emergency Plan for AIDS Relief is an unprecedented, 5-year, \$15 billion effort. Building on the success of pioneering programs in Africa, we have launched a major initiative that will prevent 7 million new infections, provide treatment to 2 million infected individuals, and care for 10 million AIDS orphans and others affected by the disease. We have launched a \$1.2 billion, 5-year initiative to reduce malaria deaths by 50 percent in at least 15 targeted countries. To mobilize other nations and the private sector, the United States pioneered the creation of the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria. We are the largest donor to the Fund and have already contributed over \$1.4 billion.

Promoting Debt Sustainability and a Path Toward Private Capital Markets. The Administration has sought to break the burden of debt that traps many poor countries by encouraging international financial institutions to provide grants instead of loans to low-income nations. With the United Kingdom, we spearheaded the G-8 initiative to provide 100 percent multilateral debt relief to qualifying Heavily Indebted Poor Countries. Reducing debt to sustainable levels allows countries to focus on immediate development challenges. In the long run, reducing debt also opens access to private capital markets which foster sound policies and long-term growth.

Addressing Urgent Needs and Investing in People. The United States leads the world in providing food relief. We launched the Initiative to End Hunger in Africa, using science, technology, and market incentives to increase the productivity of African farmers. We launched a 3-year, \$900 million initiative to provide clean water to the poor. We have tripled basic education assistance through programs such as the Africa Education Initiative, which will train teachers and administrators, build schools, buy textbooks, and expand opportunities inside and outside the classroom.

Unleashing the Power of the Private Sector. The Administration has sought to multiply the impact of our development assistance through initiatives such as the Global Development Alliance, which forges partnerships with the private sector to advance development goals, and Volunteers for Prosperity, which enlists some of our Nation's most capable professionals to serve strategically in developing nations.

Fighting Corruption and Promoting Transparency. Through multilateral efforts like the G-8 Transparency Initiative and our policy of denying corrupt foreign officials entry into the United States, we are helping ensure that organized crime and parasitic rulers do not choke off the benefits of economic assistance and growth.

We have increased our overall development assistance spending by 97 percent since 2000. In all of these efforts, the United States has sought concrete measures of success. Funding is a means, not the end. We are giving more money to help the world's poor, and giving it more effectively.

Many challenges remain, including:

Helping millions of people in the world who continue to suffer from poverty and disease;

Ensuring that the delivery of assistance reinforces good governance and sound economic policies; and

Building the capacity of poor countries to take ownership of their own development strategies.

C. The Way Ahead

America's national interests and moral values drive us in the same direction: to assist the world's poor citizens and least developed nations and help integrate them into the global economy. We have accomplished many of the goals laid out in the 2002 National Security Strategy. Many of the new initiatives we launched in the last 4 years are now fully operating to help the plight of the world's least fortunate. We will persevere on this path.

Development reinforces diplomacy and defense, reducing long-term threats to our national security by helping to build stable, prosperous, and peaceful societies. Improving the way we use foreign assistance will make it more effective in strengthening responsible governments, responding to suffering, and improving people's lives.

1. Transformational Diplomacy and Effective Democracy

Transformational diplomacy means working with our many international partners to build and sustain democratic, well-governed states that will respond to the needs of their citizens and conduct themselves responsibly in the international system. Long-term development must include encouraging governments to make wise choices and assisting them in implementing those choices. We will encourage and reward good behavior rather than reinforce negative behavior. Ultimately it is the countries themselves that must decide to take the necessary steps toward development, yet we will help advance this process by creating external incentives for governments to reform themselves.

Effective economic development advances our national security by helping promote responsible sovereignty, not permanent dependency. Weak and impoverished states and ungoverned areas are not only a threat to their people and a burden on regional economies, but are also susceptible to exploitation by terrorists, tyrants, and international criminals. We will work to bolster threatened states, provide relief in times of crisis, and build capacity in developing states to increase their progress.

2. Making Foreign Assistance More Effective

The Administration has created the new position of Director of Foreign Assistance (DFA) in the State Department. The DFA will serve concurrently as Administrator of U.S. Agency for International Development (USAID), a position that will continue to be at the level of Deputy Secretary, and will have, consistent with existing legal requirements, authority over all State Department and USAID foreign assistance. This reorganization will create a more unified and rational structure that will more fully align assistance programs in State and USAID, increase the effectiveness of these programs for recipient countries, and ensure that we are being the best possible stewards of taxpayer dollars. And it will focus our foreign assistance on promoting greater ownership and responsibility on the part of host nations and their citizens.

With this new authority, the DFA/Administrator will develop a coordinated foreign assistance strategy, including 5-year, country-specific assistance strategies and annual country-specific

assistance operational plans. The DFA/Administrator also will provide guidance for the assistance delivered through other entities of the United States Government, including the MCC and the Office of the Global AIDS Coordinator.

To ensure the best stewardship of our foreign assistance, the United States will:

Distinguish among the different challenges facing different nations and address those challenges with tools appropriate for each country's stage of development;

Encourage and reward good government and economic reform, both bilaterally and through the multilateral institutions such as international financial institutions, the G-8, and the Asia-Pacific Economic Cooperation (APEC);

Engage the private sector to help solve development problems;

Promote graduation from economic aid dependency with the ultimate goal of ending assistance;

Build trade capacity to enable the poorest countries to enter into the global trade system; and

Empower local leaders to take responsibility for their country's development.

Our assistance efforts will also highlight and build on the lessons learned from successful examples of wise development and economic policy choices, such as the ROK, Taiwan, Ireland, Poland, Slovakia, Chile, and Botswana.

VIII. DEVELOP AGENDAS FOR COOPERATIVE ACTION WITH THE OTHER MAIN CENTERS OF GLOBAL POWER

A. Summary of National Security Strategy 2002

Relations with the most powerful countries in the world are central to our national security strategy. Our priority is pursuing American interests within cooperative relationships, particularly with our oldest and closest friends and allies. At the same time, we must seize the opportunity – unusual in historical terms – of an absence of fundamental conflict between the great powers. Another priority, therefore, is preventing the reemergence of the great power rivalries that divided the world in previous eras. New times demand new approaches, flexible enough to permit effective action even when there are reasonable differences of opinions among friends, yet strong enough to confront the challenges the world faces.

B. Current Context: Successes and Challenges

The United States has enjoyed unprecedented levels of cooperation on many of its highest national security priorities:

The global coalition against terror has grown and deepened, with extensive cooperation and common resolve. The nations that have partnered with us in Afghanistan and Iraq have developed capabilities that can be applied to other challenges.

We have joined with other nations around the world as well as numerous multilateral organizations to improve the capability of all nations to defend their homelands against terrorists and transnational criminals.

We have achieved extraordinary coordination among historic rivals in pressing the DPRK to abandon its nuclear program.

We have partnered with European allies and international institutions to pressure Iran to honor its non-proliferation commitments.

The North Atlantic Treaty Organization (NATO) is transforming itself to meet current threats and is playing a leading role in stabilizing the Balkans and Afghanistan, as well as training the Iraqi military leadership to address its security challenges.

We have set aside decades of mistrust and put relations with India, the world's most populous democracy, on a new and fruitful path.

At the same time, America's relations with other nations have been strong enough to withstand differences and candid exchanges of views.

Some of our oldest and closest friends disagreed with U.S. policy in Iraq. There are ongoing and serious debates with our allies about how best to address the unique and evolving nature of the global terrorist threat.

We have disagreed on the steps to reduce agricultural subsidies and achieve success in the WTO Doha Round of trade negotiations. We have also faced challenges in forging consensus with other major nations on the most effective measures to protect the environment.

C. The Way Ahead

The struggle against militant Islamic radicalism is the great ideological conflict of the early years of the 21st century and finds the great powers all on the same side – opposing the terrorists. This circumstance differs profoundly from the ideological struggles of the 20th century, which saw the great powers divided by ideology as well as by national interest.

The potential for great power consensus presents the United States with an extraordinary opportunity. Yet certain challenges must be overcome. Some nations differ with us on the appropriate pace of change. Other nations provide rhetorical support for free markets and effective democracy but little action on freedom's behalf.

Five principles undergird our strategy for relations with the main centers of global power.

First, these relations must be set in their proper context. Bilateral policies that ignore regional and global realities are unlikely to succeed.

Second, these relations must be supported by appropriate institutions, regional and global, to make cooperation more permanent, effective, and wide-reaching. Where existing institutions can be reformed to meet new challenges, we, along with our partners, must reform them. Where appropriate institutions do not exist, we, along with our partners, must create them.

Third, we cannot pretend that our interests are unaffected by states' treatment of their own citizens. America's interest in promoting effective democracies rests on an historical fact: states that are governed well are most inclined to behave well. We will encourage all our partners to expand liberty, and to respect the rule of law and the dignity of the individual, as the surest way to advance the welfare of their people and to cement close relations with the United States.

Fourth, while we do not seek to dictate to other states the choices they make, we do seek to influence the calculations on which these choices are based. We also must hedge appropriately in case states choose unwisely.

Fifth, we must be prepared to act alone if necessary, while recognizing that there is little of lasting consequence that we can accomplish in the world without the sustained cooperation of our allies and partners.

1. The Western Hemisphere

These principles guide our relations within our own Hemisphere, the frontline of defense of American national security. Our goal remains a hemisphere fully democratic, bound together by good will, security cooperation, and the opportunity for all our citizens to prosper. Tyrants and those who would follow them belong to a different era and must not be allowed to reverse the progress of the last two decades. Countries in the Hemisphere must be helped to the path of sustained political and economic development. The deceptive appeal of anti-free market populism must not be allowed to erode political freedoms and trap the Hemisphere's poorest in cycles of poverty. If America's nearest neighbors are not secure and stable, then Americans will be less secure.

Our strategy for the Hemisphere begins with deepening key relationships with Canada and Mexico, a foundation of shared values and cooperative policies that can be extended throughout the region. We must continue to work with our neighbors in the Hemisphere to reduce illegal immigration and promote expanded economic opportunity for marginalized populations. We must also solidify strategic relationships with regional leaders in Central and South America and the Caribbean who are deepening their commitment to democratic values. And we must continue to work with regional partners to make multilateral institutions like the OAS and the Inter-American

Development Bank more effective and better able to foster concerted action to address threats that may arise to the region's stability, security, prosperity, or democratic progress. Together, these partnerships can advance our four strategic priorities for the region: bolstering security, strengthening democratic institutions, promoting prosperity, and investing in people.

2. Africa

Africa holds growing geo-strategic importance and is a high priority of this Administration. It is a place of promise and opportunity, linked to the United States by history, culture, commerce, and strategic significance. Our goal is an African continent that knows liberty, peace, stability, and increasing prosperity.

Africa's potential has in the past been held hostage by the bitter legacy of colonial misrule and bad choices by some African leaders. The United States recognizes that our security depends upon partnering with Africans to strengthen fragile and failing states and bring ungoverned areas under the control of effective democracies.

Overcoming the challenges Africa faces requires partnership, not paternalism. Our strategy is to promote economic development and the expansion of effective, democratic governance so that African states can take the lead in addressing African challenges. Through improved governance, reduced corruption, and market reforms, African nations can lift themselves toward a better future. We are committed to working with African nations to strengthen their domestic capabilities and the regional capacity of the AU to support post-conflict transformations, consolidate democratic transitions, and improve peacekeeping and disaster responses.

3. Middle East

The Broader Middle East continues to command the world's attention. For too long, too many nations of the Middle East have suffered from a freedom deficit. Repression has fostered corruption, imbalanced or stagnant economies, political resentments, regional conflicts, and religious extremism. These maladies were all cloaked by an illusion of stability. Yet the peoples of the Middle East share the same desires as people in the rest of the world: liberty, opportunity, justice, order, and peace. These desires are now being expressed in movements for reform. The United States is committed to supporting the efforts of reformers to realize a better life for themselves and their region.

We seek a Middle East of independent states, at peace with each other, and fully participating in an open global market of goods, services, and ideas. We are seeking to build a framework that will allow Israel and the Palestinian territories to live side by side in peace and security as two democratic states. In the wider region, we will continue to support efforts for reform and freedom in traditional allies such as Egypt and Saudi Arabia. Tyrannical regimes such as Iran and Syria that oppress at home and sponsor terrorism abroad know that we will continue to stand with their people against their misrule. And in Iraq, we will continue to support the Iraqi people and their historic march from tyranny to effective democracy. We will work with the freely elected, democratic government of Iraq – our new partner in the War on Terror – to consolidate and expand freedom, and to build security and lasting stability.

4. Europe

The NATO remains a vital pillar of U.S. foreign policy. The Alliance has been strengthened by expanding its membership and now acts beyond its borders as an instrument for peace and stability in many parts of the world. It has also established partnerships with other key European states, including Russia, Ukraine, and others, further extending NATO's historic transformation. The internal reform of NATO structures, capabilities, and procedures must be accelerated to ensure that NATO is able to carry out its missions effectively. The Alliance's door will also remain open to those countries that aspire for membership and meet NATO standards. Further, NATO must deepen working relationships between and across institutions, as it is doing with the EU, and as it also could do with new institutions. Such relationships offer opportunities for enhancing the distinctive strengths and missions of each organization.

Europe is home to some of our oldest and closest allies. Our cooperative relations are built on a sure foundation of shared values and interests. This foundation is expanding and deepening with the ongoing spread of effective democracies in Europe, and must expand and deepen still further if we are to reach the goal of a Europe whole, free, and at peace. These democracies are effective partners, joining with us to promote global freedom and prosperity. Just as in the special relationship that binds us to the United Kingdom, these cooperative relationships forge deeper ties between our nations.

5. Russia

The United States seeks to work closely with Russia on strategic issues of common interest and to manage issues on which we have differing interests. By reason of geography and power, Russia has great influence not only in Europe and its own immediate neighborhood, but also in many other regions of vital interest to us: the broader Middle East, South and Central Asia, and East Asia. We must encourage Russia to respect the values of freedom and democracy at home and not to impede the cause of freedom and democracy in these regions. Strengthening our relationship will depend on the policies, foreign and domestic, that Russia adopts. Recent trends regrettably point toward a diminishing commitment to democratic freedoms and institutions. We will work to try to persuade the Russian Government to move forward, not backward, along freedom's path.

Stability and prosperity in Russia's neighborhood will help deepen our relations with Russia; but that stability will remain elusive as long as this region is not governed by effective democracies. We will seek to persuade Russia's government that democratic progress in Russia and its region benefits the peoples who live there and improves relationships with us, with other Western governments, and among themselves. Conversely, efforts to prevent democratic development at home and abroad will hamper the development of Russia's relations with the United States, Europe, and its neighbors.

6. South and Central Asia

South and Central Asia is a region of great strategic importance where American interests and values are engaged as never before. India is a great democracy, and our shared values are the foundation of our good relations. We are eager to see Pakistan move along a stable, secure, and democratic path. Our goal is for the entire region of South and Central Asia to be democratic, prosperous, and at peace.

We have made great strides in transforming America's relationship with India, a major power that shares our commitment to freedom, democracy, and rule of law. In July 2005, we signed a bold agreement – a roadmap to realize the meaningful cooperation that had eluded our two nations for decades. India now is poised to shoulder global obligations in cooperation with the United States in a way befitting a major power.

Progress with India has been achieved even as the United States has improved its strategic relationship with Pakistan. For decades, outsiders acted as if good relations with India and Pakistan were mutually exclusive. This Administration has shown that improved relations with each are possible and can help India and Pakistan make strides toward a lasting peace between themselves. America's relationship with Pakistan will not be a mirror image of our relationship with India. Together, our relations with the nations of South Asia can serve as a foundation for deeper engagement throughout Central Asia. Increasingly, Afghanistan will assume its historical role as a land-bridge between South and Central Asia, connecting these two vital regions.

Central Asia is an enduring priority for our foreign policy. The five countries of Central Asia are distinct from one another and our relations with each, while important, will differ. In the region as a whole, the elements of our larger strategy meet, and we must pursue those elements simultaneously: promoting effective democracies and the expansion of free-market reforms, diversifying global sources of energy, and enhancing security and winning the War on Terror.

7. East Asia

East Asia is a region of great opportunities and lingering tensions. Over the past decade, it has been a source of extraordinary economic dynamism and also of economic turbulence. Few regional economies have more effectively harnessed the engines of future prosperity: technology and globalized trade. Yet few regions have had greater difficulty overcoming the suspicions of the past.

The United States is a Pacific nation, with extensive interests throughout East and Southeast Asia. The region's stability and prosperity depend on our sustained engagement: maintaining robust partnerships supported by a forward defense posture supporting economic integration through expanded trade and investment and promoting democracy and human rights.

Forging new international initiatives and institutions can assist in the spread of freedom, prosperity, and regional security. Existing institutions like the APEC forum and the Association of Southeast Asian Nations (ASEAN) Regional Forum, can play a vital role. New arrangements, such as the U.S.-ASEAN Enhanced Partnership, or others that are focused on problem-solving and action, like the Six-Party Talks and the PSI, can likewise bring together Asian nations to address common challenges. And Asian nations that share our values can join us in partnership to strengthen new democracies and promote democratic reforms throughout the region. This institutional framework, however, must be built upon a foundation of sound bilateral relations with key states in the region.

With Japan, the United States enjoys the closest relations in a generation. As the world's two largest economies and aid donors, acting in concert multiplies each of our strengths and magnifies our combined contributions to global progress. Our shared commitment to democracy at home offers a sure foundation for cooperation abroad.

With Australia, our alliance is global in scope. From Iraq and Afghanistan to our historic FTA, we are working jointly to ensure security, prosperity, and expanded liberty.

With the ROK, we share a vision of a prosperous, democratic, and united Korean peninsula. We also share a commitment to democracy at home and progress abroad and are translating that common vision into joint action to sustain our alliance into the 21st century. With Southeast Asia, we celebrate the dynamism of increased economic freedom and look to further extend political freedom to all the people in the region, including those suffering under the repressive regime in Burma. In promoting greater economic and political liberty, we will work closely with our allies and key friends, including Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

China encapsulates Asia's dramatic economic successes, but China's transition remains incomplete. In one generation, China has gone from poverty and isolation to growing integration into the international economic system. China once opposed global institutions; today it is a permanent member of the UNSC and the WTO. As China becomes a global player, it must act as a responsible stakeholder that fulfills its obligations and works with the United States and others to advance the international system that has enabled its success: enforcing the international rules that have helped China lift itself out of a century of economic deprivation, embracing the economic and political standards that go along with that system of rules, and contributing to international stability and security by working with the United States and other major powers.

China's leaders proclaim that they have made a decision to walk the transformative path of peaceful development. If China keeps this commitment, the United States will welcome the emergence of a China that is peaceful and prosperous and that cooperates with us to address common challenges and mutual interests. China can make an important contribution to global prosperity and ensure its own prosperity for the longer term if it will rely more on domestic demand and less on global trade imbalances to drive its economic growth. China shares our exposure to the challenges of globalization and other transnational concerns. Mutual interests can guide our cooperation on issues such as terrorism, proliferation, and energy security. We will work to increase our cooperation to combat disease pandemics and reverse environmental degradation.

The United States encourages China to continue down the road of reform and openness, because in this way China's leaders can meet the legitimate needs and aspirations of the Chinese

people for liberty, stability, and prosperity. As economic growth continues, China will face a growing demand from its own people to follow the path of East Asia's many modern democracies, adding political freedom to economic freedom. Continuing along this path will contribute to regional and international security.

China's leaders must realize, however, that they cannot stay on this peaceful path while holding on to old ways of thinking and acting that exacerbate concerns throughout the region and the world. These old ways include:

Continuing China's military expansion in a non-transparent way;

Expanding trade, but acting as if they can somehow "lock up" energy supplies around the world or seek to direct markets rather than opening them up – as if they can follow a mercantilism borrowed from a discredited era; and

Supporting resource-rich countries without regard to the misrule at home or misbehavior abroad of those regimes.

China and Taiwan must also resolve their differences peacefully, without coercion and without unilateral action by either China or Taiwan.

Ultimately, China's leaders must see that they cannot let their population increasingly experience the freedoms to buy, sell, and produce, while denying them the rights to assemble, speak, and worship. Only by allowing the Chinese people to enjoy these basic freedoms and universal rights can China honor its own constitution and international commitments and reach its full potential. Our strategy seeks to encourage China to make the right strategic choices for its people, while we hedge against other possibilities.

IX. TRANSFORM AMERICA'S NATIONAL SECURITY INSTITUTIONS TO MEET THE CHALLENGES AND OPPORTUNITIES OF THE 21ST CENTURY

A. Summary of National Security Strategy 2002

The major institutions of American national security were designed in a different era to meet different challenges. They must be transformed.

B. Current Context: Successes and Challenges

In the last four years, we have made substantial progress in transforming key national security institutions.

The establishment of the Department of Homeland Security brought under one authority 22 federal entities with vital roles to play in protecting our Nation and preventing terrorist attacks within the United States. The Department is focused on three national security priorities: preventing terrorist attacks within the United States; reducing America's vulnerability to terrorism; and minimizing the damage and facilitating the recovery from attacks that do occur.

In 2004, the Intelligence Community launched its most significant reorganization since the 1947 National Security Act. The centerpiece is a new position, the Director of National Intelligence, endowed with expanded budgetary, acquisition, tasking, and personnel authorities to integrate more effectively the efforts of the Community into a more unified, coordinated, and effective whole. The transformation also includes a new National Counterterrorism Center and a new National Counterproliferation Center to manage and coordinate planning and activities in those critical areas. The transformation extends to the FBI, which has augmented its intelligence capabilities and is now more fully and effectively integrated with the Intelligence Community.

The Department of Defense has completed the 2006 Quadrennial Defense Review, which details how the Department will continue to adapt and build to meet new challenges.

We are pursuing a future force that will provide tailored deterrence of both state and non-state threats (including WMD employment, terrorist attacks in the physical and information domains, and opportunistic aggression) while assuring allies and dissuading potential competitors. The Department of Defense also is expanding Special Operations Forces and investing in advanced conventional capabilities to help win the long war against terrorist extremists and to help dissuade any hostile military competitor from challenging the United States, its allies, and partners.

The Department is transforming itself to better balance its capabilities across four categories of challenges:

Traditional challenges posed by states employing conventional armies, navies, and air forces in well-established forms of military competition.

Irregular challenges from state and non-state actors employing methods such as terrorism and insurgency to counter our traditional military advantages, or engaging in criminal activity such as piracy and drug trafficking that threaten regional security.

Catastrophic challenges involving the acquisition, possession, and use of WMD by state and non-state actors; and deadly pandemics and other natural disasters that produce WMD-like effects.

Disruptive challenges from state and non-state actors who employ technologies and capabilities (such as biotechnology, cyber and space operations, or directed-energy weapons) in new ways to counter military advantages the United States currently enjoys.

C. The Way Ahead

We must extend and enhance the transformation of key institutions, both domestically and abroad.

At home, we will pursue three priorities:

Sustaining the transformation already under way in the Departments of Defense, Homeland Security, and Justice; the Federal Bureau of Investigation; and the Intelligence Community.

Continuing to reorient the Department of State towards transformational diplomacy, which promotes effective democracy and responsible sovereignty. Our diplomats must be able to step outside their traditional role to become more involved with the challenges within other societies, helping them directly, channeling assistance, and learning from their experience. This effort will include:

Promoting the efforts of the new Director for Foreign Assistance/Administrator to ensure that foreign assistance is used as effectively as possible to meet our broad foreign policy objectives. This new office will align more fully the foreign assistance activities carried out by the Department of State and USAID, demonstrating that we are responsible stewards of taxpayer dollars.

Improving our capability to plan for and respond to post-conflict and failed-state situations. The Office of Reconstruction and Stabilization will integrate all relevant United States Government resources and assets in conducting reconstruction and stabilization operations. This effort must focus on building the security and law enforcement structures that are often the prerequisite for restoring order and ensuring success.

Developing a civilian reserve corps, analogous to the military reserves. The civilian reserve corps would utilize, in a flexible and timely manner, the human resources of the American people for skills and capacities needed for international disaster relief and post-conflict reconstruction.

Strengthening our public diplomacy, so that we advocate the policies and values of the United States in a clear, accurate, and persuasive way to a watching and listening world. This includes actively engaging foreign audiences, expanding educational opportunities for Americans to learn about foreign languages and cultures and for foreign students and scholars to study in the United States; empowering the voices of our citizen ambassadors as well as those foreigners who share our commitment to a safer, more compassionate world; enlisting the support of the private sector; increasing our channels for dialogue with Muslim leaders and citizens; and confronting propaganda quickly, before myths and distortions have time to take root in the hearts and minds of people across the world.

Improving the capacity of agencies to plan, prepare, coordinate, integrate, and execute responses covering the full range of crisis contingencies and long-term challenges.

We need to strengthen the capacity of departments and agencies to do comprehensive, results-oriented planning.

Agencies that traditionally played only a domestic role increasingly have a role to play in our foreign and security policies. This requires us to better integrate interagency activity both at home and abroad.

Abroad, we will work with our allies on three priorities:

Promoting meaningful reform of the U.N., including:

Creating structures to ensure financial accountability and administrative and organizational efficiency.

Enshrining the principle that membership and participation privileges are earned by responsible behavior and by reasonable burden-sharing of security and stability challenges.

Enhancing the capacity of the U.N. and associated regional organizations to stand up well-trained, rapidly deployable, sustainable military and gendarme units for peace operations.

Ensuring that the U.N. reflects today's geopolitical realities and is not shackled by obsolete structures.

Reinvigorating the U.N.'s commitment, reflected in the U.N. Charter, to the promotion of democracy and human rights.

Enhancing the role of democracies and democracy promotion throughout international and multilateral institutions, including:

Strengthening and institutionalizing the Community of Democracies.

Fostering the creation of regional democracy-based institutions in Asia, the Middle East, Africa, and elsewhere.

Improving the capacity of the U.N. and other multilateral institutions to advance the freedom agenda through tools like the U.N. Democracy Fund.

Coordinating more effectively the unique contributions of international financial institutions and regional development banks.

Establishing results-oriented partnerships on the model of the PSI to meet new challenges and opportunities. These partnerships emphasize international cooperation, not international bureaucracy. They rely on voluntary adherence rather than binding treaties. They are oriented towards action and results rather than legislation or rule-making.

X. ENGAGE THE OPPORTUNITIES AND CONFRONT THE CHALLENGES OF GLOBALIZATION

In recent years, the world has witnessed the growing importance of a set of opportunities and challenges that were addressed indirectly in National Security Strategy 2002: the national security implications of globalization.

Globalization presents many opportunities. Much of the world's prosperity and improved living standards in recent years derive from the expansion of global trade, investment, information, and technology. The United States has been a leader in promoting these developments, and we believe they have improved significantly the quality of life of the American people and people the world over. Other nations have embraced these opportunities and have likewise benefited. Globalization has also helped the advance of democracy by extending the marketplace of ideas and the ideals of liberty.

These new flows of trade, investment, information, and technology are transforming national security. Globalization has exposed us to new challenges and changed the way old challenges touch our interests and values, while also greatly enhancing our capacity to respond. Examples include:

Public health challenges like pandemics (HIV/AIDS, avian influenza) that recognize no borders. The risks to social order are so great that traditional public health approaches may be inadequate, necessitating new strategies and responses.

Illicit trade, whether in drugs, human beings, or sex, that exploits the modern era's greater ease of transport and exchange. Such traffic corrodes social order; bolsters crime and corruption; undermines effective governance; facilitates the illicit transfer of WMD and advanced conventional weapons technology; and compromises traditional security and law enforcement.

Environmental destruction, whether caused by human behavior or cataclysmic mega-disasters such as floods, hurricanes, earthquakes, or tsunamis. Problems of this scope may overwhelm the capacity of local authorities to respond, and may even overtax national militaries, requiring a larger international response.

These challenges are not traditional national security concerns, such as the conflict of arms or ideologies. But if left unaddressed they can threaten national security. We have learned that:

Preparing for and managing these challenges requires the full exercise of national power, up to and including traditional security instruments. For example, the U.S. military provided critical logistical support in the response to the Southeast Asian tsunami and the South Asian earthquake until U.N. and civilian humanitarian responders could relieve the military of these vital duties.

Technology can help, but the key to rapid and effective response lies in achieving unity of effort across a range of agencies. For example, our response to the Katrina and Rita hurricanes underscored the need for communications systems that remain operational and integrated during times of crisis. Even more vital, however, is improved coordination within the Federal government, with state and local partners, and with the private sector.

Existing international institutions have a role to play, but in many cases coalitions of the willing may be able to respond more quickly and creatively, at least in the short term. For example, U.S. leadership in mobilizing the Regional Core Group to respond to the tsunami of 2004 galvanized the follow-on international response.

The response and the new partnerships it creates can sometimes serve as a catalyst for changing existing political conditions to address other problems. For example, the response to the tsunami in Southeast Asia and the earthquake in Pakistan developed new lines of communication and cooperation at a local level, which opened the door to progress in reconciling long-standing regional conflicts in Aceh and the Kashmir.

Effective democracies are better able to deal with these challenges than are repressive or poorly governed states. Pandemics require robust and fully transparent public health systems, which weak governments and those that fear freedom are unable or unwilling to provide. Yet these challenges require effective democracies to come together in innovative ways.

The United States must lead the effort to reform existing institutions and create new ones – including forging new partnerships between governmental and nongovernmental actors, and with transnational and international organizations.

To confront illicit trade, for example, the Administration launched the Proliferation Security Initiative and the APEC Secure Trade in the APEC Region Initiative, both of which focus on tangible steps governments can take to combat illegal trade.

To combat the cultivation and trafficking of narcotics, the Administration devotes over \$1 billion annually to comprehensive counternarcotics efforts, working with governments, particularly in Latin America and Asia, to eradicate crops, destroy production facilities, interdict shipments, and support developing alternative livelihoods.

To confront the threat of a possible pandemic, the Administration took the lead in creating the International Partnership on Avian and Pandemic Influenza, a new global partnership of states committed to effective surveillance and preparedness that will help to detect and respond quickly to any outbreaks of the disease.

XI. CONCLUSION

The challenges America faces are great, yet we have enormous power and influence to address those challenges. The times require an ambitious national security strategy, yet one recognizing the limits to what even a nation as powerful as the United States can achieve by itself. Our national security strategy is idealistic about goals, and realistic about means.

There was a time when two oceans seemed to provide protection from problems in other lands, leaving America to lead by example alone. That time has long since passed. America cannot know peace, security, and prosperity by retreating from the world. America must lead by deed as

well as by example. This is how we plan to lead, and this is the legacy we will leave to those who follow.

2010

Стратегия Национальной Безопасности (Вашингтон, май 2010 г.)

NATIONAL SECURITY STRATEGY
May 2010

Time and again in our Nation's history, Americans have risen to meet - and to shape - moments of transition. This must be one of those moments. We live in a time of sweeping change. The success of free nations, open markets, and social progress in recent decades has accelerated globalization on an unprecedented scale. This has opened the doors of opportunity around the globe, extended democracy to hundreds of millions of people, and made peace possible among the major powers. Yet globalization has also intensified the dangers we face - from international terrorism and the spread of deadly technologies, to economic upheaval and a changing climate.

For nearly a decade, our Nation has been at war with a far-reaching network of violence and hatred. Even as we end one war in Iraq, our military has been called upon to renew our focus on Afghanistan as part of a commitment to disrupt, dismantle, and defeat al-Qa'ida and its affiliates.

This is part of a broad, multinational effort that is right and just, and we will be unwavering in our commitment to the security of our people, allies, and partners. Moreover, as we face multiple threats - from nations, nonstate actors, and failed states - we will maintain the military superiority that has secured our country, and underpinned global security, for decades.

Yet as we fight the wars in front of us, we must see the horizon beyond them - a world in which America is stronger, more secure, and is able to overcome our challenges while appealing to the aspirations of people around the world. To get there, we must pursue a strategy of national renewal and global leadership - a strategy that rebuilds the foundation of American strength and influence.

Our strategy starts by recognizing that our strength and influence abroad begins with the steps we take at home. We must grow our economy and reduce our deficit. We must educate our children to compete in an age where knowledge is capital, and the marketplace is global. We must develop the clean energy that can power new industry, unbind us from foreign oil, and preserve our planet. We must pursue science and research that enables discovery, and unlocks wonders as unforeseen to

us today as the surface of the moon and the microchip were a century ago. Simply put, we must see American innovation as a foundation of American power.

We must also build and integrate the capabilities that can advance our interests, and the interests we share with other countries and peoples. Our Armed Forces will always be a cornerstone of our security, but they must be complemented. Our security also depends upon diplomats who can act in every corner of the world, from grand capitals to dangerous outposts; development experts who can strengthen governance and support human dignity; and intelligence and law enforcement that can unravel plots, strengthen justice systems, and work seamlessly with other countries.

The burdens of a young century cannot fall on American shoulders alone - indeed, our adversaries would like to see America sap our strength by overextending our power. In the past, we have had the foresight to act judiciously and to avoid acting alone. We were part of the most powerful wartime coalition in human history through World War II, and stitched together a community of free nations and institutions to endure a Cold War. We are clear-eyed about the challenge of mobilizing collective action, and the shortfalls of our international system. But America has not succeeded by stepping outside the currents of international cooperation. We have succeeded by steering those currents in the direction of liberty and justice - so that nations thrive by meeting their responsibilities and face consequences when they don't.

To do so, we will be steadfast in strengthening those old alliances that have served us so well, while modernizing them to meet the challenges of a new century. As influence extends to more countries and capitals, we will build new and deeper partnerships in every region, and strengthen international standards and institutions. This engagement is no end in itself. The international order we seek is one that can resolve the challenges of our times - countering violent extremism and insurgency; stopping the spread of nuclear weapons and securing nuclear materials; combating a changing climate and sustaining global growth; helping countries feed themselves and care for their sick; resolving and preventing conflict, while also healing its wounds.

In all that we do, we will advocate for and advance the basic rights upon which our Nation was founded, and which peoples of every race and region have made their own. We promote these values by living them, including our commitment to the rule of law. We will strengthen international norms that protect these rights, and create space and support for those who resist repression. Our commitment to human dignity includes support for development, which is why we will fight poverty and corruption. And we reject the notion that lasting security and prosperity can be found by turning away from universal rights - democracy does not merely represent our better angels, it stands in opposition to aggression and injustice, and our support for universal rights is both fundamental to American leadership and a source of our strength in the world.

As a Nation made up of people from every race, region, faith, and culture, America will persist in promoting peace among different peoples and believes that democracy and individual empowerment need not come at the expense of cherished identities. Indeed, no nation should be better positioned to lead in an era of globalization than America - the Nation that helped bring globalization about, whose institutions are designed to prepare individuals to succeed in a competitive world, and whose people trace their roots to every country on the face of the Earth.

As a citizen, Senator, and President, I have always believed that America's greatest asset is its people - from the awe I felt as a child watching a space capsule pulled out of the Pacific, to the strength I drew from workers rebuilding their lives in Illinois, to the respect that I have for the generation of Americans who serve our country today. That is why I also believe that we must foster even deeper connections among Americans and peoples around the globe. Our long-term security will come not from our ability to instill fear in other peoples, but through our capacity to speak to their hopes. And that work will best be done through the power of the decency and dignity of the American people - our troops and diplomats, but also our private sector, nongovernmental organizations, and citizens. All of us have a role to play.

From the birth of our liberty, America has had a faith in the future - a belief that where we're going is better than where we've been, even when the path ahead is uncertain. To fulfill that promise, generations of Americans have built upon the foundation of our forefathers – finding opportunity, fighting injustice, and forging a more perfect Union. We have also created webs of commerce, supported an international architecture of laws and institutions, and spilled American blood in foreign lands - not to build an empire, but to shape a world in which more individuals and nations could determine their own destiny, and live with the peace and dignity that they deserve.

In 2010, America is hardened by wars, and inspired by the servicemen and women who fight them. We are disciplined by a devastating economic crisis, and determined to see that its legacy is a new foundation for prosperity; and we are bound by a creed that has guided us at home, and served as a beacon to the world. America's greatness is not assured- each generation's place in history is a question unanswered. But even as we are tested by new challenges, the question of our future is not one that will be answered for us, it is one that will be answered by us. And in a young century whose trajectory is uncertain, America is ready to lead once more.

Barack Obama

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I. Overview of National Security Strategy

At the dawn of the 21st century, the United States of America faces a broad and complex array of challenges to our national security. Just as America helped to determine the course of the 20th century, we must now build the sources of American strength and influence, and shape an international order capable of overcoming the challenges of the 21st century.

The World as It Is, A Strategy for the World We Seek

To succeed, we must face the world as it is. The two decades since the end of the Cold War have been marked by both the promise and perils of change. The circle of peaceful democracies has expanded; the specter of nuclear war has lifted; major powers are at peace; the global economy has grown; commerce has stitched the fate of nations together; and more individuals can determine their own destiny. Yet these advances have been accompanied by persistent problems. Wars over ideology have given way to wars over religious, ethnic, and tribal identity; nuclear dangers have proliferated; inequality and economic instability have intensified; damage to our environment, food insecurity, and dangers to public health are increasingly shared; and the same tools that empower individuals to build enable them to destroy.

The dark side of this globalized world came to the forefront for the American people on September 11, 2001. The immediate threat demonstrated by the deadliest attacks ever launched upon American soil demanded strong and durable approaches to defend our homeland. In the years since, we have launched a war against al-Qa'ida and its affiliates, decided to fight a war in Iraq, and confronted a sweeping economic crisis. More broadly, though, we have wrestled with how to advance American interests in a world that has changed—a world in which the international architecture of the 20th century is buckling under the weight of new threats, the global economy has accelerated the competition facing our people and businesses, and the universal aspiration for freedom and dignity contends with new obstacles.

Our country possesses the attributes that have supported our leadership for decades—sturdy alliances, an unmatched military, the world's largest economy, a strong and evolving democracy, and a dynamic citizenry. Going forward, there should be no doubt: the United States of America will continue to underwrite global security—through our commitments to allies, partners, and institutions; our focus on defeating al-Qa'ida and its affiliates in Afghanistan, Pakistan, and around the globe; and our determination to deter aggression and prevent the proliferation of the world's most dangerous weapons. As we do, we must recognize that no one nation—no matter how powerful—can meet global challenges alone. As we did after World War II, America must prepare for the future, while forging cooperative approaches among nations that can yield results.

Our national security strategy is, therefore, focused on renewing American leadership so that we can more effectively advance our interests in the 21st century. We will do so by building upon the sources of our strength at home, while shaping an international order that can meet the challenges of our time. This strategy recognizes the fundamental connection between our national security, our national competitiveness, resilience, and moral example. And it reaffirms America's commitment to pursue our interests through an international system in which all nations have certain rights and responsibilities.

This will allow America to leverage our engagement abroad on behalf of a world in which individuals enjoy more freedom and opportunity, and nations have incentives to act responsibly, while facing consequences when they do not.

Renewing American Leadership—Building at Home, Shaping Abroad

Our approach begins with a commitment to build a stronger foundation for American leadership, because what takes place within our borders will determine our strength and influence beyond them. This truth is only heightened in a world of greater interconnection—a world in which

our prosperity is inextricably linked to global prosperity, our security can be directly challenged by developments across an ocean, and our actions are scrutinized as never before.

At the center of our efforts is a commitment to renew our economy, which serves as the wellspring of American power. The American people are now emerging from the most devastating recession that we have faced since the Great Depression. As we continue to act to ensure that our recovery is broad and sustained, we are also laying the foundation for the long term growth of our economy and competitiveness of our citizens. The investments that we have made in recovery are a part of a broader effort that will contribute to our strength: by providing a quality education for our children; enhancing science and innovation; transforming our energy economy to power new jobs and industries; lowering the cost of health care for our people and businesses; and reducing the Federal deficit.

Each of these steps will sustain America's ability to lead in a world where economic power and individual opportunity are more diffuse. These efforts are also tied to our commitment to secure a more resilient nation. Our recovery includes rebuilding an infrastructure that will be more secure and reliable in the face of terrorist threats and natural disasters. Our focus on education and science can ensure that the breakthroughs of tomorrow take place in the United States. Our development of new sources of energy will reduce our dependence on foreign oil. Our commitment to deficit reduction will discipline us to make hard choices, and to avoid overreach. These steps complement our efforts to integrate homeland security with national security; including seamless coordination among Federal, state, and local governments to prevent, protect against, and respond to threats and natural disasters.

Finally, the work to build a stronger foundation for our leadership within our borders recognizes that the most effective way for the United States of America to promote our values is to live them. America's commitment to democracy, human rights, and the rule of law are essential sources of our strength and influence in the world. They too must be cultivated by our rejection of actions like torture that are not in line with our values, by our commitment to pursue justice consistent with our Constitution, and by our steady determination to extend the promise of America to all of our citizens. America has always been a beacon to the peoples of the world when we ensure that the light of America's example burns bright.

Building this stronger foundation will support America's efforts to shape an international system that can meet the challenges of our time. In the aftermath of World War II, it was the United States that helped take the lead in constructing a new international architecture to keep the peace and advance prosperity—from NATO and the United Nations, to treaties that govern the laws and weapons of war; from the World Bank and International Monetary Fund, to an expanding web of trade agreements. This architecture, despite its flaws, averted world war, enabled economic growth, and advanced human rights, while facilitating effective burden sharing among the United States, our allies, and partners.

Today, we need to be clear-eyed about the strengths and shortcomings of international institutions that were developed to deal with the challenges of an earlier time and the shortage of political will that has at times stymied the enforcement of international norms. Yet it would be destructive to both American national security and global security if the United States used the emergence of new challenges and the shortcomings of the international system as a reason to walk away from it. Instead, we must focus American engagement on strengthening international institutions and galvanizing the collective action that can serve common interests such as combating violent extremism; stopping the spread of nuclear weapons and securing nuclear materials; achieving balanced and sustainable economic growth; and forging cooperative solutions to the threat of climate change, armed conflict, and pandemic disease.

The starting point for that collective action will be our engagement with other countries. The cornerstone of this engagement is the relationship between the United States and our close friends

and allies in Europe, Asia, the Americas, and the Middle East—ties which are rooted in shared interests and shared values, and which serve our mutual security and the broader security and prosperity of the world. We are working to build deeper and more effective partnerships with other key centers of influence—including China, India, and Russia, as well as increasingly influential nations such as Brazil, South Africa, and Indonesia—so that we can cooperate on issues of bilateral and global concern, with the recognition that power, in an interconnected world, is no longer a zero sum game. We are expanding our outreach to emerging nations, particularly those that can be models of regional success and stability, from the Americas to Africa to Southeast Asia. And we will pursue engagement with hostile nations to test their intentions, give their governments the opportunity to change course, reach out to their people, and mobilize international coalitions.

This engagement will underpin our commitment to an international order based upon rights and responsibilities. International institutions must more effectively represent the world of the 21st century, with a broader voice—and greater responsibilities—for emerging powers, and they must be modernized to more effectively generate results on issues of global interest. Constructive national steps on issues ranging from nuclear security to climate change must be incentivized, so nations that choose to do their part see the benefits of responsible action. Rules of the road must be followed, and there must be consequences for those nations that break the rules—whether they are nonproliferation obligations, trade agreements, or human rights commitments.

This modernization of institutions, strengthening of international norms, and enforcement of international law is not a task for the United States alone—but together with like-minded nations, it is a task we can lead. A key source of American leadership throughout our history has been enlightened self-interest. We want a better future for our children and grandchildren, and we believe that their lives will be better if other peoples' children and grandchildren can live in freedom and prosperity. The belief that our own interests are bound to the interests of those beyond our borders will continue to guide our engagement with nations and peoples.

Advancing Top National Security Priorities

Just as our national security strategy is focused on renewing our leadership for the long term, it is also facilitating immediate action on top priorities. This Administration has no greater responsibility than the safety and security of the American people. And there is no greater threat to the American people than weapons of mass destruction, particularly the danger posed by the pursuit of nuclear weapons by violent extremists and their proliferation to additional states.

That is why we are pursuing a comprehensive nonproliferation and nuclear security agenda, grounded in the rights and responsibilities of nations. We are reducing our nuclear arsenal and reliance on nuclear weapons, while ensuring the reliability and effectiveness of our deterrent. We are strengthening the Nuclear Non-Proliferation Treaty (NPT) as the foundation of nonproliferation, while working through the NPT to hold nations like Iran and North Korea accountable for their failure to meet international obligations. We are leading a global effort to secure all vulnerable nuclear materials from terrorists. And we are pursuing new strategies to protect against biological attacks and challenges to the cyber networks that we depend upon.

As we secure the world's most dangerous weapons, we are fighting a war against a far-reaching network of hatred and violence. We will disrupt, dismantle, and defeat al-Qa'ida and its affiliates through a comprehensive strategy that denies them safe haven, strengthens front-line partners, secures our homeland, pursues justice through durable legal approaches, and counters a bankrupt agenda of extremism and murder with an agenda of hope and opportunity. The frontline of this fight is Afghanistan and Pakistan, where we are applying relentless pressure on al-Qa'ida, breaking the Taliban's momentum, and strengthening the security and capacity of our partners. In this effort, our troops are again demonstrating their extraordinary service, making great sacrifices in a time of danger, and they have our full support.

In Iraq, we are transitioning to full Iraqi sovereignty and responsibility—a process that includes the removal of our troops, the strengthening of our civilian capacity, and a long-term partnership to the Iraqi Government and people. We will be unwavering in our pursuit of a comprehensive peace between Israel and its neighbors, including a two-state solution that ensures Israel's security, while fulfilling the Palestinian peoples' legitimate aspirations for a viable state of their own. And our broader engagement with Muslim communities around the world will spur progress on critical political and security matters, while advancing partnerships on a broad range of issues based upon mutual interests and mutual respect.

As we rebuild the economic strength upon which our leadership depends, we are working to advance the balanced and sustainable growth upon which global prosperity and stability depends. This includes steps at home and abroad to prevent another crisis. We have shifted focus to the G-20 as the premier forum for international economic cooperation, and are working to rebalance global demand so that America saves more and exports more, while emerging economies generate more demand. And we will pursue bilateral and multilateral trade agreements that advance our shared prosperity, while accelerating investments in development that can narrow inequality, expand markets, and support individual opportunity and state capacity abroad.

These efforts to advance security and prosperity are enhanced by our support for certain values that are universal. Nations that respect human rights and democratic values are more successful and stronger partners, and individuals who enjoy such respect are more able to achieve their full potential. The United States rejects the false choice between the narrow pursuit of our interests and an endless campaign to impose our values. Instead, we see it as fundamental to our own interests to support a just peace around the world—one in which individuals, and not just nations, are granted the fundamental rights that they deserve.

In keeping with the focus on the foundation of our strength and influence, we are promoting universal values abroad by living them at home, and will not seek to impose these values through force. Instead, we are working to strengthen international norms on behalf of human rights, while welcoming all peaceful democratic movements. We are supporting the development of institutions within fragile democracies, integrating human rights as a part of our dialogue with repressive governments, and supporting the spread of technologies that facilitate the freedom to access information. And we recognize economic opportunity as a human right, and are promoting the dignity of all men and women through our support for global health, food security, and cooperatives responses to humanitarian crises.

Finally, our efforts to shape an international order that promotes a just peace must facilitate cooperation capable of addressing the problems of our time. This international order will support our interests, but it is also an end that we seek in its own right. New challenges hold out the prospect of opportunity, but only if the international community breaks down the old habits of suspicion to build upon common interests. A global effort to combat climate change must draw upon national actions to reduce emissions and a commitment to mitigate their impact. Efforts to prevent conflicts and keep the peace in their aftermath can stop insecurity from spreading. Global cooperation to prevent the spread of pandemic disease can promote public health.

Implementing this agenda will not be easy. To succeed, we must balance and integrate all elements of American power and update our national security capacity for the 21st century. We must maintain our military's conventional superiority, while enhancing its capacity to defeat asymmetric threats. Our diplomacy and development capabilities must be modernized, and our civilian expeditionary capacity strengthened, to support the full breadth of our priorities. Our intelligence and homeland security efforts must be integrated with our national security policies, and those of our allies and partners. And our ability to synchronize our actions while communicating effectively with foreign publics must be enhanced to sustain global support.

However, America's greatest asset remains our people. In an era that will be shaped by the ability to seize the opportunities of a world that has grown more interconnected, it is the American people who will make the difference—the troops and civilians serving within our government; businesses, foundations, and educational institutions that operate around the globe; and citizens who possess the dynamism, drive, and diversity to thrive in a world that has grown smaller. Because for all of its dangers, globalization is in part a product of American leadership and the ingenuity of the American people. We are uniquely suited to seize its promise.

Our story is not without imperfections. Yet at each juncture that history has called upon us to rise to the occasion, we have advanced our own security, while contributing to the cause of human progress. To continue to do so, our national security strategy must be informed by our people, enhanced by the contributions of the Congress, and strengthened by the unity of the American people. If we draw on that spirit anew, we can build a world of greater peace, prosperity, and human dignity.

II. Strategic Approach

“More than at any point in human history—the interests of nations and peoples are shared. The religious convictions that we hold in our hearts can forge new bonds among people, or tear us apart. The technology we harness can light the path to peace, or forever darken it. The energy we use can sustain our planet, or destroy it. What happens to the hope of a single child—anywhere—can enrich our world, or impoverish it.”

—President Barack Obama, United Nations General Assembly, September 22, 2009

The United States must renew its leadership in the world by building and cultivating the sources of our strength and influence. Our national security depends upon America's ability to leverage our unique national attributes, just as global security depends upon strong and responsible American leadership. That includes our military might, economic competitiveness, moral leadership, global engagement, and efforts to shape an international system that serves the mutual interests of nations and peoples. For the world has changed at an extraordinary pace, and the United States must adapt to advance our interests and sustain our leadership.

American interests are enduring. They are:

- The security of the United States, its citizens, and U.S. allies and partners;
- A strong, innovative, and growing U.S. economy in an open international economic system that promotes opportunity and prosperity;
- Respect for universal values at home and around the world; and
- An international order advanced by U.S. leadership that promotes peace, security, and opportunity through stronger cooperation to meet global challenges.

Currently, the United States is focused on implementing a responsible transition as we end the war in Iraq, succeeding in Afghanistan, and defeating al-Qa'ida and its terrorist affiliates, while moving our economy from catastrophic recession to lasting recovery. As we confront these crises, our national strategy must take a longer view. We must build a stronger foundation for American leadership and work to better shape the outcomes that are most fundamental to our people in the 21st century.

The Strategic Environment—The World as It Is

In the two decades since the end of the Cold War, the free flow of information, people, goods and services has accelerated at an unprecedented rate. This interconnection has empowered individuals for good and ill, and challenged state based international institutions that were largely designed in the wake of World War II by policymakers who had different challenges in mind. Nonstate actors can have a dramatic influence on the world around them. Economic growth has alleviated poverty and led to new centers of influence. More nations are asserting themselves

regionally and globally. The lives of our citizens—their safety and prosperity—are more bound than ever to events beyond our borders.

Within this environment, the attacks of September 11, 2001, were a transformative event for the United States, demonstrating just how much trends far beyond our shores could directly endanger the personal safety of the American people. The attacks put into sharp focus America's position as the sole global superpower, the dangers of violent extremism, and the simmering conflicts that followed the peaceful conclusion of the Cold War. And they drew a swift and forceful response from the United States and our allies and partners in Afghanistan. This response was followed by our decision to go to war in Iraq, and the ensuing years have seen America's forces, resources, and national security strategy focused on these conflicts.

The United States is now fighting two wars with many thousands of our men and women deployed in harm's way, and hundreds of billions of dollars dedicated to funding these conflicts. In Iraq, we are supporting a transition of responsibility to the sovereign Iraqi Government. We are supporting the security and prosperity of our partners in Afghanistan and Pakistan as part of a broader campaign to disrupt, dismantle, and defeat al-Qa'ida and its violent extremist affiliates.

Yet these wars—and our global efforts to successfully counter violent extremism—are only one element of our strategic environment and cannot define America's engagement with the world. Terrorism is one of many threats that are more consequential in a global age. The gravest danger to the American people and global security continues to come from weapons of mass destruction, particularly nuclear weapons. The space and cyberspace capabilities that power our daily lives and military operations are vulnerable to disruption and attack. Dependence upon fossil fuels constrains our options and pollutes our environment. Climate change and pandemic disease threaten the security of regions and the health and safety of the American people. Failing states breed conflict and endanger regional and global security. Global criminal networks foment insecurity abroad and bring people and goods across our own borders that threaten our people.

The global economy is being reshaped by innovation, emerging economies, transition to low-carbon energy, and recovery from a catastrophic recession. The convergence of wealth and living standards among developed and emerging economies holds out the promise of more balanced global growth, but dramatic inequality persists within and among nations. Profound cultural and demographic tensions, rising demand for resources, and rapid urbanization could reshape single countries and entire regions. As the world grows more interconnected, more individuals are gaining awareness of their universal rights and have the capacity to pursue them. Democracies that respect the rights of their people remain successful states and America's most steadfast allies. Yet the advance of democracy and human rights has stalled in many parts of the world.

More actors exert power and influence. Europe is now more united, free, and at peace than ever before. The European Union has deepened its integration. Russia has reemerged in the international arena as a strong voice. China and India—the world's two most populous nations—are becoming more engaged globally. From Latin America to Africa to the Pacific, new and emerging powers hold out opportunities for partnership, even as a handful of states endanger regional and global security by flouting international norms. International institutions play a critical role in facilitating cooperation, but at times cannot effectively address new threats or seize new opportunities. Meanwhile, individuals, corporations, and civil society play an increasingly important role in shaping events around the world.

The United States retains the strengths that have enabled our leadership for many decades. Our society is exceptional in its openness, vast diversity, resilience, and engaged citizenry. Our private sector and civil society exhibit enormous ingenuity and innovation, and our workers are capable and dedicated. We have the world's largest economy and most powerful military, strong alliances and a vibrant cultural appeal, and a history of leadership in economic and social development. We continue to be a destination that is sought out by immigrants from around the

world, who enrich our society. We have a transparent, accountable democracy and a dynamic and productive populace with deep connections to peoples around the world. And we continue to embrace a set of values that have enabled liberty and opportunity at home and abroad.

Now, the very fluidity within the international system that breeds new challenges must be approached as an opportunity to forge new international cooperation. We must rebalance our long-term priorities so that we successfully move beyond today's wars, and focus our attention and resources on a broader set of countries and challenges. We must seize on the opportunities afforded by the world's interconnection, while responding effectively and comprehensively to its dangers. And we must take advantage of the unparalleled connections that America's Government, private sector, and citizens have around the globe.

The Strategic Approach—The World We Seek

In the past, the United States has thrived when both our nation and our national security policy have adapted to shape change instead of being shaped by it. For instance, as the industrial revolution took hold, America transformed our economy and our role in the world. When the world was confronted by fascism, America prepared itself to win a war and to shape the peace that followed. When the United States encountered an ideological, economic, and military threat from communism, we shaped our practices and institutions at home—and policies abroad—to meet this challenge. Now, we must once again position the United States to champion mutual interests among nations and peoples.

Building Our Foundation

Our national security begins at home. What takes place within our borders has always been the source of our strength, and this is even truer in an age of interconnection.

First and foremost, we must renew the foundation of America's strength. In the long run, the welfare of the American people will determine America's strength in the world, particularly at a time when our own economy is inextricably linked to the global economy. Our prosperity serves as a wellspring for our power. It pays for our military, underwrites our diplomacy and development efforts, and serves as a leading source of our influence in the world. Moreover, our trade and investment supports millions of American jobs, forges links among countries, spurs global development, and contributes to a stable and peaceful political and economic environment.

Yet even as we have maintained our military advantage, our competitiveness has been set back in recent years. We are recovering from underinvestment in the areas that are central to America's strength. We have not adequately advanced priorities like education, energy, science and technology, and health care—all of which are essential to U.S. competitiveness, long-term prosperity, and strength. Years of rising fiscal and trade deficits will also necessitate hard choices in the years ahead.

That is why we are rebuilding our economy so that it will serve as an engine of opportunity for the American people, and a source of American influence abroad. The United States must ensure that we have the world's best-educated workforce, a private sector that fosters innovation, and citizens and businesses that can access affordable health care to compete in a globalized economy. We must transform the way that we use energy—diversifying supplies, investing in innovation, and deploying clean energy technologies. By doing so, we will enhance energy security, create jobs, and fight climate change.

Rebuilding our economy must include putting ourselves on a fiscally sustainable path. As such, implementing our national security strategy will require a disciplined approach to setting priorities and making tradeoffs among competing programs and activities. Taken together, these efforts will position our nation for success in the global marketplace, while also supporting our national security capacity—the strength of our military, intelligence, diplomacy and development, and the security and resilience of our homeland.

We are now moving beyond traditional distinctions between homeland and national security. National security draws on the strength and resilience of our citizens, communities, and economy. This includes a determination to prevent terrorist attacks against the American people by fully coordinating the actions that we take abroad with the actions and precautions that we take at home. It must also include a commitment to building a more secure and resilient nation, while maintaining open flows of goods and people. We will continue to develop the capacity to address the threats and hazards that confront us, while redeveloping our infrastructure to secure our people and work cooperatively with other nations.

America's example is also a critical component of our foundation. The human rights which America has stood for since our founding have enabled our leadership, provided a source of inspiration for peoples around the world, and drawn a clear contrast between the United States and our democratic allies, and those nations and individuals that deny or suppress human rights. Our efforts to live our own values, and uphold the principles of democracy in our own society, underpin our support for the aspirations of the oppressed abroad, who know they can turn to America for leadership based on justice and hope.

Our moral leadership is grounded principally in the power of our example—not through an effort to impose our system on other peoples. Yet over the years, some methods employed in pursuit of our security have compromised our fidelity to the values that we promote, and our leadership on their behalf. This undercuts our ability to support democratic movements abroad, challenge nations that violate international human rights norms, and apply our broader leadership for good in the world. That is why we will lead on behalf of our values by living them. Our struggle to stay true to our values and Constitution has always been a lodestar, both to the American people and to those who share our aspiration for human dignity.

Our values have allowed us to draw the best and brightest to our shores, to inspire those who share our cause abroad, and to give us the credibility to stand up to tyranny. America must demonstrate through words and deeds the resilience of our values and Constitution. For if we compromise our values in pursuit of security, we will undermine both; if we fortify them, we will sustain a key source of our strength and leadership in the world—one that sets us apart from our enemies and our potential competitors.

Pursuing Comprehensive Engagement

Our foundation will support our efforts to engage nations, institutions, and peoples around the world on the basis of mutual interests and mutual respect.

Engagement is the active participation of the United States in relationships beyond our borders. It is, quite simply, the opposite of a self-imposed isolation that denies us the ability to shape outcomes. Indeed, America has never succeeded through isolationism. As the nation that helped to build our international system after World War II and to bring about the globalization that came with the end of the Cold War, we must reengage the world on a comprehensive and sustained basis.

Engagement begins with our closest friends and allies—from Europe to Asia; from North America to the Middle East. These nations share a common history of struggle on behalf of security, prosperity, and democracy. They share common values and a common commitment to international norms that recognize both the rights and responsibilities of all sovereign nations. America's national security depends on these vibrant alliances, and we must engage them as active partners in addressing global and regional security priorities and harnessing new opportunities to advance common interests. For instance, we pursue close and regular collaboration with our close allies the United Kingdom, France, and Germany on issues of mutual and global concern.

We will continue to deepen our cooperation with other 21st century centers of influence—including China, India, and Russia—on the basis of mutual interests and mutual respect. We will also pursue diplomacy and development that supports the emergence of new and successful

partners, from the Americas to Africa; from the Middle East to Southeast Asia. Our ability to advance constructive cooperation is essential to the security and prosperity of specific regions, and to facilitating global cooperation on issues ranging from violent extremism and nuclear proliferation, to climate change, and global economic instability—issues that challenge all nations, but that no one nation alone can meet.

To adversarial governments, we offer a clear choice: abide by international norms, and achieve the political and economic benefits that come with greater integration with the international community; or refuse to accept this pathway, and bear the consequences of that decision, including greater isolation. Through engagement, we can create opportunities to resolve differences, strengthen the international community's support for our actions, learn about the intentions and nature of closed regimes, and plainly demonstrate to the publics within those nations that their governments are to blame for their isolation.

Successful engagement will depend upon the effective use and integration of different elements of American power. Our diplomacy and development capabilities must help prevent conflict, spur economic growth, strengthen weak and failing states, lift people out of poverty, combat climate change and epidemic disease, and strengthen institutions of democratic governance. Our military will continue strengthening its capacity to partner with foreign counterparts, train and assist security forces, and pursue military-to-military ties with a broad range of governments. We will continue to foster economic and financial transactions to advance our shared prosperity. And our intelligence and law enforcement agencies must cooperate effectively with foreign governments to anticipate events, respond to crises, and provide safety and security.

Finally, we will pursue engagement among peoples—not just governments—around the world. The United States Government will make a sustained effort to engage civil society and citizens and facilitate increased connections among the American people and peoples around the world—through efforts ranging from public service and educational exchanges, to increased commerce and private sector partnerships. In many instances, these modes of engagement have a powerful and enduring impact beyond our borders, and are a cost-effective way of projecting a positive vision of American leadership. Time and again, we have seen that the best ambassadors for American values and interests are the American people—our businesses, nongovernmental organizations, scientists, athletes, artists, military service members, and students.

Facilitating increased international engagement outside of government will help prepare our country to thrive in a global economy, while building the goodwill and relationships that are invaluable to sustaining American leadership. It also helps leverage strengths that are unique to America—our diversity and diaspora populations, our openness and creativity, and the values that our people embody in their own lives.

Promoting a Just and Sustainable International Order

Our engagement will underpin a just and sustainable international order—just, because it advances mutual interests, protects the rights of all, and holds accountable those who refuse to meet their responsibilities; sustainable because it is based on broadly shared norms and fosters collective action to address common challenges.

This engagement will pursue an international order that recognizes the rights and responsibilities of all nations. As we did after World War II, we must pursue a rules-based international system that can advance our own interests by serving mutual interests. International institutions must be more effective and representative of the diffusion of influence in the 21st century. Nations must have incentives to behave responsibly, or be isolated when they do not. The test of this international order must be the cooperation it facilitates and the results it generates—the ability of nations to come together to confront common challenges like violent extremism, nuclear proliferation, climate change, and a changing global economy.

That is precisely the reason we should strengthen enforcement of international law and our commitment to engage and modernize international institutions and frameworks. Those nations that refuse to meet their responsibilities will forsake the opportunities that come with international cooperation. Credible and effective alternatives to military action—from sanctions to isolation—must be strong enough to change behavior, just as we must reinforce our alliances and our military capabilities. And if nations challenge or undermine an international order that is based upon rights and responsibilities, they must find themselves isolated.

We succeeded in the post-World War II era by pursuing our interests within multilateral forums like the United Nations—not outside of them. We recognized that institutions that aggregated the national interests of many nations would never be perfect; but we also saw that they were an indispensable vehicle for pooling international resources and enforcing international norms. Indeed, the basis for international cooperation since World War II has been an architecture of international institutions, organizations, regimes, and standards that establishes certain rights and responsibilities for all sovereign nations.

In recent years America's frustration with international institutions has led us at times to engage the United Nations (U.N.) system on an ad hoc basis. But in a world of transnational challenges, the United States will need to invest in strengthening the international system, working from inside international institutions and frameworks to face their imperfections head on and to mobilize transnational cooperation.

We must be clear-eyed about the factors that have impeded effectiveness in the past. In order for collective action to be mobilized, the polarization that persists across region, race, and religion will need to be replaced by a galvanizing sense of shared interest. Swift and effective international action often turns on the political will of coalitions of countries that comprise regional or international institutions. New and emerging powers who seek greater voice and representation will need to accept greater responsibility for meeting global challenges. When nations breach agreed international norms, the countries who espouse those norms must be convinced to band together to enforce them.

We will expand our support to modernizing institutions and arrangements such as the evolution of the G-8 to the G-20 to reflect the realities of today's international environment. Working with the institutions and the countries that comprise them, we will enhance international capacity to prevent conflict, spur economic growth, improve security, combat climate change, and address the challenges posed by weak and failing states. And we will challenge and assist international institutions and frameworks to reform when they fail to live up to their promise. Strengthening the legitimacy and authority of international law and institutions, especially the U.N., will require a constant struggle to improve performance.

Furthermore, our international order must recognize the increasing influence of individuals in today's world. There must be opportunities for civil society to thrive within nations and to forge connections among them. And there must be opportunities for individuals and the private sector to play a major role in addressing common challenges—whether supporting a nuclear fuel bank, promoting global health, fostering entrepreneurship, or exposing violations of universal rights. In the 21st century, the ability of individuals and nongovernment actors to play a positive role in shaping the international environment represents a distinct opportunity for the United States.

Within this context, we know that an international order where every nation upholds its rights and responsibilities will remain elusive. Force will sometimes be necessary to confront threats. Technology will continue to bring with it new dangers. Poverty and disease will not be completely abolished. Oppression will always be with us. But if we recognize these challenges, embrace America's responsibility to confront them with its partners, and forge new cooperative approaches to get others to join us in overcoming them, then the international order of a globalized age can better advance our interests and the common interests of nations and peoples everywhere.

Strengthening National Capacity—A Whole of Government Approach

To succeed, we must update, balance, and integrate all of the tools of American power and work with our allies and partners to do the same. Our military must maintain its conventional superiority and, as long as nuclear weapons exist, our nuclear deterrent capability, while continuing to enhance its capacity to defeat asymmetric threats, preserve access to the global commons, and strengthen partners. We must invest in diplomacy and development capabilities and institutions in a way that complements and reinforces our global partners. Our intelligence capabilities must continuously evolve to identify and characterize conventional and asymmetric threats and provide timely insight. And we must integrate our approach to homeland security with our broader national security approach.

We are improving the integration of skills and capabilities within our military and civilian institutions, so they complement each other and operate seamlessly. We are also improving coordinated planning and policymaking and must build our capacity in key areas where we fall short. This requires close cooperation with Congress and a deliberate and inclusive interagency process, so that we achieve integration of our efforts to implement and monitor operations, policies, and strategies. To initiate this effort, the White House merged the staffs of the National Security Council and Homeland Security Council.

However, work remains to foster coordination across departments and agencies. Key steps include more effectively ensuring alignment of resources with our national security strategy, adapting the education and training of national security professionals to equip them to meet modern challenges, reviewing authorities and mechanisms to implement and coordinate assistance programs, and other policies and programs that strengthen coordination.

- **Defense:** We are strengthening our military to ensure that it can prevail in today's wars; to prevent and deter threats against the United States, its interests, and our allies and partners; and prepare to defend the United States in a wide range of contingencies against state and nonstate actors. We will continue to rebalance our military capabilities to excel at counterterrorism, counterinsurgency, stability operations, and meeting increasingly sophisticated security threats, while ensuring our force is ready to address the full range of military operations. This includes preparing for increasingly sophisticated adversaries, deterring and defeating aggression in anti-access environments, and defending the United States and supporting civil authorities at home. The most valuable component of our national defense is the men and women who make up America's all-volunteer force. They have shown tremendous resilience, adaptability, and capacity for innovation, and we will provide our service members with the resources that they need to succeed and rededicate ourselves to providing support and care for wounded warriors, veterans, and military families. We must set the force on a path to sustainable deployment cycles and preserve and enhance the long-term viability of our force through successful recruitment, retention, and recognition of those who serve.

- **Diplomacy:** Diplomacy is as fundamental to our national security as our defense capability. Our diplomats are the first line of engagement, listening to our partners, learning from them, building respect for one another, and seeking common ground. Diplomats, development experts, and others in the United States Government must be able to work side by side to support a common agenda. New skills are needed to foster effective interaction to convene, connect, and mobilize not only other governments and international organizations, but also nonstate actors such as corporations, foundations, nongovernmental organizations, universities, think tanks, and faith-based organizations, all of whom increasingly have a distinct role to play on both diplomatic and development issues. To accomplish these goals our diplomatic personnel and missions must be expanded at home and abroad to support the increasingly transnational nature of 21st century security challenges. And we must provide the appropriate authorities and mechanisms to implement

and coordinate assistance programs and grow the civilian expeditionary capacity required to assist governments on a diverse array of issues.

- **Economic:** Our economic institutions are crucial components of our national capacity and our economic instruments are the bedrock of sustainable national growth, prosperity and influence. The Office of Management and Budget, Departments of the Treasury, State, Commerce, Energy, and Agriculture, United States Trade Representative, Federal Reserve Board, and other institutions help manage our currency, trade, foreign investment, deficit, inflation, productivity, and national competitiveness. Remaining a vibrant 21st century economic power also requires close cooperation between and among developed nations and emerging markets because of the interdependent nature of the global economy. America—like other nations—is dependent upon overseas markets to sell its exports and maintain access to scarce commodities and resources. Thus, finding overlapping mutual economic interests with other nations and maintaining those economic relationships are key elements of our national security strategy.

- **Development:** Development is a strategic, economic, and moral imperative. We are focusing on assisting developing countries and their people to manage security threats, reap the benefits of global economic expansion, and set in place accountable and democratic institutions that serve basic human needs. Through an aggressive and affirmative development agenda and commensurate resources, we can strengthen the regional partners we need to help us stop conflicts and counter global criminal networks; build a stable, inclusive global economy with new sources of prosperity; advance democracy and human rights; and ultimately position ourselves to better address key global challenges by growing the ranks of prosperous, capable, and democratic states that can be our partners in the decades ahead. To do this, we are expanding our civilian development capability; engaging with international financial institutions that leverage our resources and advance our objectives; pursuing a development budget that more deliberately reflects our policies and our strategy, not sector earmarks; and ensuring that our policy instruments are aligned in support of development objectives.

- **Homeland Security:** Homeland security traces its roots to traditional and historic functions of government and society, such as civil defense, emergency response, law enforcement, customs, border patrol, and immigration. In the aftermath of 9/11 and the foundation of the Department of Homeland Security, these functions have taken on new organization and urgency. Homeland security, therefore, strives to adapt these traditional functions to confront new threats and evolving hazards. It is not simply about government action alone, but rather about the collective strength of the entire country. Our approach relies on our shared efforts to identify and interdict threats; deny hostile actors the ability to operate within our borders; maintain effective control of our physical borders; safeguard lawful trade and travel into and out of the United States; disrupt and dismantle transnational terrorist, and criminal organizations; and ensure our national resilience in the face of the threat and hazards. Taken together, these efforts must support a homeland that is safe and secure from terrorism and other hazards and in which American interests, aspirations, and way of life can thrive.

- **Intelligence:** Our country's safety and prosperity depend on the quality of the intelligence we collect and the analysis we produce, our ability to evaluate and share this information in a timely manner, and our ability to counter intelligence threats. This is as true for the strategic intelligence that informs executive decisions as it is for intelligence support to homeland security, state, local, and tribal governments, our troops, and critical national missions. We are working to better integrate the Intelligence Community, while also enhancing the capabilities of our Intelligence Community members. We are strengthening our partnerships with foreign intelligence services and sustaining strong ties with our close allies. And we continue to invest in the men and women of the Intelligence Community.

- **Strategic Communications:** Across all of our efforts, effective strategic communications are essential to sustaining global legitimacy and supporting our policy aims. Aligning our actions with our words is a shared responsibility that must be fostered by a culture of communication throughout government. We must also be more effective in our deliberate communication and engagement and do a better job understanding the attitudes, opinions, grievances, and concerns of peoples—not just elites—around the world. Doing so allows us to convey credible, consistent messages and to develop effective plans, while better understanding how our actions will be perceived. We must also use a broad range of methods for communicating with foreign publics, including new media.

- **The American People and the Private Sector:** The ideas, values, energy, creativity, and resilience of our citizens are America's greatest resource. We will support the development of prepared, vigilant, and engaged communities and underscore that our citizens are the heart of a resilient country. And we must tap the ingenuity outside government through strategic partnerships with the private sector, nongovernmental organizations, foundations, and community-based organizations. Such partnerships are critical to U.S. success at home and abroad, and we will support them through enhanced opportunities for engagement, coordination, transparency, and information sharing.

III. Advancing Our Interests

To achieve the world we seek, the United States must apply our strategic approach in pursuit of four enduring national interests:

- **Security:** The security of the United States, its citizens, and U.S. allies and partners.
- **Prosperity:** A strong, innovative, and growing U.S. economy in an open international economic system that promotes opportunity and prosperity.
- **Values:** Respect for universal values at home and around the world.
- **International Order:** An international order advanced by U.S. leadership that promotes peace, security, and opportunity through stronger cooperation to meet global challenges.

Each of these interests is inextricably linked to the others: no single interest can be pursued in isolation, but at the same time, positive action in one area will help advance all four. The initiatives described below do not encompass all of America's national security concerns. However, they represent areas of particular priority and areas where progress is critical to securing our country and renewing American leadership in the years to come.

Security

"We will not apologize for our way of life, nor will we waver in its defense. And for those who seek to advance their aims by inducing terror and slaughtering innocents, we say to you now that our spirit is stronger and cannot be broken—you cannot outlast us, and we will defeat you."

—President Barack Obama, Inaugural Address, January 20, 2009

The threats to our people, our homeland, and our interests have shifted dramatically in the last 20 years. Competition among states endures, but instead of a single nuclear adversary, the United States is now threatened by the potential spread of nuclear weapons to extremists who may not be deterred from using them. Instead of a hostile expansionist empire, we now face a diverse array of challenges, from a loose network of violent extremists to states that flout international norms or face internal collapse. In addition to facing enemies on traditional battlefields, the United States must now be prepared for asymmetric threats, such as those that target our reliance on space and cyberspace.

This Administration has no greater responsibility than protecting the American people. Furthermore, we embrace America's unique responsibility to promote international security—a responsibility that flows from our commitments to allies, our leading role in supporting a just and sustainable international order, and our unmatched military capabilities.

The United States remains the only nation able to project and sustain large-scale military operations over extended distances. We maintain superior capabilities to deter and defeat adaptive enemies and to ensure the credibility of security partnerships that are fundamental to regional and global security. In this way, our military continues to underpin our national security and global leadership, and when we use it appropriately, our security and leadership is reinforced. But when we overuse our military might, or fail to invest in or deploy complementary tools, or act without partners, then our military is overstretched, Americans bear a greater burden, and our leadership around the world is too narrowly identified with military force. And we know that our enemies aim to overextend our Armed Forces and to drive wedges between us and those who share our interests.

Therefore, we must continue to adapt and rebalance our instruments of statecraft. At home, we are integrating our homeland security efforts seamlessly with other aspects of our national security approach, and strengthening our preparedness and resilience. Abroad, we are strengthening alliances, forging new partnerships, and using every tool of American power to advance our objectives—including enhanced diplomatic and development capabilities with the ability both to prevent conflict and to work alongside our military. We are strengthening international norms to isolate governments that flout them and to marshal cooperation against nongovernmental actors who endanger our common security.

Strengthen Security and Resilience at Home

At home, the United States is pursuing a strategy capable of meeting the full range of threats and hazards to our communities. These threats and hazards include terrorism, natural disasters, large-scale cyber attacks, and pandemics. As we do everything within our power to prevent these dangers, we also recognize that we will not be able to deter or prevent every single threat. That is why we must also enhance our resilience—the ability to adapt to changing conditions and prepare for, withstand, and rapidly recover from disruption. To keep Americans safe and secure at home, we are working to:

Enhance Security at Home: Security at home relies on our shared efforts to prevent and deter attacks by identifying and interdicting threats, denying hostile actors the ability to operate within our borders, protecting the nation's critical infrastructure and key resources, and securing cyberspace. That is why we are pursuing initiatives to protect and reduce vulnerabilities in critical infrastructure, at our borders, ports, and airports, and to enhance overall air, maritime, transportation, and space and cyber security. Building on this foundation, we recognize that the global systems that carry people, goods, and data around the globe also facilitate the movement of dangerous people, goods, and data. Within these systems of transportation and transaction, there are key nodes—for example, points of origin and transfer, or border crossings—that represent opportunities for exploitation and interdiction. Thus, we are working with partners abroad to confront threats that often begin beyond our borders. And we are developing lines of coordination at home across Federal, state, local, tribal, territorial, nongovernmental, and private-sector partners, as well as individuals and communities.

Effectively Manage Emergencies: We are building our capability to prepare for disasters to reduce or eliminate long-term effects to people and their property from hazards and to respond to and recover from major incidents. To improve our preparedness, we are integrating domestic all hazards planning at all levels of government and building key capabilities to respond to emergencies. We continue to collaborate with communities to ensure preparedness efforts are integrated at all levels of government with the private and nonprofit sectors. We are investing in operational capabilities and equipment, and improving the reliability and interoperability of communications systems for first responders. We are encouraging domestic regional planning and integrated preparedness programs and will encourage government at all levels to engage in long-term recovery planning. It is critical that we continually test and improve plans using exercises that are realistic in scenario and consequences.

Empowering Communities to Counter Radicalization: Several recent incidences of violent extremists in the United States who are committed to fighting here and abroad have underscored the threat to the United States and our interests posed by individuals radicalized at home. Our best defenses against this threat are well informed and equipped families, local communities, and institutions. The Federal Government will invest in intelligence to understand this threat and expand community engagement and development programs to empower local communities. And the Federal Government, drawing on the expertise and resources from all relevant agencies, will clearly communicate our policies and intentions, listening to local concerns, tailoring policies to address regional concerns, and making clear that our diversity is part of our strength—not a source of division or insecurity.

Improve Resilience Through Increased Public-Private Partnerships: When incidents occur, we must show resilience by maintaining critical operations and functions, returning to our normal life, and learning from disasters so that their lessons can be translated into pragmatic changes when necessary. The private sector, which owns and operates most of the nation's critical infrastructure, plays a vital role in preparing for and recovering from disasters. We must, therefore, strengthen public-private partnerships by developing incentives for government and the private sector to design structures and systems that can withstand disruptions and mitigate associated consequences, ensure redundant systems where necessary to maintain the ability to operate, decentralize critical operations to reduce our vulnerability to single points of disruption, develop and test continuity plans to ensure the ability to restore critical capabilities, and invest in improvements and maintenance of existing infrastructure.

Engage with Communities and Citizens: We will emphasize individual and community preparedness and resilience through frequent engagement that provides clear and reliable risk and emergency information to the public. A key part of this effort is providing practical steps that all Americans can take to protect themselves, their families, and their neighbors. This includes transmitting information through multiple pathways and to those with special needs. In addition, we support efforts to develop a nationwide public safety broadband network. Our efforts to inform and empower Americans and their communities recognize that resilience has always been at the heart of the American spirit.

Disrupt, Dismantle, and Defeat Al-Qa'ida and its Violent Extremist Affiliates in Afghanistan, Pakistan, and Around the World

The United States is waging a global campaign against al-Qa'ida and its terrorist affiliates. To disrupt, dismantle and defeat al-Qa'ida and its affiliates, we are pursuing a strategy that protects our homeland, secures the world's most dangerous weapons and material, denies al-Qa'ida safe haven, and builds positive partnerships with Muslim communities around the world. Success requires a broad, sustained, and integrated campaign that judiciously applies every tool of American power—both military and civilian—as well as the concerted efforts of like-minded states and multilateral institutions.

We will always seek to delegitimize the use of terrorism and to isolate those who carry it out. Yet this is not a global war against a tactic—terrorism or a religion—Islam. We are at war with a specific network, al-Qa'ida, and its terrorist affiliates who support efforts to attack the United States, our allies, and partners.

Prevent Attacks on and in the Homeland: To prevent acts of terrorism on American soil, we must enlist all of our intelligence, law enforcement, and homeland security capabilities. We will continue to integrate and leverage state and major urban area fusion centers that have the capability to share classified information; establish a nationwide framework for reporting suspicious activity; and implement an integrated approach to our counterterrorism information systems to ensure that the analysts, agents, and officers who protect us have access to all relevant intelligence throughout the government. We are improving information sharing and cooperation by linking networks to

facilitate Federal, state, and local capabilities to seamlessly exchange messages and information, conduct searches, and collaborate. We are coordinating better with foreign partners to identify, track, limit access to funding, and prevent terrorist travel. Recognizing the inextricable link between domestic and transnational security, we will collaborate bilaterally, regionally, and through international institutions to promote global efforts to prevent terrorist attacks.

Strengthen Aviation Security: We know that the aviation system has been a particular target of al-Qa'ida and its affiliates. We must continue to bolster aviation security worldwide through a focus on increased information collection and sharing, stronger passenger vetting and screening measures, the development and development of advanced screening technologies, and cooperation with the international community to strengthen aviation security standards and efforts around the world.

Deny Terrorists Weapons of Mass Destruction: To prevent acts of terrorism with the world's most dangerous weapons, we are dramatically accelerating and intensifying efforts to secure all vulnerable nuclear materials by the end of 2013, and to prevent the spread of nuclear weapons. We will also take actions to safeguard knowledge and capabilities in the life and chemical sciences that could be vulnerable to misuse.

Deny Al-Qa'ida the Ability to Threaten the American People, Our Allies, Our Partners and Our Interests Overseas: Al-Qa'ida and its allies must not be permitted to gain or retain any capacity to plan and launch international terrorist attacks, especially against the U.S. homeland. Al Qa'ida's core in Pakistan remains the most dangerous component of the larger network, but we also face a growing threat from the group's allies worldwide. We must deny these groups the ability to conduct operational plotting from any locale, or to recruit, train, and position operatives, including those from Europe and North America.

Afghanistan and Pakistan: This is the epicenter of the violent extremism practiced by al Qa'ida. The danger from this region will only grow if its security slides backward, the Taliban controls large swaths of Afghanistan, and al-Qa'ida is allowed to operate with impunity. To prevent future attacks on the United States, our allies, and partners, we must work with others to keep the pressure on al-Qa'ida and increase the security and capacity of our partners in this region.

In Afghanistan, we must deny al-Qa'ida a safe haven, deny the Taliban the ability to overthrow the government, and strengthen the capacity of Afghanistan's security forces and government so that they can take lead responsibility for Afghanistan's future. Within Pakistan, we are working with the government to address the local, regional, and global threat from violent extremists.

We will achieve these objectives with a strategy comprised of three components.

- First, our military and International Security Assistance Force (ISAF) partners within Afghanistan are targeting the insurgency, working to secure key population centers, and increasing efforts to train Afghan security forces. These military resources will allow us to create the conditions to transition to Afghan responsibility. In July 2011, we will begin reducing our troops responsibly, taking into account conditions on the ground. We will continue to advise and assist Afghanistan's Security Forces so that they can succeed over the long term.

- Second, we will continue to work with our partners, the United Nations, and the Afghan Government to improve accountable and effective governance. As we work to advance our strategic partnership with the Afghan Government, we are focusing assistance on supporting the President of Afghanistan and those ministries, governors, and local leaders who combat corruption and deliver for the people. Our efforts will be based upon performance, and we will measure progress. We will also target our assistance to areas that can make an immediate and enduring impact in the lives of the Afghan people, such as agriculture, while supporting the human rights of all of Afghanistan's people—women and men. This will support our long-term commitment to a relationship between our two countries that supports a strong, stable, and prosperous Afghanistan.

- Third, we will foster a relationship with Pakistan founded upon mutual interests and mutual respect. To defeat violent extremists who threaten both of our countries, we will strengthen Pakistan's capacity to target violent extremists within its borders, and continue to provide security assistance to support those efforts. To strengthen Pakistan's democracy and development, we will provide substantial assistance responsive to the needs of the Pakistani people, and sustain a long-term partnership committed to Pakistan's future. The strategic partnership that we are developing with Pakistan includes deepening cooperation in a broad range of areas, addressing both security and civilian challenges, and we will continue to expand those ties through our engagement with Pakistan in the years to come.

Deny Safe Havens and Strengthen At-Risk States: Wherever al-Qa'ida or its terrorist affiliates attempt to establish a safe haven—as they have in Yemen, Somalia, the Maghreb, and the Sahel—we will meet them with growing pressure. We also will strengthen our own network of partners to disable al-Qa'ida's financial, human, and planning networks; disrupt terrorist operations before they mature; and address potential safe-havens before al-Qa'ida and its terrorist affiliates can take root. These efforts will focus on information-sharing, law enforcement cooperation, and establishing new practices to counter evolving adversaries. We will also help states avoid becoming terrorist safe havens by helping them build their capacity for responsible governance and security through development and security sector assistance.

Deliver Swift and Sure Justice: To effectively detain, interrogate, and prosecute terrorists, we need durable legal approaches consistent with our security and our values. We adhere to several principles: we will leverage all available information and intelligence to disrupt attacks and dismantle al-Qa'ida and affiliated terrorist organizations; we will bring terrorists to justice; we will act in line with the rule of law and due process; we will submit decisions to checks and balances and accountability; and we will insist that matters of detention and secrecy are addressed in a manner consistent with our Constitution and laws. To deny violent extremists one of their most potent recruitment tools, we will close the prison at Guantanamo Bay.

Resist Fear and Overreaction: The goal of those who perpetrate terrorist attacks is in part to sow fear. If we respond with fear, we allow violent extremists to succeed far beyond the initial impact of their attacks, or attempted attacks—altering our society and enlarging the standing of al-Qa'ida and its terrorist affiliates far beyond its actual reach. Similarly, overreacting in a way that creates fissures between America and certain regions or religions will undercut our leadership and make us less safe.

Contrast Al-Qa'ida's Intent to Destroy with Our Constructive Vision: While violent extremists seek to destroy, we will make clear our intent to build. We are striving to build bridges among people of different faiths and regions. We will continue to work to resolve the Arab-Israeli conflict, which has long been a source of tension. We will continue to stand up for the universal rights of all people, even for those with whom we disagree. We are developing new partnerships in Muslim communities around the world on behalf of health, education, science, employment, and innovation. And through our broader emphasis on Muslim engagement, we will communicate our commitment to support the aspirations of all people for security and opportunity. Finally, we reject the notion that al-Qa'ida represents any religious authority. They are not religious leaders, they are killers; and neither Islam nor any other religion condones the slaughter of innocents.

Use of Force

Military force, at times, may be necessary to defend our country and allies or to preserve broader peace and security, including by protecting civilians facing a grave humanitarian crisis. We will draw on diplomacy, development, and international norms and institutions to help resolve disagreements, prevent conflict, and maintain peace, mitigating where possible the need for the use of force. This means credibly underwriting U.S. defense commitments with tailored approaches to deterrence and ensuring the U.S. military continues to have the necessary capabilities across all

domains—land, air, sea, space, and cyber. It also includes helping our allies and partners build capacity to fulfill their responsibilities to contribute to regional and global security.

While the use of force is sometimes necessary, we will exhaust other options before war whenever we can, and carefully weigh the costs and risks of action against the costs and risks of inaction. When force is necessary, we will continue to do so in a way that reflects our values and strengthens our legitimacy, and we will seek broad international support, working with such institutions as NATO and the U.N. Security Council.

The United States must reserve the right to act unilaterally if necessary to defend our nation and our interests, yet we will also seek to adhere to standards that govern the use of force. Doing so strengthens those who act in line with international standards, while isolating and weakening those who do not. We will also outline a clear mandate and specific objectives and thoroughly consider the consequences—intended and unintended—of our actions. And the United States will take care when sending the men and women of our Armed Forces into harm's way to ensure they have the leadership, training, and equipment they require to accomplish their mission.

Reverse the Spread of Nuclear and Biological Weapons and Secure Nuclear Materials

The American people face no greater or more urgent danger than a terrorist attack with a nuclear weapon. And international peace and security is threatened by proliferation that could lead to a nuclear exchange. Indeed, since the end of the Cold War, the risk of a nuclear attack has increased. Excessive Cold War stockpiles remain. More nations have acquired nuclear weapons. Testing has continued. Black markets trade in nuclear secrets and materials. Terrorists are determined to buy, build, or steal a nuclear weapon. Our efforts to contain these dangers are centered in a global nonproliferation regime that has frayed as more people and nations break the rules.

That is why reversing the spread of nuclear weapons is a top priority. Success depends upon broad consensus and concerted action, we will move forward strategically on a number of fronts through our example, our partnerships, and a reinvigorated international regime. The United States will:

Pursue the Goal of a World Without Nuclear Weapons: While this goal will not be reached during this Administration, its active pursuit and eventual achievement will increase global security, keep our commitment under the NPT, build our cooperation with Russia and other states, and increase our credibility to hold others accountable for their obligations. As long as any nuclear weapons exist, the United States will sustain a safe, secure, and effective nuclear arsenal, both to deter potential adversaries and to assure U.S. allies and other security partners that they can count on America's security commitments. But we have signed and seek to ratify a landmark New START Treaty with Russia to substantially limit our deployed nuclear warheads and strategic delivery vehicles, while assuring a comprehensive monitoring regime. We are reducing the role of nuclear weapons in our national security approach, extending a negative security assurance not to use or threaten to use nuclear weapons against those nonnuclear nations that are in compliance with the NPT and their nuclear nonproliferation obligations, and investing in the modernization of a safe, secure, and effective stockpile without the production of new nuclear weapons. We will pursue ratification of the Comprehensive Test Ban Treaty. And we will seek a new treaty that verifiably ends the production of fissile materials intended for use in nuclear weapons.

Strengthen the Nuclear Non-Proliferation Treaty: The basic bargain of the NPT is sound: countries with nuclear weapons will move toward disarmament; countries without nuclear weapons will forsake them; and all countries can access peaceful nuclear energy. To strengthen the NPT, we will seek more resources and authority for international inspections. We will develop a new framework for civil nuclear cooperation. As members of the Global Nuclear Energy Partnership have agreed, one important element of an enhanced framework could be cradle-to-grave nuclear fuel management. We will pursue a broad, international consensus to insist that all nations meet

their obligations. And we will also pursue meaningful consequences for countries that fail to meet their obligations under the NPT or to meet the requirements for withdrawing from it.

Present a Clear Choice to Iran and North Korea: The United States will pursue the denuclearization of the Korean peninsula and work to prevent Iran from developing a nuclear weapon. This is not about singling out nations—it is about the responsibilities of all nations and the success of the nonproliferation regime. Both nations face a clear choice. If North Korea eliminates its nuclear weapons program, and Iran meets its international obligations on its nuclear program, they will be able to proceed on a path to greater political and economic integration with the international community. If they ignore their international obligations, we will pursue multiple means to increase their isolation and bring them into compliance with international nonproliferation norms.

Secure Vulnerable Nuclear Weapons and Material: The Global Nuclear Security Summit of 2010 rallied 47 nations behind the goal of securing all nuclear materials from terrorist groups. By the end of 2013, we will seek to complete a focused international effort to secure all vulnerable nuclear material around the world through enhanced protection and accounting practices, expanded cooperation with and through international institutions, and new partnerships to lock down these sensitive materials. To detect and intercept nuclear materials in transit, and to stop the illicit trade in these technologies, we will work to turn programs such as the Proliferation Security Initiative and the Global Initiative to Combat Nuclear Terrorism into durable international efforts. And we will sustain broad-based cooperation with other nations and international institutions to ensure the continued improvements necessary to protect nuclear materials from evolving threats.

Support Peaceful Nuclear Energy: As countries move increasingly to tap peaceful nuclear energy to provide power generation while advancing climate goals, the world must develop an infrastructure in the countries that seek to use nuclear energy for their energy security needs and climate goals to ensure that nuclear energy is developed in a safer manner. We will do so by promoting safety through regulatory bodies and training of operators, promoting physical security to prevent terrorist acts, and assuring safe and secure handling of fuel at the front and back ends of the nuclear fuel cycle.

Counter Biological Threats: The effective dissemination of a lethal biological agent within a population center would endanger the lives of hundreds of thousands of people and have unprecedented economic, societal, and political consequences. We must continue to work at home with first responders and health officials to reduce the risk associated with unintentional or deliberate outbreaks of infectious disease and to strengthen our resilience across the spectrum of high-consequence biological threats. We will work with domestic and international partners to protect against biological threats by promoting global health security and reinforcing norms of safe and responsible conduct; obtaining timely and accurate insight on current and emerging risks; taking reasonable steps to reduce the potential for exploitation; expanding our capability to prevent, attribute, and apprehend those who carry out attacks; communicating effectively with all stakeholders; and helping to transform the international dialogue on biological threats.

Advance Peace, Security, and Opportunity in the Greater Middle East

The United States has important interests in the greater Middle East. They include broad cooperation on a wide range of issues with our close friend, Israel, and an unshakable commitment to its security; the achievement of the Palestinian people's legitimate aspirations for statehood, opportunity, and the realization of their extraordinary potential; the unity and security of Iraq and the fostering of its democracy and reintegration into the region; the transformation of Iranian policy away from its pursuit of nuclear weapons, support for terrorism, and threats against its neighbors; nonproliferation; and counterterrorism cooperation, access to energy, and integration of the region into global markets.

At the same time, our engagement must be both comprehensive and strategic. It should extend beyond near-term threats by appealing to peoples' aspirations for justice, education, and opportunity and by pursuing a positive and sustainable vision of U.S. partnership with the region. Furthermore, our relationship with our Israeli and Arab friends and partners in the region extends beyond our commitment to its security and includes the continued ties we share in areas such as trade, exchanges, and cooperation on a broad range of issues.

Complete a Responsible Transition as We End the War in Iraq: The war in Iraq presents a distinct and important challenge to the United States, the international community, the Iraqi people, and the region. America's servicemen and women, along with our coalition partners, have performed remarkably in fighting determined enemies and have worked with our civilians to help the Iraqi people regain control of their own destiny. Going forward, we have a responsibility, for our own security and the security of the region, to successfully end the war through a full transition to Iraqi responsibility. We will cultivate an enduring relationship with Iraq based on mutual interests and mutual respect.

Our goal is an Iraq that is sovereign, stable, and self-reliant. To achieve that goal, we are continuing to promote an Iraqi Government that is just, representative, and accountable and that denies support and safe haven to terrorists. The United States will pursue no claim on Iraqi territory or resources, and we will keep our commitments to Iraq's democratically elected government. These efforts will build new ties of trade and commerce between Iraq and the world, enable Iraq to assume its rightful place in the community of nations, and contribute to the peace and security of the region.

We are pursuing these objectives with a strategy that has three core components.

- **Transition Security:** First, we are transitioning security to full Iraqi responsibility. We will end the combat mission in Iraq by the end of August 2010. We will continue to train, equip, and advise Iraqi Security Forces; conduct targeted counterterrorism missions; and protect ongoing civilian and military efforts in Iraq. And, consistent with our commitments to the Iraqi Government, including the U.S.-Iraq Security Agreement, we will remove all of our troops from Iraq by the end of 2011.

- **Civilian Support:** Second, as the security situation continues to improve, U.S. civilian engagement will deepen and broaden. We will sustain a capable political, diplomatic, and civilian effort to help the Iraqi people as they resolve outstanding differences, integrate those refugees and displaced persons who can return, and continue to develop accountable democratic institutions that can better serve their basic needs. We will work with our Iraqi partners to implement the Strategic Framework Agreement, with the Department of State taking the lead. This will include cooperation on a range of issues including defense and security cooperation, political and diplomatic cooperation, rule of law, science, health, education, and economics.

- **Regional Diplomacy and Development:** Third, we will continue to pursue comprehensive engagement across the region to ensure that our drawdown in Iraq provides an opportunity to advance lasting security and sustainable development for both Iraq and the broader Middle East. The United States will continue to retain a robust civilian presence commensurate with our strategic interests in the country and the region. We are transforming our relationship to one consistent with other strategic partners in the region.

Pursue Arab-Israeli Peace: The United States, Israel, the Palestinians, and the Arab States have an interest in a peaceful resolution of the Arab-Israeli conflict—one in which the legitimate aspirations of Israelis and Palestinians for security and dignity are realized, and Israel achieves a secure and lasting peace with all of its neighbors.

The United States seeks two states living side by side in peace and security—a Jewish state of Israel, with true security, acceptance, and rights for all Israelis; and a viable, independent Palestine with contiguous territory that ends the occupation that began in 1967 and realizes the potential of

the Palestinian people. We will continue to work regionally and with like-minded partners in order to advance negotiations that address the permanent-status issues: security for Israelis and Palestinians; borders, refugees, and Jerusalem. We also seek international support to build the institutions upon which a Palestinian state will depend, while supporting economic development that can bring opportunity to its people.

Any Arab-Israeli peace will only be lasting if harmful regional interference ends and constructive regional support deepens. As we pursue peace between Israelis and Palestinians, we will also pursue peace between Israel and Lebanon, Israel and Syria, and a broader peace between Israel and its neighbors. We will pursue regional initiatives with multilateral participation, alongside bilateral negotiations.

Promote a Responsible Iran: For decades, the Islamic Republic of Iran has endangered the security of the region and the United States and failed to live up to its international responsibilities. In addition to its illicit nuclear program, it continues to support terrorism, undermine peace between Israelis and Palestinians, and deny its people their universal rights. Many years of refusing to engage Iran failed to reverse these trends; on the contrary, Iran's behavior became more threatening. Engagement is something we pursue without illusion. It can offer Iran a pathway to a better future, provided Iran's leaders are prepared to take it. But that better pathway can only be achieved if Iran's leaders change course, act to restore the confidence of the international community, and fulfill their obligations. The United States seeks a future in which Iran meets its international responsibilities, takes its rightful place in the community of nations, and enjoys the political and economic opportunities that its people deserve. Yet if the Iranian Government continues to refuse to live up to its international obligations, it will face greater isolation.

Invest in the Capacity of Strong and Capable Partners

Where governments are incapable of meeting their citizens' basic needs and fulfilling their responsibilities to provide security within their borders, the consequences are often global and may directly threaten the American people. To advance our common security, we must address the underlying political and economic deficits that foster instability, enable radicalization and extremism, and ultimately undermine the ability of governments to manage threats within their borders and to be our partners in addressing common challenges. To invest in the capacity of strong and capable partners, we will work to:

Foster Security and Reconstruction in the Aftermath of Conflict: The United States and the international community cannot shy away from the difficult task of pursuing stabilization in conflict and post-conflict environments. In countries like Iraq and Afghanistan, building the capacity necessary for security, economic growth, and good governance is the only path to long term peace and security. But we have also learned that the effectiveness of these efforts is profoundly affected by the capacity of governments and the political will of their leaders. We will take these constraints into account in designing appropriate assistance strategies and will facilitate the kind of collaboration that is essential—within our government and with international organizations—in those instances when we engage in the difficult work of helping to bring conflicts to an end.

Pursue Sustainable and Responsible Security Systems in At-Risk States: Proactively investing in stronger societies and human welfare is far more effective and efficient than responding after state collapse. The United States must improve its capability to strengthen the security of states at risk of conflict and violence. We will undertake long-term, sustained efforts to strengthen the capacity of security forces to guarantee internal security, defend against external threats, and promote regional security and respect for human rights and the rule of law. We will also continue to strengthen the administrative and oversight capability of civilian security sector institutions, and the effectiveness of criminal justice.

Prevent the Emergence of Conflict: Our strategy goes beyond meeting the challenges of today, and includes preventing the challenges and seizing the opportunities of tomorrow. This

requires investing now in the capable partners of the future; building today the capacity to strengthen the foundations of our common security, and modernizing our capabilities in order to ensure that we are agile in the face of change. We have already begun to reorient and strengthen our development agenda; to take stock of and enhance our capabilities; and to forge new and more effective means of applying the skills of our military, diplomats, and development experts. These kinds of measures will help us diminish military risk, act before crises and conflicts erupt, and ensure that governments are better able to serve their people.

Secure Cyberspace

Cybersecurity threats represent one of the most serious national security, public safety, and economic challenges we face as a nation. The very technologies that empower us to lead and create also empower those who would disrupt and destroy. They enable our military superiority, but our unclassified government networks are constantly probed by intruders. Our daily lives and public safety depend on power and electric grids, but potential adversaries could use cyber vulnerabilities to disrupt them on a massive scale. The Internet and e-commerce are keys to our economic competitiveness, but cyber criminals have cost companies and consumers hundreds of millions of dollars and valuable intellectual property.

The threats we face range from individual criminal hackers to organized criminal groups, from terrorist networks to advanced nation states. Defending against these threats to our security, prosperity, and personal privacy requires networks that are secure, trustworthy, and resilient. Our digital infrastructure, therefore, is a strategic national asset, and protecting it—while safeguarding privacy and civil liberties—is a national security priority. We will deter, prevent, detect, defend against, and quickly recover from cyber intrusions and attacks by:

Investing in People and Technology: To advance that goal, we are working across the government and with the private sector to design more secure technology that gives us the ability to better protect and to improve the resilience of critical government and industry systems and networks. We will continue to invest in the cutting-edge research and development necessary for the innovation and discovery we need to meet these challenges. We have begun a comprehensive national campaign to promote cybersecurity awareness and digital literacy from our boardrooms to our classrooms and to build a digital workforce for the 21st century.

Strengthening Partnerships: Neither government nor the private sector nor individual citizens can meet this challenge alone—we will expand the ways we work together. We will also strengthen our international partnerships on a range of issues, including the development of norms for acceptable conduct in cyberspace; laws concerning cybercrime; data preservation, protection, and privacy; and approaches for network defense and response to cyber attacks. We will work with all the key players—including all levels of government and the private sector, nationally and internationally—to investigate cyber intrusion and to ensure an organized and unified response to future cyber incidents. Just as we do for natural disasters, we have to have plans and resources in place beforehand.

Prosperity

“The answers to our problems don’t lie beyond our reach. They exist in our laboratories and universities; in our fields and our factories; in the imaginations of our entrepreneurs and the pride of the hardest-working people on Earth. Those qualities that have made America the greatest force of progress and prosperity in human history we still possess in ample measure. What is required now is for this country to pull together, confront boldly the challenges we face, and take responsibility for our future once more.”

—President Barack Obama, Address to Joint Session of Congress, February 24, 2009

The foundation of American leadership must be a prosperous American economy. And a growing and open global economy serves as a source of opportunity for the American people and a

source of strength for the United States. The free flow of information, people, goods, and services has also advanced peace among nations, as those places that have emerged more prosperous are often more stable. Yet we have also seen how shocks to the global economy can precipitate disaster—including the loss of jobs, a decline in standards of living in parts of our country, and instability and a loss of U.S. influence abroad. Meanwhile, growing prosperity around the world has made economic power more diffuse, creating a more competitive environment for America's people and businesses.

To allow each American to pursue the opportunity upon which our prosperity depends, we must build a stronger foundation for economic growth. That foundation must include access to a complete and competitive education for every American; a transformation of the way that we produce and use energy, so that we reduce our dependence on fossil fuels and lead the world in creating new jobs and industry; access to quality, affordable health care so our people, businesses, and government are not constrained by rising costs; and the responsible management of our Federal budget so that we balance our priorities and are not burdened by debt. To succeed, we must also ensure that America stays on the cutting edge of the science and innovation that supports our prosperity, defense, and international technological leadership.

This new foundation must underpin and sustain an international economic system that is critical to both our prosperity and to the peace and security of the world. We must reinvigorate and fortify it for the 21st century: by preventing cycles of boom and bust with new rules of the road at home and abroad; by saving more and spending less; by resisting protectionism and promoting trade that is free and fair; by coordinating our actions with other countries, and reforming international institutions to give emerging economies a greater voice and greater responsibility; and by supporting development that promotes good governance, unleashes the potential of different populations, and creates new markets overseas. Taken together, these actions can ensure inclusive growth that is balanced and sustained.

Strengthen Education and Human Capital

In a global economy of vastly increased mobility and interdependence, our own prosperity and leadership depends increasingly on our ability to provide our citizens with the education that they need to succeed, while attracting the premier human capital for our workforce. We must ensure that the most innovative ideas take root in America, while providing our people with the skills that they need to compete. That means we must:

Improve Education at All Levels: The United States has lost ground in education, even as our competitiveness depends on educating our children to succeed in a global economy based on knowledge and innovation. We are working to provide a complete and competitive education for all Americans, to include supporting high standards for early learning, reforming public schools, increasing access to higher education and job training, and promoting high-demand skills and education for emerging industries. We will also restore U.S. leadership in higher education by seeking the goal of leading the world in the proportion of college graduates by 2020.

Invest in Science, Technology, Engineering, and Math Education (STEM): America's long-term leadership depends on educating and producing future scientists and innovators. We will invest more in STEM education so students can learn to think critically in science, math, engineering, and technology; improve the quality of math and science teaching so American students are no longer outperformed by those in other nations; and expand STEM education and career opportunities for underrepresented groups, including women and girls. We will work with partners—from the private-sector and nonprofit organizations to universities—to promote education and careers in science and technology.

Increase International Education and Exchange: The pervasiveness of the English language and American cultural influence are great advantages to Americans traveling, working, and negotiating in foreign countries. But we must develop skills to help us succeed in a dynamic and

diverse global economy. We will support programs that cultivate interest and scholarship in foreign languages and intercultural affairs, including international exchange programs. This will allow our citizens to build connections with peoples overseas and to develop skills and contacts that will help them thrive in the global economy. We must also welcome more foreign exchange students to our shores, recognizing the benefits that can result from deeper ties with foreign publics and increased understanding of American society.

Pursue Comprehensive Immigration Reform: The United States is a nation of immigrants. Our ability to innovate, our ties to the world, and our economic prosperity depend on our nation's capacity to welcome and assimilate immigrants, and a visa system which welcomes skilled professionals from around the world. At the same time, effective border security and immigration enforcement must keep the country safe and deter unlawful entry. Indeed, persistent problems in immigration policy consume valuable resources needed to advance other security objectives and make it harder to focus on the most dangerous threats facing our country. Ultimately, our national security depends on striking a balance between security and openness. To advance this goal, we must pursue comprehensive immigration reform that effectively secures our borders, while repairing a broken system that fails to serve the needs of our nation.

Enhance Science, Technology, and Innovation

Reaffirming America's role as the global engine of scientific discovery and technological innovation has never been more critical. Challenges like climate change, pandemic disease, and resource scarcity demand new innovation. Meanwhile, the nation that leads the world in building a clean energy economy will enjoy a substantial economic and security advantage. That is why the Administration is investing heavily in research, improving education in science and math, promoting developments in energy, and expanding international cooperation.

Transform our Energy Economy: As long as we are dependent on fossil fuels, we need to ensure the security and free flow of global energy resources. But without significant and timely adjustments, our energy dependence will continue to undermine our security and prosperity. This will leave us vulnerable to energy supply disruptions and manipulation and to changes in the environment on an unprecedented scale.

The United States has a window of opportunity to lead in the development of clean energy technology. If successful, the United States will lead in this new Industrial Revolution in clean energy that will be a major contributor to our economic prosperity. If we do not develop the policies that encourage the private sector to seize the opportunity, the United States will fall behind and increasingly become an importer of these new energy technologies.

We have already made the largest investment in clean energy in history, but there is much more to do to build on this foundation. We must continue to transform our energy economy, leveraging private capital to accelerate deployment of clean energy technologies that will cut greenhouse gas emissions, improve energy efficiency, increase use of renewable and nuclear power, reduce the dependence of vehicles on oil, and diversify energy sources and suppliers. We will invest in research and next-generation technology, modernize the way we distribute electricity, and encourage the usage of transitional fuels, while moving towards clean energy produced at home.

Invest in Research: Research and development is central to our broader national capacity. Incidents like the outbreak of H1N1 influenza and the challenge of identifying new, renewable sources of energy highlight the importance of research in basic and applied science. We are reversing the decades-long decline in federal funding for research, including the single largest infusion to basic science research in American history. Research and innovation is not something government can do on its own, which is why we will support and create incentives to encourage private initiatives. The United States has always excelled in our ability to turn science and technology into engineering and products, and we must continue to do so in the future.

Expand International Science Partnerships: America's scientific leadership has always been widely admired around the world, and we must continue to expand cooperation and partnership in science and technology. We have launched a number of Science Envoys around the globe and are promoting stronger relationships between American scientists, universities, and researchers and their counterparts abroad. We will reestablish a commitment to science and technology in our foreign assistance efforts and develop a strategy for international science and national security.

Employ Technology to Protect our Nation: Our renewed commitment to science and technology—and our ability to apply the ingenuity of our public and private sectors toward the most difficult foreign policy and security challenges of our time—will help us protect our citizens and advance U.S. national security priorities. These include, for example, protecting U.S. and allied forces from asymmetric attacks; supporting arms control and nonproliferation agreements; preventing terrorists from attacking our homeland; preventing and managing widespread disease outbreaks; securing the supply chain; detecting weapons of mass destruction before they reach our borders; and protecting our information, communication, and transportation infrastructure.

Leverage and Grow our Space Capabilities: For over 50 years, our space community has been a catalyst for innovation and a hallmark of U.S. technological leadership. Our space capabilities underpin global commerce and scientific advancements and bolster our national security strengths and those of our allies and partners. To promote security and stability in space, we will pursue activities consistent with the inherent right of self-defense, deepen cooperation with allies and friends, and work with all nations toward the responsible and peaceful use of space. To maintain the advantages afforded to the United States by space, we must also take several actions. We must continue to encourage cutting-edge space technology by investing in the people and industrial base that develops them. We will invest in the research and development of next-generation space technologies and capabilities that benefit our commercial, civil, scientific exploration, and national security communities, in order to maintain the viability of space for future generations. And we will promote a unified effort to strengthen our space industrial base and work with universities to encourage students to pursue space-related careers.

Achieve Balanced and Sustainable Growth

Balanced and sustainable growth, at home and throughout the global economy, drives the momentum of the U.S. economy and underpins our prosperity. A steadily growing global economy means an expanding market for exports of our goods and services. Over time, deepening linkages among markets and businesses will provide the setting in which the energies and entrepreneurship of our private sector can flourish, generating technologies, business growth, and job creation that will boost living standards for Americans. United States economic leadership now has to adapt to the rising prominence of emerging economies; the growing size, speed, and sophistication of financial markets; the multiplicity of market participants around the globe; and the struggling economies that have so far failed to integrate into the global system.

To promote prosperity for all Americans, we will need to lead the international community to expand the inclusive growth of the integrated, global economy. At the same time, we will need to lead international efforts to prevent a recurrence of economic imbalances and financial excesses, while managing the many security threats and global challenges that affect global economic stability. To promote growth that can be balanced and sustained, we will:

Prevent Renewed Instability in the Global Economy: The recent crisis taught us the very high cost of the boom and bust cycle that has plagued the global economy and has served neither the United States nor our international partners. Once Americans found themselves in debt or out of work, our demand for foreign goods fell sharply. As foreign economies weakened, their financial institutions and public finances came under stress too, reinforcing the global slowdown. We must prevent the reemergence of imbalanced growth, with American consumers buying and borrowing, and Asian and other exporting countries selling and accumulating claims. We must pursue reform

of the U.S. financial system to strengthen the health of our economy and encourage Americans to save more. And we must prevent the reemergence of excesses in our financial institutions based on irresponsible lending behavior, and abetted by lax and uncoordinated regulation.

Save More And Export More: Striking a better balance at home means saving more and spending less, reforming our financial system, and reducing our long-term budget deficit. With those changes, we will see a greater emphasis on exports that we can build, produce, and sell all over the world, with the goal of doubling U.S. exports by 2014. This is ultimately an employment strategy, because higher exports will support millions of well-paying American jobs, including those that service innovative and profitable new technologies. As a part of that effort, we are reforming our export controls consistent with our national security imperatives.

Shift To Greater Domestic Demand Abroad: For the rest of the world, especially in some emerging market and developing countries, a better balance means placing greater emphasis on increasing domestic demand as the leading driver of growth and opening markets. Those countries will be able to import the capital and technologies needed to sustain the remarkable productivity gains already underway. Rebalancing will provide an opportunity for workers and consumers over time to enjoy the higher standards of living made possible by those gains. As balanced growth translates into sustained growth, middle-income, and poor countries, many of which are not yet sufficiently integrated into the global economy, can accelerate the process of convergence of living standards toward richer countries—a process that will become a driver of growth for the global economy for decades to come.

Open Foreign Markets to Our Products and Services: The United States has long had one of the most open markets in the world. We have been a leader in expanding an open trading system. That has underwritten the growth of other developed and emerging markets alike. Openness has also forced our companies and workers to compete and innovate, and at the same time, has offered market access crucial to the success of so many countries around the world. We will maintain our open investment environment, consistent with our national security goals. In this new era, opening markets around the globe will promote global competition and innovation and will be crucial to our prosperity. We will pursue a trade agenda that includes an ambitious and balanced Doha multilateral trade agreement, bilateral and multilateral trade agreements that reflect our values and interests, and engagement with the transpacific partnership countries to shape a regional agreement with high standards.

As we go forward, our trade policy will be an important part of our effort to capitalize on the opportunities presented by globalization, but will also be part of our effort to equip Americans to compete. To make trade agreements work for Americans, we will take steps to restore confidence, with realistic programs to deal with transition costs, and promote innovation, infrastructure, healthcare reform and education. Our agreements will contain achievable enforcement mechanisms to ensure that the gains we negotiate are in fact realized and will be structured to reflect U.S. interests, especially on labor and environment.

Build Cooperation with Our International Partners: The United States has supported the G-20's emergence as the premier forum for international economic cooperation. This flows from the recognition that we need a broader and more inclusive engagement with the countries responsible for most of global output and trade. U.S. leadership in the G-20 will be focused on securing sustainable and balanced growth, coordinating reform of financial sector regulation, fostering global economic development, and promoting energy security. We also need official international financial institutions to be as modern and agile as the global economy they serve. Through the G-20, we will pursue governance reform at the International Monetary Fund (IMF) and World Bank. We will also broaden our leadership in other international financial institutions so that the rapidly growing countries of the world see their representation increase and are willing to invest those institutions with the authority they need to promote the stability and growth of global output and trade.

Deterring Threats to the International Financial System: Today's open and global financial system also exposes us to global financial threats. Just as we work to make the most of the opportunities that globalization brings, the actors that pose a threat to our national security—terrorists, proliferators, narcotics traffickers, corrupt officials, and others—are abusing the global financial system to raise, move, and safeguard funds that support their illicit activities or from which they derive profit. Their support networks have global reach and are not contained by national borders. Our strategy to attack these networks must respond in kind and target their illicit resources and access to the global financial system through financial measures, administration and enforcement of regulatory authorities, outreach to the private sector and our foreign partners, and collaboration on international standards and information sharing.

Accelerate Sustainable Development

The growth of emerging economies in recent decades has lifted people out of poverty and forged a more interconnected and vibrant global economy. But development has been uneven, progress is fragile, and too many of the world's people still live without the benefits that development affords. While some countries are growing, many lag behind—mired in insecurity, constrained by poor governance, or overly dependent upon commodity prices. But sustained economic progress requires faster, sustainable, and more inclusive development. That is why we are pursuing a range of specific initiatives in areas such as food security and global health that will be essential to the future security and prosperity of nations and peoples around the globe.

Increase Investments in Development: The United States has an interest in working with our allies to help the world's poorest countries grow into productive and prosperous economies governed by capable, democratic, and accountable state institutions. We will ensure a greater and more deliberate focus on a global development agenda across the United States Government, from policy analysis through policy implementation. We are increasing our foreign assistance, expanding our investments in effective multilateral development institutions, and leveraging the engagement of others to share the burden.

Invest in the Foundations of Long-Term Development: The United States will initiate long-term investments that recognize and reward governments that demonstrate the capacity and political will to pursue sustainable development strategies and ensure that all policy instruments at our disposal are harnessed to these ends. And we will provide our support in multiple ways—by strengthening the ability of governments and communities to manage development challenges and investing in strong institutions that foster the democratic accountability that helps sustain development. This will expand the circle of nations—particularly in Africa—who are capable of reaping the benefits of the global economy, while contributing to global security and prosperity.

Exercise Leadership in the Provision of Global Public Goods: Our approach needs to reflect the fact that there are a set of development challenges that strongly affect the likelihood of progress, but cannot be addressed by individual countries acting alone. Particularly in Africa, these challenges—such as adaptation to global warming, the control of epidemic disease, and the knowledge to increase agricultural productivity—are not adequately addressed in bilateral efforts. We will shape the international architecture and work with our global partners to address these challenges, and increase our investments and engagement to transition to a low-carbon growth trajectory, support the resilience of the poorest nations to the effects of climate change, and strengthen food security. We must also pursue potential “game changers” for development such as new vaccines, weather-resistant seed varieties, and green energy technologies.

Spend Taxpayers' Dollars Wisely

The United States Government has an obligation to make the best use of taxpayer money, and our ability to achieve long-term goals depends upon our fiscal responsibility. A responsible budget involves making tough choices to live within our means; holding departments and agencies accountable for their spending and their performance; harnessing technology to improve

government performance; and being open and honest with the American people. A responsible budget also depends upon working with our global partners and institutions to share burdens and leverage U.S. investments to achieve global goals. Our national security goals can only be reached if we make hard choices and work with international partners to share burdens.

Reduce the Deficit: We cannot grow our economy in the long term unless we put the United States back on a sustainable fiscal path. To begin this effort, the Administration has proposed a 3-year freeze in nonsecurity discretionary spending, a new fee on the largest financial services companies to recoup taxpayer losses for the Troubled Asset Relief Program (TARP), and the closing of tax loopholes and unnecessary subsidies. The Administration has created a bipartisan fiscal commission to suggest further steps for medium-term deficit reduction and will work for fiscally responsible health insurance reform that will bring down the rate of growth in health care costs, a key driver of the country's fiscal future.

Reform Acquisition and Contracting Processes: Wasteful spending, duplicative programs, and contracts with poor oversight have no place in the United States Government. Cost-effective and efficient processes are particularly important for the Department of Defense, which accounts for approximately 70 percent of all Federal procurement spending. We will scrutinize our programs and terminate or restructure those that are outdated, duplicative, ineffective, or wasteful. The result will be more relevant, capable, and effective programs and systems that our military wants and needs. We are also reforming Federal contracting and strengthening contracting practices and management oversight with a goal of saving Federal agencies \$40 billion dollars a year.

Increase Transparency: Americans have a right to know how their tax dollars are spent, but that information can be obscured or unavailable. In some instances, incomplete accounting of the budget has been used to conceal the reality of our fiscal situation. To uphold our commitment to a transparent budget process, we are simultaneously requesting both base budget and overseas contingency operations costs, with the same amount of justification and explanatory material for each, so that Americans can see the true cost of our war efforts and hold leaders accountable for decisions with all of the facts.

Values

"We uphold our most cherished values not only because doing so is right, but because it strengthens our country and keeps us safe. Time and again, our values have been our best national security asset—in war and peace, in times of ease, and in eras of upheaval. Fidelity to our values is the reason why the United States of America grew from a small string of colonies under the writ of an empire to the strongest nation in the world."

—President Barack Obama, National Archives, May 21, 2009

The United States believes certain values are universal and will work to promote them worldwide. These include an individual's freedom to speak their mind, assemble without fear, worship as they please, and choose their own leaders; they also include dignity, tolerance, and equality among all people, and the fair and equitable administration of justice. The United States was founded upon a belief in these values. At home, fidelity to these values has extended the promise of America ever more fully, to ever more people. Abroad, these values have been claimed by people of every race, region, and religion. Most nations are parties to international agreements that recognize this commonality. And nations that embrace these values for their citizens are ultimately more successful—and friendly to the United States—than those that do not.

Yet after an era that saw substantial gains for these values around the world, democratic development has stalled in recent years. In some cultures, these values are being equated with the ugly face of modernity and are seen to encroach upon cherished identities. In other countries, autocratic rulers have repressed basic human rights and democratic practices in the name of economic development and national unity. Even where some governments have adopted democratic

practices, authoritarian rulers have undermined electoral processes and restricted the space for opposition and civil society, imposing a growing number of legal restrictions so as to impede the rights of people to assemble and to access information. And while there has been substantial progress in combating poverty in many parts of the world, too many of the world's people still lack the dignity that comes with the opportunity to pursue a better life.

The United States supports those who seek to exercise universal rights around the world. We promote our values above all by living them at home. We continue to engage nations, institutions, and peoples in pursuit of these values abroad. And we recognize the link between development and political progress. In doing so, our goals are realistic, as we recognize that different cultures and traditions give life to these values in distinct ways. Moreover, America's influence comes not from perfection, but from our striving to overcome our imperfections. The constant struggle to perfect our union is what makes the American story inspiring. That is why acknowledging our past shortcomings—and highlighting our efforts to remedy them—is a means of promoting our values.

America will not impose any system of government on another country, but our long-term security and prosperity depends on our steady support for universal values, which sets us apart from our enemies, adversarial governments, and many potential competitors for influence. We will do so through a variety of means—by speaking out for universal rights, supporting fragile democracies and civil society, and supporting the dignity that comes with development.

Strengthen the Power of Our Example

More than any other action that we have taken, the power of America's example has helped spread freedom and democracy abroad. That is why we must always seek to uphold these values not just when it is easy, but when it is hard. Advancing our interests may involve new arrangements to confront threats like terrorism, but these practices and structures must always be in line with our Constitution, preserve our people's privacy and civil liberties, and withstand the checks and balances that have served us so well. To sustain our fidelity to our values—and our credibility to promote them around the world—we will continue to:

Prohibit Torture without Exception or Equivocation: Brutal methods of interrogation are inconsistent with our values, undermine the rule of law, and are not effective means of obtaining information. They alienate the United States from the world. They serve as a recruitment and propaganda tool for terrorists. They increase the will of our enemies to fight against us, and endanger our troops when they are captured. The United States will not use or support these methods.

Legal Aspects of Countering Terrorism: The increased risk of terrorism necessitates a capacity to detain and interrogate suspected violent extremists, but that framework must align with our laws to be effective and sustainable. When we are able, we will prosecute terrorists in Federal courts or in reformed military commissions that are fair, legitimate, and effective. For detainees who cannot be prosecuted—but pose a danger to the American people—we must have clear, defensible, and lawful standards. We must have fair procedures and a thorough process of periodic review, so that any prolonged detention is carefully evaluated and justified. And keeping with our Constitutional system, it will be subject to checks and balances. The goal is an approach that can be sustained by future Administrations, with support from both political parties and all three branches of government.

Balance the Imperatives of Secrecy and Transparency: For the sake of our security, some information must be protected from public disclosure—for instance, to protect our troops, our sources and methods of intelligence-gathering or confidential actions that keep the American people safe. Yet our democracy depends upon transparency, and whenever possible, we are making information available to the

American people so that they can make informed judgments and hold their leaders accountable. For instance, when we invoke the State Secrets privilege, we will follow clear

procedures so as to provide greater accountability and to ensure the privilege is invoked only when necessary and in the narrowest way possible. We will never invoke the privilege to hide a violation of law or to avoid embarrassment to the government.

Protect Civil Liberties, Privacy, and Oversight: Protecting civil liberties and privacy are integral to the vibrancy of our democracy and the exercise of freedom. We are balancing our solemn commitments to these virtues with the mandate to provide security for the American people. Vigorous oversight of national security activities by our three branches of government and vigilant compliance with the rule of law allow us to maintain this balance, affirm to our friends and allies the constitutional ideals we uphold.

Uphold the Rule of Law: The rule of law—and our capacity to enforce it—advances our national security and strengthens our leadership. At home, fidelity to our laws and support for our law enforcement community safeguards American citizens and interests, while protecting and advancing our values. Around the globe, it allows us to hold actors accountable, while supporting both international security and the stability of the global economy. America's commitment to the rule of law is fundamental to our efforts to build an international order that is capable of confronting the emerging challenges of the 21st century.

Draw Strength from Diversity: The United States has benefited throughout our history when we have drawn strength from our diversity. While those who advocate on behalf of extremist ideologies seek to sow discord among ethnic and religious groups, America stands as an example of how people from different backgrounds can be united through their commitment to shared values. Within our own communities, those who seek to recruit and radicalize individuals will often try to prey upon isolation and alienation. Our own commitment to extending the promise of America will both draw a contrast with those who try to drive people apart, while countering attempts to enlist individuals in ideological, religious, or ethnic extremism.

Promote Democracy and Human Rights Abroad

The United States supports the expansion of democracy and human rights abroad because governments that respect these values are more just, peaceful, and legitimate. We also do so because their success abroad fosters an environment that supports America's national interests. Political systems that protect universal rights are ultimately more stable, successful, and secure. As our history shows, the United States can more effectively forge consensus to tackle shared challenges when working with governments that reflect the will and respect the rights of their people, rather than just the narrow interests of those in power. The United States is advancing universal values by:

Ensuring that New and Fragile Democracies Deliver Tangible Improvements for Their Citizens: The United States must support democracy, human rights, and development together, as they are mutually reinforcing. We are working closely with citizens, communities, and political and civil society leaders to strengthen key institutions of democratic accountability—free and fair electoral processes, strong legislatures, civilian control of militaries, honest police forces, independent and fair judiciaries, a free and independent press, a vibrant private sector, and a robust civil society. To do so, we are harnessing our bilateral and multilateral capabilities to help nascent democracies deliver services that respond to the needs and preferences of their citizens, since democracies without development rarely survive.

Practicing Principled Engagement with Non-Democratic Regimes: Even when we are focused on interests such as counterterrorism, nonproliferation, or enhancing economic ties, we will always seek in parallel to expand individual rights and opportunities through our bilateral engagement. The United States is pursuing a dual-track approach in which we seek to improve government-to-government relations and use this dialogue to advance human rights, while engaging civil society and peaceful political opposition, and encouraging U.S. nongovernmental actors to do the same. More substantive government-to-government relations can create permissive conditions for civil

society to operate and for more extensive people-to-people exchanges. But when our overtures are rebuffed, we must lead the international community in using public and private diplomacy, and drawing on incentives and disincentives, in an effort to change repressive behavior.

Recognizing the Legitimacy of All Peaceful Democratic Movements: America respects the right of all peaceful, law-abiding, and nonviolent voices to be heard around the world, even if we disagree with them. Support for democracy must not be about support for specific candidates or movements. America will welcome all legitimately elected, peaceful governments, provided they govern with respect for the rights and dignity of all their people and consistent with their international obligations. Those who seek democracy to obtain power, but are ruthless once they do, will forfeit the support of the United States. Governments must maintain power through consent, not coercion, and place legitimate political processes above party or narrow interest.

Supporting the Rights of Women and Girls: Women should have access to the same opportunities and be able to make the same choices as men. Experience shows that countries are more peaceful and prosperous when women are accorded full and equal rights and opportunity. When those rights and opportunities are denied, countries often lag behind. Furthermore, women and girls often disproportionately bear the burden of crises and conflict. Therefore the United States is working with regional and international organizations to prevent violence against women and girls, especially in conflict zones. We are supporting women's equal access to justice and their participation in the political process. We are promoting child and maternal health. We are combating human trafficking, especially in women and girls, through domestic and international law enforcement. And we are supporting education, employment, and micro-finance to empower women globally.

Strengthening International Norms Against Corruption: We are working within the broader international system, including the U.N., G-20, Organization for Economic Cooperation and Development (OECD), and the international financial institutions, to promote the recognition that pervasive corruption is a violation of basic human rights and a severe impediment to development and global security. We will work with governments and civil society organizations to bring greater transparency and accountability to government budgets, expenditures, and the assets of public officials. And we will institutionalize transparent practices in international aid flows, international banking and tax policy, and private sector engagement around natural resources to make it harder for officials to steal and to strengthen the efforts of citizens to hold their governments accountable.

Building a Broader Coalition of Actors to Advance Universal Values: We are working to build support for democracy, rule of law, and human rights by working with other governments, nongovernmental organizations, and multilateral fora. The United States is committed to working to shape and strengthen existing institutions that are not delivering on their potential, such as the United Nations Human Rights Council. We are working within the broader U.N. system and through regional mechanisms to strengthen human rights monitoring and enforcement mechanisms, so that individuals and countries are held accountable for their violation of international human rights norms. And we will actively support the leadership of emerging democracies as they assume a more active role in advancing basic human rights and democratic values in their regions and on the global stage.

Marshalling New Technologies and Promoting the Right to Access Information: The emergence of technologies such as the Internet, wireless networks, mobile smart-phones, investigative forensics, satellite and aerial imagery, and distributed remote sensing infrastructure has created powerful new opportunities to advance democracy and human rights. These technologies have fueled people-powered political movements, made it possible to shine a spotlight on human rights abuses nearly instantaneously, and increased avenues for free speech and unrestricted communication around the world. We support the dissemination and use of these technologies to facilitate freedom of expression, expand access to information, increase

governmental transparency and accountability, and counter restrictions on their use. We will also better utilize such technologies to effectively communicate our own messages to the world.

Promote Dignity by Meeting Basic Needs

The freedom that America stands for includes freedom from want. Basic human rights cannot thrive in places where human beings do not have access to enough food, or clean water, or the medicine they need to survive. The United States has embraced the United Nation's Millennium Development Goals and is working with others in pursuit of the eradication of extreme poverty—efforts that are particularly critical to the future of nations and peoples of Africa. And we will continue to promote the dignity that comes through development efforts such as:

Pursuing a Comprehensive Global Health Strategy: The United States has a moral and strategic interest in promoting global health. When a child dies of a preventable disease, it offends our conscience; when a disease goes unchecked, it can endanger our own health; when children are sick, development is stalled. That is why we are continuing to invest in the fight against HIV/AIDS. Through the Global Health Initiative, we will strengthen health systems and invest in interventions to address areas where progress has lagged, including maternal and child health. And we are also pursuing the goal of reducing the burden of malaria and tuberculosis and seeking the elimination of important neglected tropical diseases.

Promoting Food Security: The United States is working with partners around the world to advance a food security initiative that combats hunger and builds the capacity of countries to feed their people. Instead of simply providing aid for developing countries, we are focusing on new methods and technologies for agricultural development. This is consistent with an approach in which aid is not an end in itself—the purpose of our foreign assistance will be to create the conditions where it is no longer needed.

Leading Efforts to Address Humanitarian Crises: Together with the American people and the international community, we will continue to respond to humanitarian crises to ensure that those in need have the protection and assistance they need. In such circumstances, we are also placing a greater emphasis on fostering long-term recovery. Haiti's devastating earthquake is only the most recent reminder of the human and material consequences of natural disasters, and a changing climate portends a future in which the United States must be better prepared and resourced to exercise robust leadership to help meet critical humanitarian needs.

International Order

“As President of the United States, I will work tirelessly to protect America's security and to advance our interests. But no one nation can meet the challenges of the 21st century on its own, nor dictate its terms to the world. That is why America seeks an international system that lets nations pursue their interests peacefully, especially when those interests diverge; a system where the universal rights of human beings are respected, and violations of those rights are opposed; a system where we hold ourselves to the same standards that we apply to other nations, with clear rights and responsibilities for all.”

—President Barack Obama, Moscow, Russia, July 7, 2009

The United States will protect its people and advance our prosperity irrespective of the actions of any other nation, but we have an interest in a just and sustainable international order that can foster collective action to confront common challenges. This international order will support our efforts to advance security, prosperity, and universal values, but it is also an end that we seek in its own right. Because without such an international order, the forces of instability and disorder will undermine global security. And without effective mechanisms to forge international cooperation, challenges that recognize no borders—such as climate change, pandemic disease, and transnational crime—will persist and potentially spread.

International institutions—most prominently NATO and the United Nations—have been at the center of our international order since the mid 20th century. Yet, an international architecture that was largely forged in the wake of World War II is buckling under the weight of new threats, making us less able to seize new opportunities. Even though many defining trends of the 21st century affect all nations and peoples, too often, the mutual interests of nations and peoples are ignored in favor of suspicion and self-defeating competition.

What is needed, therefore, is a realignment of national actions and international institutions with shared interests. And when national interests do collide—or countries prioritize their interests in different ways—those nations that defy international norms or fail to meet their sovereign responsibilities will be denied the incentives that come with greater integration and collaboration with the international community.

No international order can be supported by international institutions alone. Our mutual interests must be underpinned by bilateral, multilateral, and global strategies that address underlying sources of insecurity and build new spheres of cooperation. To that end, strengthening bilateral and multilateral cooperation cannot be accomplished simply by working inside formal institutions and frameworks. It requires sustained outreach to foreign governments, political leaderships, and other critical constituencies that must commit the necessary capabilities and resources to enable effective, collective action. And it means building upon our traditional alliances, while also cultivating partnerships with new centers of influence. Taken together, these approaches will allow us to foster more effective global cooperation to confront challenges that know no borders and affect every nation.

Ensure Strong Alliances

The foundation of United States, regional, and global security will remain America's relations with our allies, and our commitment to their security is unshakable. These relationships must be constantly cultivated, not just because they are indispensable for U.S. interests and national security objectives, but because they are fundamental to our collective security. Alliances are force multipliers: through multinational cooperation and coordination, the sum of our actions is always greater than if we act alone. We will continue to maintain the capacity to defend our allies against old and new threats. We will also continue to closely consult with our allies as well as newly emerging partners and organizations so that we revitalize and expand our cooperation to achieve common objectives. And we will continue to mutually benefit from the collective security provided by strong alliances.

Although the United States and our allies and partners may sometimes disagree on specific issues, we will act based upon mutual respect and in a manner that continues to strengthen an international order that benefits all responsible international actors.

Strengthening Security Relationships: Our ability to sustain these alliances, and to build coalitions of support toward common objectives, depends in part on the capabilities of America's Armed Forces. Similarly, the relationships our Armed Forces have developed with foreign militaries are a critical component of our global engagement and support our collective security.

We will continue to ensure that we can prevail against a wide range of potential adversaries—to include hostile states and nonstate actors—while broadly shaping the strategic environment using all tools to advance our common security. We will continue to reassure our allies and partners by retaining our ability to bring precise, sustained, and effective capabilities to bear against a wide range of military threats and decisively defeat the forces of hostile regional powers. We will work with our allies and partners to enhance the resilience of U.S. forward posture and facilities against potential attacks. Finally, we will strengthen our regional deterrence postures—for example, through phased, adaptive missile defense architectures—in order to make certain that regional adversaries gain no advantages from their acquisition of new, offensive military capabilities.

European Allies: Our relationship with our European allies remains the cornerstone for U.S. engagement with the world, and a catalyst for international action. We will engage with our allies bilaterally, and pursue close consultation on a broad range of security and economic issues. The North Atlantic Treaty Organization (NATO) is the pre-eminent security alliance in the world today. With our 27 NATO allies, and the many partners with which NATO cooperates, we will strengthen our collective ability to promote security, deter vital threats, and defend our people. NATO's new Strategic Concept will provide an opportunity to revitalize and reform the Alliance. We are committed to ensuring that NATO is able to address the full range of 21st century challenges, while serving as a foundation of European security. And we will continue to anchor our commitment in Article V, which is fundamental to our collective security.

Building on European aspirations for greater integration, we are committed to partnering with a stronger European Union to advance our shared goals, especially in promoting democracy and prosperity in Eastern European countries that are still completing their democratic transition and in responding to pressing issues of mutual concern. We will remain dedicated to advancing stability and democracy in the Balkans and to resolving conflicts in the Caucasus and in Cyprus. We will continue to engage with Turkey on a broad range of mutual goals, especially with regard to pursuit of stability in its region. And we will seek to strengthen existing European institutions so that they are more inclusive and more effective in building confidence, reducing tensions, and protecting freedom.

Asian Allies: Our alliances with Japan, South Korea, Australia, the Philippines, and Thailand are the bedrock of security in Asia and a foundation of prosperity in the Asia-Pacific region. We will continue to deepen and update these alliances to reflect the dynamism of the region and strategic trends of the 21st century. Japan and South Korea are increasingly important leaders in addressing regional and global issues, as well as in embodying and promoting our common democratic values. We are modernizing our security relationships with both countries to face evolving 21st century global security challenges and to reflect the principle of equal partnership with the United States and to ensure a sustainable foundation for the U.S. military presence there. We are working together with our allies to develop a positive security agenda for the region, focused on regional security, combating the proliferation of weapons of mass destruction, terrorism, climate change, international piracy, epidemics, and cybersecurity, while achieving balanced growth and human rights.

In partnership with our allies, the United States is helping to offer a future of security and integration to all Asian nations and to uphold and extend fundamental rights and dignity to all of its people. These alliances have preserved a hard-earned peace and strengthened the bridges of understanding across the Pacific Ocean in the second half of the 20th century, and it is essential to U.S., Asian, and global security that they are as dynamic and effective in the 21st century.

North America: The strategic partnerships and unique relationships we maintain with Canada and Mexico are critical to U.S. national security and have a direct effect on the security of our homeland. With billions of dollars in trade, shared critical infrastructure, and millions of our citizens moving across our common borders, no two countries are more directly connected to our daily lives. We must change the way we think about our shared borders, in order to secure and expedite the lawful and legitimate flow of people and goods while interdicting transnational threat that threaten our open societies.

Canada is our closest trading partner, a steadfast security ally, and an important partner in regional and global efforts. Our mutual prosperity is closely interconnected, including through our trade relationship with Mexico through NAFTA. With Canada, our security cooperation includes our defense of North America and our efforts through NATO overseas. And our cooperation is critical to the success of international efforts on issues ranging from international climate negotiations to economic cooperation through the G-20.

With Mexico, in addition to trade cooperation, we are working together to identify and interdict threats at the earliest opportunity, even before they reach North America. Stability and security in Mexico are indispensable to building a strong economic partnership, fighting the illicit drug and arms trade, and promoting sound immigration policy.

Build Cooperation with Other 21st Century Centers of Influence

The United States is part of a dynamic international environment, in which different nations are exerting greater influence, and advancing our interests will require expanding spheres of cooperation around the world. Certain bilateral relationships—such as U.S. relations with China, India, and Russia—will be critical to building broader cooperation on areas of mutual interest. And emerging powers in every region of the world are increasingly asserting themselves, raising opportunities for partnership for the United States.

Asia: Asia's dramatic economic growth has increased its connection to America's future prosperity, and its emerging centers of influence make it increasingly important. We have taken substantial steps to deepen our engagement in the region, through regional organizations, new dialogues, and high-level diplomacy. The United States has deep and enduring ties with the countries of the region, including trade and investment that drive growth and prosperity on both sides of the Pacific, and enhancing these ties is critical to our efforts to advance balanced and sustainable growth and to doubling U.S. exports. We have increasing security cooperation on issues such as violent extremism and nuclear proliferation. We will work to advance these mutual interests through our alliances, deepen our relationships with emerging powers, and pursue a stronger role in the region's multilateral architecture, including the Association of Southeast Asian Nations (ASEAN), the Asia Pacific Economic Cooperation forum, the Trans-Pacific Partnership, and the East Asia Summit.

We will continue to pursue a positive, constructive, and comprehensive relationship with China. We welcome a China that takes on a responsible leadership role in working with the United States and the international community to advance priorities like economic recovery, confronting climate change, and nonproliferation. We will monitor China's military modernization program and prepare accordingly to ensure that U.S. interests and allies, regionally and globally, are not negatively affected. More broadly, we will encourage China to make choices that contribute to peace, security, and prosperity as its influence rises. We are using our newly established Strategic and Economic Dialogue to address a broader range of issues, and improve communication between our militaries in order to reduce mistrust. We will encourage continued reduction in tension between the People's Republic of China and Taiwan. We will not agree on every issue, and we will be candid on our human rights concerns and areas where we differ. But disagreements should not prevent cooperation on issues of mutual interest, because a pragmatic and effective relationship between the United States and China is essential to address the major challenges of the 21st century.

The United States and India are building a strategic partnership that is underpinned by our shared interests, our shared values as the world's two largest democracies, and close connections among our people. India's responsible advancement serves as a positive example for developing nations, and provides an opportunity for increased economic, scientific, environmental, and security partnership. Working together through our Strategic Dialogue and high-level visits, we seek a broad-based relationship in which India contributes to global counterterrorism efforts, nonproliferation, and helps promote poverty-reduction, education, health, and sustainable agriculture. We value India's growing leadership on a wide array of global issues, through groups such as the G-20, and will seek to work with India to promote stability in South Asia and elsewhere in the world.

Russia: We seek to build a stable, substantive, multidimensional relationship with Russia, based on mutual interests. The United States has an interest in a strong, peaceful, and prosperous Russia that respects international norms. As the two nations possessing the majority of the world's

nuclear weapons, we are working together to advance nonproliferation, both by reducing our nuclear arsenals and by cooperating to ensure that other countries meet their international commitments to reducing the spread of nuclear weapons around the world. We will seek greater partnership with Russia in confronting violent extremism, especially in Afghanistan. We also will seek new trade and investment arrangements for increasing the prosperity of our peoples. We support efforts within Russia to promote the rule of law, accountable government, and universal values. While actively seeking Russia's cooperation to act as a responsible partner in Europe and Asia, we will support the sovereignty and territorial integrity of Russia's neighbors.

Emerging Centers of Influence: Due to increased economic growth and political stability, individual nations are increasingly taking on powerful regional and global roles and changing the landscape of international cooperation. To achieve a just and sustainable order that advances our shared security and prosperity, we are, therefore, deepening our partnerships with emerging powers and encouraging them to play a greater role in strengthening international norms and advancing shared interests.

The rise of the G-20, for example, as the premier international economic forum, represents a distinct shift in our global international order toward greater cooperation between traditional major economies and emerging centers of influence. The nations composing the G-20—from South Korea to South Africa, Saudi Arabia to Argentina—represent at least 80 percent of global gross national product, making it an influential body on the world stage. Stabilizing our global economy, increasing energy efficiency around the globe, and addressing chronic hunger in poor countries are only three examples of the broad global challenges that cannot be solved by a few countries alone.

Indonesia—as the world's fourth most populous country, a member of the G-20, and a democracy—will become an increasingly important partner on regional and transnational issues such as climate change, counterterrorism, maritime security, peacekeeping, and disaster relief. With tolerance, resilience, and multiculturalism as core values, and a flourishing civil society, Indonesia is uniquely positioned to help address challenges facing the developing world.

In the Americas, we are bound by proximity, integrated markets, energy interdependence, a broadly shared commitment to democracy, and the rule of law. Our deep historical, familial, and cultural ties make our alliances and partnerships critical to U.S. interests. We will work in equal partnership to advance economic and social inclusion, safeguard citizen safety and security, promote clean energy, and defend universal values of the people of the hemisphere.

We welcome Brazil's leadership and seek to move beyond dated North-South divisions to pursue progress on bilateral, hemispheric, and global issues. Brazil's macroeconomic success, coupled with its steps to narrow socioeconomic gaps, provide important lessons for countries throughout the Americas and Africa. We will encourage Brazilian efforts against illicit transnational networks. As guardian of a unique national environmental patrimony and a leader in renewable fuels, Brazil is an important partner in confronting global climate change and promoting energy security. And in the context of the G-20 and the Doha round, we will work with Brazil to ensure that economic development and prosperity is broadly shared.

We have an array of enduring interests, longstanding commitments and new opportunities for broadening and deepening relationships in the greater Middle East. This includes maintaining a strong partnership with Israel while supporting Israel's lasting integration into the region. The U.S. also will continue to develop our key security relationships in the region with such Arab states as with Egypt, Jordan, and Saudi Arabia and other Gulf Cooperation Council (GCC) countries—partnerships that enable our militaries and defense systems to work together more effectively.

We have a strategic interest in ensuring that the social and economic needs and political rights of people in this region, who represent one of the world's youngest populations, are met. We will continue to press governments in the region to undertake political reforms and to loosen restrictions on speech, assembly and media. We will maintain our strong support for civil society

groups and those individuals who stand up for universal rights. And we will continue to foster partnerships in areas like education, economic growth, science, and health to help expand opportunity. On a multilateral basis, we seek to advance shared security interests, such as through NATO's Istanbul Cooperation Initiative with the GCC, and common interests in promoting governance and institutional reform through participating in the Forum for the Future and other regional dialogues.

The diversity and complexity of the African continent offer the United States opportunities and challenges. As African states grow their economies and strengthen their democratic institutions and governance, America will continue to embrace effective partnerships. Our economic, security, and political cooperation will be consultative and encompass global, regional, and national priorities including access to open markets, conflict prevention, global peacekeeping, counterterrorism, and the protection of vital carbon sinks. The Administration will refocus its priorities on strategic interventions that can promote job creation and economic growth; combat corruption while strengthening good governance and accountability; responsibly improve the capacity of African security and rule of law sectors; and work through diplomatic dialogue to mitigate local and regional tensions before they become crises. We will also reinforce sustainable stability in key states like Nigeria and Kenya that are essential subregional linchpins.

The United States will work to remain an attractive and influential partner by ensuring that African priorities such as infrastructure development, improving reliable access to power, and increased trade and investment remain high on our agenda. South Africa's inclusion in the G-20 should be followed by a growing number of emerging African nations who are charting a course toward improved governance and meaningful development. South Africa's vibrant democracy, combined with its regional and global leadership roles, is a critical partner. From peacemaking to climate change to capacity-building, South Africa brings unique value and perspective to international initiatives. With its strong, diversified, well-managed economy, it often serves as a springboard to the entire African continent, and we will work to pursue shared interests in Africa's security, growth, and the development of Africa's human capital.

Strengthen Institutions and Mechanisms for Cooperation

Just as U.S. foresight and leadership were essential to forging the architecture for international cooperation after World War II, we must again lead global efforts to modernize the infrastructure for international cooperation in the 21st century. Indeed, our ability to advance peace, security, and opportunity will turn on our ability to strengthen both our national and our multilateral capabilities. To solve problems, we will pursue modes of cooperation that reflect evolving distributions of power and responsibility. We need to assist existing institutions to perform effectively. When they come up short, we must seek meaningful changes and develop alternative mechanisms.

Enhance Cooperation with and Strengthen the United Nations: We are enhancing our coordination with the U.N. and its agencies. We need a U.N. capable of fulfilling its founding purpose—maintaining international peace and security, promoting global cooperation, and advancing human rights. To this end, we are paying our bills. We are intensifying efforts with partners on and outside the U.N. Security Council to ensure timely, robust, and credible Council action to address threats to peace and security. We favor Security Council reform that enhances the U.N.'s overall performance, credibility, and legitimacy. Across the broader U.N. system we support reforms that promote effective and efficient leadership and management of the U.N.'s international civil service, and we are working with U.N. personnel and member states to strengthen the U.N.'s leadership and operational capacity in peacekeeping, humanitarian relief, post-disaster recovery, development assistance, and the promotion of human rights. And we are supporting new U.N. frameworks and capacities for combating transnational threats like proliferation of weapons of mass destruction, infectious disease, drug-trafficking, and counterterrorism.

Pursue Decisions through a Wide Range of Frameworks and Coalitions: We need to spur and harness a new diversity of instruments, alliances, and institutions in which a division of labor emerges on the basis of effectiveness, competency, and long-term reliability. This requires enhanced coordination among the United Nations, regional organizations, international financial institutions, specialized agencies, and other actors that are better placed or equipped to manage certain threats and challenges. We are attempting to forge new agreement on common global challenges among the world's leading and emerging powers to ensure that multilateral cooperation reflects the sustained commitment of influential countries. While we are pursuing G-8 initiatives with proven and long-standing partners, have begun to shift the focus of our economic coordination to the G-20, which is more reflective of today's diffusion of power and the need to enlist the efforts of a broader spectrum of countries across Asia to Europe, Africa to the Middle East, and our neighbors in the Americas. We are also renewing U.S. leadership in the multilateral development banks and the IMF, and leveraging our engagement and investments in these institutions to strengthen the global economy, lift people out of poverty, advance food security, address climate and pandemics, and secure fragile states such as Afghanistan and Haiti.

Invest in Regional Capabilities: Regional organizations can be particularly effective at mobilizing and legitimating cooperation among countries closest to the problem. Regional organizations—whether NATO, the Organization for Security Cooperation in Europe, the Organization of the Islamic Conference, the African Union, Organization of American States, or ASEAN, and the Gulf Cooperation Council—vary widely in their membership, constitutions, histories, orientation, and operational capabilities. That variety needs to inform a strategic approach to their evolving roles and relative contributions to global security.

The United States is encouraging continued innovation and development of enhanced regional capabilities in the context of an evolving division of labor among local, national, and global institutions that seeks to leverage relative capacities. Where appropriate, we use training and related programs to strengthen regional capacities for peacekeeping and conflict management to improve impact and share burdens. We will also encourage a more comprehensive approach to regional security that brings balanced focus to issues such as food security, global health, and education; access to more affordable and greener forms of energy; access to fair and efficient justice; and a concerted effort to promote transparency at all levels and to fight the corrosive effect of corruption.

Sustain Broad Cooperation on Key Global Challenges

Many of today's challenges cannot be solved by one nation or even a group of nations. The test of our international order, therefore, will be its ability to facilitate the broad and effective global cooperation necessary to meet 21st century challenges. Many of these challenges have been discussed previously, including violent extremism, nuclear proliferation, and promotion of global prosperity. In addition, other key challenges requiring broad global cooperation include:

Climate Change: The danger from climate change is real, urgent, and severe. The change wrought by a warming planet will lead to new conflicts over refugees and resources; new suffering from drought and famine; catastrophic natural disasters; and the degradation of land across the globe. The United States will therefore confront climate change based upon clear guidance from the science, and in cooperation with all nations—for there is no effective solution to climate change that does not depend upon all nations taking responsibility for their own actions and for the planet we will leave behind.

- **Home:** Our effort begins with the steps that we are taking at home. We will stimulate our energy economy at home, reinvigorate the U.S. domestic nuclear industry, increase our efficiency standards, invest in renewable energy, and provide the incentives that make clean energy the profitable kind of energy. This will allow us to make deep cuts in emissions—in the range of 17

percent by 2020 and more than 80 percent by 2050. This will depend in part upon comprehensive legislation and its effective implementation.

- **Abroad:** Regionally, we will build on efforts in Asia, the Americas, and Africa to forge new clean energy partnerships. Globally, we will seek to implement and build on the Copenhagen Accord, and ensure a response to climate change that draws upon decisive action by all nations. Our goal is an effective, international effort in which all major economies commit to ambitious national action to reduce their emissions, nations meet their commitments in a transparent manner, and the necessary financing is mobilized so that developing countries can adapt to climate change, mitigate its impacts, conserve forests, and invest in clean energy technologies. We will pursue this global cooperation through multiple avenues, with a focus on advancing cooperation that works. We accept the principle of common but differentiated responses and respective capabilities, but will insist that any approach draws upon each nation taking responsibility for its own actions.

Peacekeeping and Armed Conflict: The untold loss of human life, suffering, and property damage that results from armed conflict necessitates that all responsible nations work to prevent it. No single nation can or should shoulder the burden for managing or resolving the world's armed conflicts. To this end, we will place renewed emphasis on deterrence and prevention by mobilizing diplomatic action, and use development and security sector assistance to build the capacity of at-risk nations and reduce the appeal of violent extremism. But when international forces are needed to respond to threats and keep the peace, we will work with international partners to ensure they are ready, able, and willing. We will continue to build support in other countries to contribute to sustaining global peace and stability operations, through U.N. peacekeeping and regional organizations, such as NATO and the African Union. We will continue to broaden the pool of troop and police contributors, working to ensure that they are properly trained and equipped, that their mandates are matched to means, and that their missions are backed by the political action necessary to build and sustain peace.

In Sudan, which has been marred by violent conflict for decades, the United States remains committed to working with the international community to support implementation of outstanding elements of the Comprehensive Peace Agreement and ensure that the referendum on the future of Southern Sudan in 2011 happens on time and that its results are respected. In addition, we will continue to engage in the efforts necessary to support peace and stability after the referendum, and continue to work to secure peace, dignity, and accountability in Darfur.

- **Prevent Genocide and Mass Atrocities:** The United States and all member states of the U.N. have endorsed the concept of the "Responsibility to Protect." In so doing, we have recognized that the primary responsibility for preventing genocide and mass atrocity rests with sovereign governments, but that this responsibility passes to the broader international community when sovereign governments themselves commit genocide or mass atrocities, or when they prove unable or unwilling to take necessary action to prevent or respond to such crimes inside their borders. The United States is committed to working with our allies, and to strengthening our own internal capabilities, in order to ensure that the United States and the international community are proactively engaged in a strategic effort to prevent mass atrocities and genocide. In the event that prevention fails, the United States will work both multilaterally and bilaterally to mobilize diplomatic, humanitarian, financial, and—in certain instances—military means to prevent and respond to genocide and mass atrocities.

- **International Justice:** From Nuremberg to Yugoslavia to Liberia, the United States has seen that the end of impunity and the promotion of justice are not just moral imperatives; they are stabilizing forces in international affairs. The United States is thus working to strengthen national justice systems and is maintaining our support for ad hoc international tribunals and hybrid courts. Those who intentionally target innocent civilians must be held accountable, and we will continue to support institutions and prosecutions that advance this important interest. Although the United

States is not at present a party to the Rome Statute of the International Criminal Court (ICC), and will always protect U.S. personnel, we are engaging with State Parties to the Rome Statute on issues of concern and are supporting the ICC's prosecution of those cases that advance U.S. interests and values, consistent with the requirements of U.S. law.

Pandemics and Infectious Disease: The threat of contagious disease transcends political boundaries, and the ability to prevent, quickly detect and contain outbreaks with pandemic potential has never been so important. An epidemic that begins in a single community can quickly evolve into a multinational health crisis that causes millions to suffer, as well as spark major disruptions to travel and trade. Addressing these transnational risks requires advance preparation, extensive collaboration with the global community, and the development of a resilient population at home.

Recognizing that the health of the world's population has never been more interdependent, we are improving our public health and medical capabilities on the front lines, including domestic and international disease surveillance, situational awareness, rapid and reliable development of medical countermeasures to respond to public health threats, preparedness education and training, and surge capacity of the domestic health care system to respond to an influx of patients due to a disaster or emergency. These capabilities include our ability to work with international partners to mitigate and contain disease when necessary.

We are enhancing international collaboration and strengthening multilateral institutions in order to improve global surveillance and early warning capabilities and quickly enact control and containment measures against the next pandemic threat. We continue to improve our understanding of emerging diseases and help develop environments that are less conducive to epidemic emergence. We depend on U.S. overseas laboratories, relationships with host nation governments, and the willingness of states to share health data with nongovernmental and international organizations. In this regard, we need to continue to work to overcome the lack of openness and a general reluctance to share health information. Finally, we seek to mitigate other problem areas, including limited global vaccine production capacity, and the threat of emergent and reemergent disease in poorly governed states.

Transnational Criminal Threats and Threats to Governance: Transnational criminal threats and illicit trafficking networks continue to expand dramatically in size, scope, and influence—posing significant national security challenges for the United States and our partner countries. These threats cross borders and continents and undermine the stability of nations, subverting government institutions through corruption and harming citizens worldwide. Transnational criminal organizations have accumulated unprecedented wealth and power through trafficking and other illicit activities, penetrating legitimate financial systems and destabilizing commercial markets. They extend their reach by forming alliances with government officials and some state security services. The crime-terror nexus is a serious concern as terrorists use criminal networks for logistical support and funding. Increasingly, these networks are involved in cyber crime, which cost consumers billions of dollars annually, while undermining global confidence in the international financial system.

Combating transnational criminal and trafficking networks requires a multidimensional strategy that safeguards citizens, breaks the financial strength of criminal and terrorist networks, disrupts illicit trafficking networks, defeats transnational criminal organizations, fights government corruption, strengthens the rule of law, bolsters judicial systems, and improves transparency. While these are major challenges, the United States will be able to devise and execute a collective strategy with other nations facing the same threats.

Safeguarding the Global Commons: Across the globe, we must work in concert with allies and partners to optimize the use of shared sea, air, and space domains. These shared areas, which exist outside exclusive national jurisdictions, are the connective tissue around our globe upon which all nations' security and prosperity depend. The United States will continue to help safeguard

access, promote security, and ensure the sustainable use of resources in these domains. These efforts require strong multilateral cooperation, enhanced domain awareness and monitoring, and the strengthening of international norms and standards.

We must work together to ensure the constant flow of commerce, facilitate safe and secure air travel, and prevent disruptions to critical communications. We must also safeguard the sea, air, and space domains from those who would deny access or use them for hostile purposes. This includes keeping strategic straits and vital sea lanes open, improving the early detection of emerging maritime threats, denying adversaries hostile use of the air domain, and ensuring the responsible use of space. As one key effort in the sea domain, for example, we will pursue ratification of the United Nations Convention on the Law of the Sea.

Many of these goals are equally applicable to cyberspace. While cyberspace relies on the digital infrastructure of individual countries, such infrastructure is globally connected, and securing it requires global cooperation. We will push for the recognition of norms of behavior in cyberspace, and otherwise work with global partners to ensure the protection of the free flow of information and our continued access. At all times, we will continue to defend our digital networks from intrusion and harmful disruption.

Arctic Interests: The United States is an Arctic Nation with broad and fundamental interests in the Arctic region, where we seek to meet our national security needs, protect the environment, responsibly manage resources, account for indigenous communities, support scientific research, and strengthen international cooperation on a wide range of issues.

IV. Conclusion

“It’s easy to forget that, when this war began, we were united, bound together by the fresh memory of a horrific attack and by the determination to defend our homeland and the values we hold dear. I refuse to accept the notion that we cannot summon that unity again. I believe with every fiber of my being that we, as Americans, can still come together behind a common purpose, for our values are not simply words written into parchment. They are a creed that calls us together and that has carried us through the darkest of storms as one nation, as one people.”

—President Barack Obama, West Point, New York, December 2, 2009

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This strategy calls for a comprehensive range of national actions, and a broad conception of what constitutes our national security. Above all, it is about renewing our leadership by calling upon what is best about America—our innovation and capacity; our openness and moral imagination.

Success will require approaches that can be sustained and achieve results. One of the reasons that this nation succeeded in the second half of the 20th century was its capacity to pursue policies and build institutions that endured across multiple Administrations, while also preserving the flexibility to endure setbacks and to make necessary adjustments. In some instances, the United States has been able to carry forward this example in the years since the Cold War. But there are also many open questions, unfinished reforms, and deep divisions—at home and abroad—that constrain our ability to advance our interests and renew our leadership.

To effectively craft and implement a sustainable, results-oriented national security strategy, there must be effective cooperation between the branches of government. This Administration believes that we are strong when we act in line with our laws, as the Constitution itself demands. This Administration is also committed to active consultation with Congress, and welcomes robust and effective oversight of its national security policies. We welcome Congress as a full partner in forging durable solutions to tough challenges, looking beyond the headlines to take a long view of America’s interests. And we encourage Congress to pursue oversight in line with the reforms that have been enacted through legislation, particularly in the years since 9/11.

The executive branch must do its part by developing integrated plans and approaches that leverage the capabilities across its departments and agencies to deal with the issues we confront. Collaboration across the government—and with our partners at the state, local, and tribal levels of government, in industry, and abroad—must guide our actions.

This kind of effective cooperation will depend upon broad and bipartisan cooperation. Throughout the Cold War, even as there were intense disagreements about certain courses of action, there remained a belief that America's political leaders shared common goals, even if they differed about how to reach them. In today's political environment, due to the actions of both parties that sense of common purpose is at times lacking in our national security dialogue. This division places the United States at a strategic disadvantage. It sets back our ability to deal with difficult challenges and injects a sense of anxiety and polarization into our politics that can affect our policies and our posture around the world. It must be replaced by a renewed sense of civility and a commitment to embrace our common purpose as Americans.

Americans are by nature a confident and optimistic people. We would not have achieved our position of leadership in the world without the extraordinary strength of our founding documents and the capability and courage of generations of Americans who gave life to those values—through their service, through their sacrifices, through their aspirations, and through their pursuit of a more perfect union. We see those same qualities today, particularly in our young men and women in uniform who have served tour after tour of duty to defend our nation in harm's way, and their civilian counterparts.

This responsibility cannot be theirs alone. And there is no question that we, as a nation, can meet our responsibility as Americans once more. Even in a world of enormous challenges, no threat is bigger than the American peoples' capacity to meet it, and no opportunity exceeds our reach. We continue to draw strength from those founding documents that established the creed that binds us together. We, too, can demonstrate the capability and courage to pursue a more perfect union and—in doing so—renew American leadership in the world.

2015

Стратегия Национальной Безопасности (Вашингтон, февраль 2015 г.)

NATIONAL SECURITY STRATEGY
FEBRUARY 2015

Today, the United States is stronger and better positioned to seize the opportunities of a still new century and safeguard our interests against the risks of an insecure world.

America's growing economic strength is the foundation of our national security and a critical source of our influence abroad. Since the Great Recession, we have created nearly 11 million new jobs during the longest private sector job growth in our history. Unemployment has fallen to its lowest level in 6 years. We are now the world leader in oil and gas production. We continue to set the pace for science, technology, and innovation in the global economy.

We also benefit from a young and growing workforce, and a resilient and diversified economy. The entrepreneurial spirit of our workers and businesses undergirds our economic edge. Our higher education system is the finest in the world, drawing more of the best students globally every year. We continue to attract immigrants from every corner of the world who renew our country with their energy and entrepreneurial talents.

Globally, we have moved beyond the large ground wars in Iraq and Afghanistan that defined so much of American foreign policy over the past decade. Compared to the nearly 180,000 troops we had in Iraq and Afghanistan when I took office, we now have fewer than 15,000 deployed in those countries. We possess a military whose might, technology, and geostrategic reach is unrivaled in human history. We have renewed our alliances from Europe to Asia.

Now, at this pivotal moment, we continue to face serious challenges to our national security, even as we are working to shape the opportunities of tomorrow. Violent extremism and an evolving terrorist threat raise a persistent risk of attacks on America and our allies. Escalating challenges to cybersecurity, aggression by Russia, the accelerating impacts of climate change, and the outbreak of infectious diseases all give rise to anxieties about global security. We must be clear-eyed about these and other challenges and recognize the United States has a unique capability to mobilize and lead the international community to meet them.

Any successful strategy to ensure the safety of the American people and advance our national security interests must begin with an undeniable truth—America must lead. Strong and sustained

American leadership is essential to a rules-based international order that promotes global security and prosperity as well as the dignity and human rights of all peoples. The question is never whether America should lead, but how we lead.

Abroad, we are demonstrating that while we will act unilaterally against threats to our core interests, we are stronger when we mobilize collective action. That is why we are leading international coalitions to confront the acute challenges posed by aggression, terrorism, and disease. We are leading over 60 partners in a global campaign to degrade and ultimately defeat the Islamic State of Iraq and the Levant (ISIL) in Iraq and Syria, including by working to disrupt the flow of foreign fighters to those countries, while keeping pressure on al-Qa'ida. We are leading a global effort to stop the deadly spread of the Ebola virus at its source. In lockstep with our European allies, we are enforcing tough sanctions on Russia to impose costs and deter future aggression.

Even as we meet these pressing challenges, we are pursuing historic opportunities. Our rebalance to Asia and the Pacific is yielding deeper ties with a more diverse set of allies and partners. When complete, the Trans-Pacific Partnership will generate trade and investment opportunities—and create high-quality jobs at home—across a region that represents more than 40 percent of global trade. We are primed to unlock the potential of our relationship with India. The scope of our cooperation with China is unprecedented, even as we remain alert to China's military modernization and reject any role for intimidation in resolving

territorial disputes. We are deepening our investment in Africa, accelerating access to energy, health, and food security in a rapidly rising region. Our opening to Cuba will enhance our engagement in our own hemisphere, where there are enormous opportunities to consolidate gains in pursuit of peace, prosperity, democracy, and energy security.

Globally, we are committed to advancing the Prague Agenda, including by stopping the spread of nuclear weapons and securing nuclear materials. We are currently testing whether it is possible to achieve a comprehensive resolution to assure the international community that Iran's nuclear program is peaceful, while the Joint Plan of Action has halted the progress of Iran's program. We are building on our own energy security—and the ground-breaking commitment we made with China to reduce greenhouse gas emissions—to cement an international consensus on arresting climate change. We are shaping global standards for cybersecurity and building international capacity to disrupt and investigate cyber threats. We are playing a leading role in defining the international community's post-2015 agenda for eliminating extreme poverty and promoting sustainable development while prioritizing women and youth.

Underpinning it all, we are upholding our enduring commitment to the advancement of democracy and human rights and building new coalitions to combat corruption and to support open governments and open societies. In doing so, we are working to support democratic transitions, while also reaching out to the drivers of change in this century: young people and entrepreneurs.

Finally, I believe that America leads best when we draw upon our hopes rather than our fears. To succeed, we must draw upon the power of our example—that means viewing our commitment to our values and the rule of law as a strength, and not an inconvenience. That is why I have worked to ensure that America has the capabilities we need to respond to threats abroad, while acting in line with our values—prohibiting the use of torture; embracing constraints on our use of new technologies like drones; and upholding our commitment to privacy and civil liberties. These actions are a part of our resilience at home and a source of our influence abroad.

On all these fronts, America leads from a position of strength. But, this does not mean we can or should attempt to dictate the trajectory of all unfolding events around the world. As powerful as we are and will remain, our resources and influence are not infinite. And in a complex world, many of the security problems we face do not lend themselves to quick and easy fixes. The United States will always defend our interests and uphold our commitments to allies and partners. But, we have to make hard choices among many competing priorities, and we must always resist the over-reach that comes when we make decisions based upon fear. Moreover, we must recognize that a smart national security strategy does not rely solely on military power. Indeed, in the long-term, our

efforts to work with other countries to counter the ideology and root causes of violent extremism will be more important than our capacity to remove terrorists from the battlefield.

The challenges we face require strategic patience and persistence. They require us to take our responsibilities seriously and make the smart investments in the foundations of our national power. Therefore, I will continue to pursue a comprehensive agenda that draws on all elements of our national strength, that is attuned to the strategic risks and opportunities we face, and that is guided by the principles and priorities set out in this strategy. Moreover, I will continue to insist on budgets that safeguard our strength and work with the Congress to end sequestration, which undercuts our national security.

This is an ambitious agenda, and not everything will be completed during my Presidency. But I believe this is an achievable agenda, especially if we proceed with confidence and if we restore the bipartisan center that has been a pillar of strength for American foreign policy in decades past. As Americans, we will always have our differences, but what unites us is the national consensus that American global leadership remains indispensable. We embrace our exceptional role and responsibilities at a time when our unique contributions and capabilities are needed most, and when the choices we make today can mean greater security and prosperity for our Nation for decades to come.

Barack Obama

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I. Introduction

In a young century, opportunities for America abound, but risks to our security remain. This new National Security Strategy positions the United States to safeguard our national interests through strong and sustainable leadership. It sets out the principles and priorities to guide the use of American power and influence in the world. It advances a model of American leadership rooted in the foundation of America's economic and technological strength and the values of the American people. It redoubles our commitment to allies and partners and welcomes the constructive contributions of responsible rising powers. It signals our resolve and readiness to deter and, if necessary, defeat potential adversaries. It affirms America's leadership role within a rules-based international order that works best through empowered citizens, responsible states, and effective regional and international organizations. And it serves as a compass for how this Administration, in partnership with the Congress, will lead the world through a shifting security landscape toward a more durable peace and a new prosperity.

This strategy builds on the progress of the last 6 years, in which our active leadership has helped the world recover from a global economic crisis and respond to an array of emerging challenges. Our progress includes strengthening an unrivaled alliance system, underpinned by our enduring partnership with Europe, while investing in nascent multilateral forums like the G-20 and East Asia Summit. We brought most of our troops home after more than a decade of honorable service in two wars while adapting our counterterrorism strategy for an evolving terrorist threat. We led a multinational coalition to support the Afghan government to take responsibility for the security of their country, while supporting Afghanistan's first peaceful, democratic transition of power. The United States led the international response to natural disasters, including the earthquake in Haiti, the earthquake and tsunami in Japan, and the typhoon in the Philippines to save lives, prevent greater damage, and support efforts to rebuild. We led international efforts to stop the proliferation of nuclear weapons, including by building an unprecedented international sanctions regime to hold Iran responsible for failing to meet its international obligations, while pursuing a diplomatic effort that has already stopped the progress of Iran's nuclear program and rolled it back in key respects. We are rebalancing toward Asia and the Pacific while seeking new opportunities for partnership and investment in Africa and the Americas, where we have spurred greater agriculture and energy-related investments than ever before. And at home and abroad, we are taking concerted action to confront the dangers posed by climate change and to strengthen our energy security.

Still, there is no shortage of challenges that demand continued American leadership. The potential proliferation of weapons of mass destruction, particularly nuclear weapons, poses a grave risk. Even as we have decimated al-Qa'ida's core leadership, more diffuse networks of al-Qa'ida, ISIL, and affiliated groups threaten U.S. citizens, interests, allies, and partners. Violent extremists exploit upheaval across the Middle East and North Africa. Fragile and conflict-affected states incubate and spawn infectious disease, illicit weapons and drug smugglers, and destabilizing refugee flows. Too often, failures in governance and endemic corruption hold back the potential of rising regions. The danger of disruptive and even destructive cyber-attack is growing, and the risk of another global economic slowdown remains. The international community's ability to respond effectively to these and other risks is helped or hindered by the behaviors of major powers. Where progress has been most profound, it is due to the steadfastness of our allies and the cooperation of other emerging powers.

These complex times have made clear the power and centrality of America's indispensable leadership in the world. We mobilized and are leading global efforts to impose costs to counter Russian aggression, to degrade and ultimately defeat ISIL, to squelch the Ebola virus at its source, to stop the spread of nuclear weapons materials, and to turn the corner on global carbon emissions. A strong consensus endures across our political spectrum that the question is not whether America will lead, but how we will lead into the future.

First and foremost, we will lead with purpose. American leadership is a global force for good, but it is grounded in our enduring national interests as outlined in the 2010 National Security Strategy:

- The security of the United States, its citizens, and U.S. allies and partners;
- A strong, innovative, and growing U.S. economy in an open international economic system that promotes opportunity and prosperity;
- Respect for universal values at home and around the world; and
- A rules-based international order advanced by U.S. leadership that promotes peace, security, and opportunity through stronger cooperation to meet global challenges.

Especially in a changing global environment, these national interests will continue to guide all we do in the world. To advance these interests most effectively, we must pursue a comprehensive national security agenda, allocate resources accordingly, and work with the Congress to end sequestration. Even so, our resources will never be limitless. Policy tradeoffs and hard choices will need to be made. In such instances, we will prioritize efforts that address the top strategic risks to our interests:

- Catastrophic attack on the U.S. homeland or critical infrastructure;
- Threats or attacks against U.S. citizens abroad and our allies;
- Global economic crisis or widespread economic slowdown;
- Proliferation and/or use of weapons of mass destruction;
- Severe global infectious disease outbreaks;
- Climate change;
- Major energy market disruptions; and
- Significant security consequences associated with weak or failing states (including mass atrocities, regional spillover, and transnational organized crime).

We will seize strategic opportunities to shape the economic order and cultivate new relationships with emerging economic powers and countries newly committed to peaceful democratic change. We will also capitalize on the potential to end extreme poverty and build upon our comparative advantages in innovation, science and technology, entrepreneurship, and greater energy security.

We will lead with strength. After a difficult decade, America is growing stronger every day. The U.S. economy remains the most dynamic and resilient on Earth. We have rebounded from a global recession by creating more jobs in the United States than in all other advanced economies combined. Our military might is unrivaled. Yet, American exceptionalism is not rooted solely in the strength of our arms or economy. Above all, it is the product of our founding values, including the rule of law and universal rights, as well as the grit, talent, and diversity of the American people.

In the last 6 years alone, we arrested the worst financial crisis since the Great Depression and catalyzed a new era of economic growth. We increased our competitive edge and leadership in education, energy, science and technology, research and development, and healthcare. We achieved an energy transformation in North America. We are fortifying our critical infrastructure against all hazards, especially cyber espionage and attack. And we are working hard to safeguard our civil liberties while advancing our security.

America's strategic fundamentals are strong but should not be taken for granted. We must be innovative and judicious in how we use our resources to build up our national power. Going forward, we will strengthen our foundation by growing our economy, modernizing our defense, upholding our values, enhancing the resilience of our homeland, and promoting talent and diversity in our national security workforce.

We will lead by example. The strength of our institutions and our respect for the rule of law sets an example for democratic governance. When we uphold our values at home, we are better able to promote them in the world. This means safeguarding the civil rights and liberties of our citizens while increasing transparency and accountability. It also means holding ourselves to international norms and standards that we expect other nations to uphold, and admitting when we do not. We must also demonstrate our ability to forge diverse partnerships across our political spectrum. Many achievements of recent years were made possible by Democrats and Republicans; Federal, state and local governments; and the public and private sectors working together. But, we face continued

challenges, including political dysfunction in Washington that undermines national unity, stifles bipartisan cooperation, and ultimately erodes the perception and strength of our leadership abroad. American leadership is always most powerful when we are able to forge common ground at home around key national priorities.

We will lead with capable partners. In an interconnected world, there are no global problems that can be solved without the United States, and few that can be solved by the United States alone. American leadership remains essential for mobilizing collective action to address global risks and seize strategic opportunities. Our closest partners and allies will remain the cornerstone of our international engagement. Yet, we will continuously expand the scope of cooperation to encompass other state partners, non-state and private actors, and international institutions—particularly the United Nations (U.N.), international financial institutions, and key regional organizations. These partnerships can deliver essential capacity to share the burdens of maintaining global security and prosperity and to uphold the norms that govern responsible international behavior. At the same time, we and our partners must make the reforms and investments needed to make sure we can work more effectively with each other while growing the ranks of responsible, capable states. The United States is safer and stronger when fewer people face destitution, when our trading partners are flourishing, and when societies are freer.

We will lead with all the instruments of U.S. power. Our influence is greatest when we combine all our strategic advantages. Our military will remain ready to defend our enduring national interests while providing essential leverage for our diplomacy. The use of force is not, however, the only tool at our disposal, and it is not the principal means of U.S. engagement abroad, nor always the most effective for the challenges we face. Rather, our first line of action is principled and clear-eyed diplomacy, combined with the central role of development in the forward defense and promotion of America's interests. We will continue pursuing measures to enhance the security of our diplomats and development professionals to ensure they can fulfill their responsibilities safely in high-risk environments. We will also leverage a strong and well-regulated economy to promote trade and investment while protecting the international financial system from abuse. Targeted economic sanctions will remain an effective tool for imposing costs on irresponsible actors and helping to dismantle criminal and terrorist networks. All our tools are made more effective by the skill of our intelligence professionals and the quality of intelligence they collect, analyze, and produce. Finally, we will apply our distinct advantages in law enforcement, science and technology, and people-to-people relationships to maximize the strategic effects of our national power.

We will lead with a long-term perspective. Around the world, there are historic transitions underway that will unfold over decades. This strategy positions America to influence their trajectories, seize the opportunities they create, and manage the risks they present. Five recent transitions, in particular, have significantly changed the security landscape, including since our last strategy in 2010.

First, power among states is more dynamic. The increasing use of the G-20 on global economic matters reflects an evolution in economic power, as does the rise of Asia, Latin America, and Africa. As the balance of economic power changes, so do expectations about influence over international affairs. Shifting power dynamics create both opportunities and risks for cooperation, as some states have been more willing than others to assume responsibilities commensurate with their greater economic capacity. In particular, India's potential, China's rise, and Russia's aggression all significantly impact the future of major power relations.

Second, power is shifting below and beyond the nation-state. Governments once able to operate with few checks and balances are increasingly expected to be more accountable to sub-state and non-state actors—from mayors of mega-cities and leaders in private industry to a more empowered civil society. They are also contending with citizens enabled by technology, youth as a majority in many societies, and a growing global middle class with higher expectations for governance and economic opportunity. While largely positive, these trends can foster violent non-

state actors and foment instability—especially in fragile states where governance is weak or has broken down—or invite backlash by authoritarian regimes determined to preserve the power of the state.

Third, the increasing interdependence of the global economy and rapid pace of technological change are linking individuals, groups, and governments in unprecedented ways. This enables and incentivizes new forms of cooperation to establish dynamic security networks, expand international trade and investment, and transform global communications. It also creates shared vulnerabilities, as interconnected systems and sectors are susceptible to the threats of climate change, malicious cyber activity, pandemic diseases, and transnational terrorism and crime.

Fourth, a struggle for power is underway among and within many states of the Middle East and North Africa. This is a generational struggle in the aftermath of the 2003 Iraq war and 2011 Arab uprisings, which will redefine the region as well as relationships among communities and between citizens and their governments. This process will continue to be combustible, especially in societies where religious extremists take root, or rulers reject democratic reforms, exploit their economies, and crush civil society.

Fifth, the global energy market has changed dramatically. The United States is now the world's largest natural gas and oil producer. Our dependence on foreign oil is at a 20-year low—and declining—and we are leading a new clean energy economy. While production in the Middle East and elsewhere remains vitally important for the global market, increased U.S. production is helping keep markets well-supplied and prices conducive to economic growth. On the other hand, energy security concerns have been exacerbated by European dependence on Russian natural gas and the willingness of Russia to use energy for political ends. At the same time, developing countries now consume more energy than developed ones, which is altering energy flows and changing consumer relationships.

Today's strategic environment is fluid. Just as the United States helped shape the course of events in the last century, so must we influence their trajectory today by evolving the way we exercise American leadership. This strategy outlines priorities based on a realistic assessment of the risks to our enduring national interests and the opportunities for advancing them. This strategy eschews orienting our entire foreign policy around a single threat or region. It establishes instead a diversified and balanced set of priorities appropriate for the world's leading global power with interests in every part of an increasingly interconnected world.

II. Security

The United States government has no greater responsibility than protecting the American people. Yet, our obligations do not end at our borders. We embrace our responsibilities for underwriting international security because it serves our interests, upholds our commitments to allies and partners, and addresses threats that are truly global. There is no substitute for American leadership whether in the face of aggression, in the cause of universal values, or in the service of a more secure America. Fulfilling our responsibilities depends on a strong defense and secure homeland. It also requires a global security posture in which our unique capabilities are employed within diverse international coalitions and in support of local partners. Such a shift is possible after a period of prolonged combat. Six years ago, there were roughly 180,000 U.S. troops in Iraq and Afghanistan. Today, there are fewer than 15,000. This transition has dramatically reduced U.S. casualties and allows us to realign our forces and resources to meet an evolving set of threats while securing our strategic objectives.

In so doing, we will prioritize collective action to meet the persistent threat posed by terrorism today, especially from al-Qa'ida, ISIL, and their affiliates. In addition to acting decisively to defeat direct threats, we will focus on building the capacity of others to prevent the causes and consequences of conflict to include countering extreme and dangerous ideologies. Keeping nuclear materials from terrorists and preventing the proliferation of nuclear weapons remains a high priority, as does mobilizing the international community to meet the urgent challenges posed by

climate change and infectious disease. Collective action is needed to assure access to the shared spaces—cyber, space, air, and oceans—where the dangerous behaviors of some threaten us all.

Our allies will remain central to all these efforts. The North Atlantic Treaty Organization (NATO) is the world's preeminent multilateral alliance, reinforced by the historic close ties we have with the United Kingdom, France, Germany, Italy, and Canada. NATO is stronger and more cohesive than at any point in its history, especially due to contributions of the Nordic countries and newer members like Poland and the Baltic countries. Our alliances in Asia underwrite security and enable prosperity throughout Asia and the Pacific. We will continue to modernize these essential bilateral alliances while enhancing the security ties among our allies. Japan, South Korea, and Australia, as well as our close partner in New Zealand, remain the model for interoperability while we reinvigorate our ties to the Philippines and preserve our ties to Thailand. And our allies and partners in other regions, including our security partnership and people-to-people ties with Israel, are essential to advancing our interests.

Strengthen Our National Defense

A strong military is the bedrock of our national security. During over a decade of war, the All Volunteer Force has answered our Nation's call. To maintain our military edge and readiness, we will continue to insist on reforms and necessary investment in our military forces and their families. Our military will remain ready to deter and defeat threats to the homeland, including against missile, cyber, and terrorist attacks, while mitigating the effects of potential attacks and natural disasters. Our military is postured globally to protect our citizens and interests, preserve regional stability, render humanitarian assistance and disaster relief, and build the capacity of our partners to join with us in meeting security challenges. U.S. forces will continue to defend the homeland, conduct global counterterrorism operations, assure allies, and deter aggression through forward presence and engagement. If deterrence fails, U.S. forces will be ready to project power globally to defeat and deny aggression in multiple theaters.

As we modernize, we will apply the lessons of past drawdowns. Although our military will be smaller, it must remain dominant in every domain. With the Congress, we must end sequestration and enact critical reforms to build a versatile and responsive force prepared for a more diverse set of contingencies. We will protect our investment in foundational capabilities like the nuclear deterrent, and we will grow our investment in crucial capabilities like cyber; space; and intelligence, surveillance, and reconnaissance.

We will safeguard our science and technology base to keep our edge in the capabilities needed to prevail against any adversary. Above all, we will take care of our people. We will recruit and retain the best talent while developing leaders committed to an ethical and expert profession of arms. We will honor our sacred trust with Veterans and the families and communities that support them, making sure those who have served have the benefits, education, and opportunities they have earned. We will be principled and selective in the use of force. The use of force should not be our first choice, but it will sometimes be the necessary choice. The United States will use military force, unilaterally if necessary, when our enduring interests demand it: when our people are threatened; when our livelihoods are at stake; and when the security of our allies is in danger. In these circumstances, we prefer to act with allies and partners. The threshold for military action is higher when our interests are not directly threatened. In such cases, we will seek to mobilize allies and partners to share the burden and achieve lasting outcomes. In all cases, the decision to use force must reflect a clear mandate and feasible objectives, and we must ensure our actions are effective, just, and consistent with the rule of law. It should be based on a serious appreciation for the risk to our mission, our global responsibilities, and the opportunity costs at home and abroad. Whenever and wherever we use force, we will do so in a way that reflects our values and strengthens our legitimacy.

Reinforce Homeland Security

Our homeland is more secure. But, we must continue to learn and adapt to evolving threats and hazards. We are better able to guard against terrorism—the core responsibility of homeland

security—as well as illicit networks and other threats and hazards due to improved information sharing, aviation and border security, and international cooperation. We have emphasized community-based efforts and local law enforcement programs to counter homegrown violent extremism and protect vulnerable individuals from extremist ideologies that could lead them to join conflicts overseas or carry out attacks here at home. Through risk-based approaches, we have countered terrorism and transnational organized crime in ways that enhance commerce, travel, and tourism and, most fundamentally, preserve our civil liberties. We are more responsive and resilient when prevention fails or disaster strikes as witnessed with the Boston Marathon bombings and Hurricane Sandy.

The essential services that underpin American society must remain secure and functioning in the face of diverse threats and hazards. Therefore, we take a Whole of Community approach, bringing together all elements of our society—individuals, local communities, the private and non-profit sectors, faith-based organizations, and all levels of government—to make sure America is resilient in the face of adversity.

We are working with the owners and operators of our Nation's critical cyber and physical infrastructure across every sector—financial, energy, transportation, health, information technology, and more—to decrease vulnerabilities and increase resilience. We are partnering with states and local communities to better plan for, absorb, recover from, and adapt to adverse events brought about by the compounding effects of climate change. We will also continue to enhance pandemic preparedness at home and address the threat arising from new drug-resistant microbes and biological agents.

Combat the Persistent Threat of Terrorism

The threat of catastrophic attacks against our homeland by terrorists has diminished but still persists. An array of terrorist threats has gained traction in areas of instability, limited opportunity, and broken governance. Our adversaries are not confined to a distinct country or region. Instead, they range from South Asia through the Middle East and into Africa. They include globally oriented groups like al-Qa'ida and its affiliates, as well as a growing number of regionally focused and globally connected groups—many with an al-Qa'ida pedigree like ISIL, which could pose a threat to the homeland.

We have drawn from the experience of the last decade and put in place substantial changes to our efforts to combat terrorism, while preserving and strengthening important tools that have been developed since 9/11. Specifically, we shifted away from a model of fighting costly, large-scale ground wars in Iraq and Afghanistan in which the United States—particularly our military—bore an enormous burden. Instead, we are now pursuing a more sustainable approach that prioritizes targeted counterterrorism operations, collective action with responsible partners, and increased efforts to prevent the growth of violent extremism and radicalization that drives increased threats. Our leadership will remain essential to disrupting the unprecedented flow of foreign terrorist fighters to and from conflict zones. We will work to address the underlying conditions that can help foster violent extremism such as poverty, inequality, and repression. This means supporting alternatives to extremist messaging and greater economic opportunities for women and disaffected youth. We will help build the capacity of the most vulnerable states and communities to defeat terrorists locally. Working with the Congress, we will train and equip local partners and provide operational support to gain ground against terrorist groups. This will include efforts to better fuse and share information and technology as well as to support more inclusive and accountable governance.

In all our efforts, we aim to draw a stark contrast between what we stand for and the heinous deeds of terrorists. We reject the lie that America and its allies are at war with Islam. We will continue to act lawfully. Outside of areas of active hostilities, we endeavor to detain, interrogate, and prosecute terrorists through law enforcement. However, when there is a continuing, imminent threat, and when capture or other actions to disrupt the threat are not feasible, we will not hesitate to take decisive action. We will always do so legally, discriminately, proportionally, and bound by

strict accountability and strong oversight. The United States—not our adversaries—will define the nature and scope of this struggle, lest it define us.

Our counterterrorism approach is at work with several states, including Somalia, Afghanistan and Iraq. In Afghanistan, we have ended our combat mission and transitioned to a dramatically smaller force focused on the goal of a sovereign and stable partner in Afghanistan that is not a safe haven for international terrorists. This has been made possible by the extraordinary sacrifices of our U.S. military, civilians throughout the interagency, and our international partners. They delivered justice to Osama bin Laden and significantly degraded al-Qa'ida's core leadership. They helped increase life expectancy, access to education, and opportunities for women and girls. Going forward, we will work with partners to carry out a limited counterterrorism mission against the remnants of core al-Qa'ida and maintain our support to the Afghan National Security Forces (ANSF). We are working with NATO and our other partners to train, advise, and assist the ANSF as a new government takes responsibility for the security and well-being of Afghanistan's citizens. We will continue to help improve governance that expands opportunity for all Afghans, including women and girls. We will also work with the countries of the region, including Pakistan, to mitigate the threat from terrorism and to support a viable peace and reconciliation process to end the violence in Afghanistan and improve regional stability.

We have undertaken a comprehensive effort to degrade and ultimately defeat ISIL. We will continue to support Iraq as it seeks to free itself from sectarian conflict and the scourge of extremists. Our support is tied to the government's willingness to govern effectively and inclusively and to ensure ISIL cannot sustain a safe haven on Iraqi territory. This requires professional and accountable Iraqi Security Forces that can overcome sectarian divides and protect all Iraqi citizens. It also requires international support, which is why we are leading an unprecedented international coalition to work with the Iraqi government and strengthen its military to regain sovereignty. Joined by our allies and partners, including multiple countries in the region, we employed our unique military capabilities to arrest ISIL's advance and to degrade their capabilities in both Iraq and Syria. At the same time, we are working with our partners to train and equip a moderate Syrian opposition to provide a counterweight to the terrorists and the brutality of the Assad regime. Yet, the only lasting solution to Syria's civil war remains political—an inclusive political transition that responds to the legitimate aspirations of all Syrian citizens.

Build Capacity to Prevent Conflict

We will strengthen U.S. and international capacity to prevent conflict among and within states. In the realm of inter-state conflict, Russia's violation of Ukraine's sovereignty and territorial integrity—as well as its belligerent stance toward other neighboring countries—endangers international norms that have largely been taken for granted since the end of the Cold War. Meanwhile, North Korean provocation and tensions in the East and South China Seas are reminders of the risks of escalation. American diplomacy and leadership, backed by a strong military, remain essential to deterring future acts of inter-state aggression and provocation by reaffirming our security commitments to allies and partners, investing in their capabilities to withstand coercion, imposing costs on those who threaten their neighbors or violate fundamental international norms, and embedding our actions within wider regional strategies.

Within states, the nexus of weak governance and widespread grievance allows extremism to take root, violent non-state actors to rise up, and conflict to overtake state structures. To meet these challenges, we will continue to work with partners and through multilateral organizations to address the root causes of conflict before they erupt and to contain and resolve them when they do. We prefer to partner with those fragile states that have a genuine political commitment to establishing legitimate governance and providing for their people. The focus of our efforts will be on proven areas of need and impact, such as inclusive politics, enabling effective and equitable service delivery, reforming security and rule of law sectors, combating corruption and organized crime, and promoting economic opportunity, particularly among youth and women. We will continue to lead

the effort to ensure women serve as mediators of conflict and in peacebuilding efforts, and they are protected from gender-based violence.

We will continue to bolster the capacity of the U.N. and regional organizations to help resolve disputes, build resilience to crises and shocks, strengthen governance, end extreme poverty, and increase prosperity, so that fragile states can provide for the basic needs of their citizens and can avoid being vulnerable hosts for extremism and terrorism. We will meet our financial commitments to the U.N., press for reforms to strengthen peacekeeping, and encourage more contributions from advanced militaries. We will strengthen the operational capacity of regional organizations like the African Union (AU) and broaden the ranks of capable troop-contributing countries, including through the African Peacekeeping Rapid Response Partnership, which will help African countries rapidly deploy to emerging crises.

Prevent the Spread and Use of Weapons of Mass Destruction

No threat poses as grave a danger to our security and well-being as the potential use of nuclear weapons and materials by irresponsible states or terrorists. We therefore seek the peace and security of a world without nuclear weapons. As long as nuclear weapons exist, the United States must invest the resources necessary to maintain—without testing—a safe, secure, and effective nuclear deterrent that preserves strategic stability. However, reducing the threat requires us to constantly reinforce the basic bargain of the Nuclear Non-Proliferation Treaty, which commits nuclear weapons states to reduce their stockpiles while non-nuclear weapons states remain committed to using nuclear energy only for peaceful purposes. For our part, we are reducing the role and number of nuclear weapons through New START and our own strategy. We will continue to push for the entry into force of important multilateral agreements like the Comprehensive Nuclear Test-Ban Treaty and the various regional nuclear weapons-free zone protocols, as well as the creation of a Fissile Material Cut-Off Treaty.

Vigilance is required to stop countries and non-state actors from developing or acquiring nuclear, chemical, or biological weapons, or the materials to build them. The Nuclear Security Summit process has catalyzed a global effort to lock down vulnerable nuclear materials and institutionalize nuclear security best practices. Our commitment to the denuclearization of the Korean Peninsula is rooted in the profound risks posed by North Korean weapons development and proliferation. Our efforts to remove and destroy chemical weapons in Libya and Syria reflect our leadership in implementation and progress toward universalization of the Chemical Weapons Convention.

We have made clear Iran must meet its international obligations and demonstrate its nuclear program is entirely peaceful. Our sanctions regime has demonstrated that the international community can—and will—hold accountable those nations that do not meet their obligations, while also opening up a space for a diplomatic resolution. Having reached a first step arrangement that stops the progress of Iran's nuclear program in exchange for limited relief, our preference is to achieve a comprehensive and verifiable deal that assures Iran's nuclear program is solely for peaceful purposes. This is the best way to advance our interests, strengthen the global nonproliferation regime, and enable Iran to access peaceful nuclear energy. However, we retain all options to achieve the objective of preventing Iran from producing a nuclear weapon.

Confront Climate Change

Climate change is an urgent and growing threat to our national security, contributing to increased natural disasters, refugee flows, and conflicts over basic resources like food and water. The present day effects of climate change are being felt from the Arctic to the Midwest. Increased sea levels and storm surges threaten coastal regions, infrastructure, and property. In turn, the global economy suffers, compounding the growing costs of preparing and restoring infrastructure.

America is leading efforts at home and with the international community to confront this challenge. Over the last 6 years, U.S. emissions have declined by a larger total magnitude than those of any other country. Through our Climate Action Plan and related executive actions, we will go further with a goal of reducing greenhouse gas emissions by 26 to 28 percent of 2005 levels by

2025. Working with U.S. states and private utilities, we will set the first-ever standards to cut the amount of carbon pollution our power plants emit into the air. We are also working to strengthen resilience and address vulnerabilities to climate impacts.

These domestic efforts contribute to our international leadership. Building on the progress made in Copenhagen and in ensuing negotiations, we are working toward an ambitious new global climate change agreement to shape standards for prevention, preparedness, and response over the next decade. As the world's two largest emitters, the United States and China reached a landmark agreement to take significant action to reduce carbon pollution. The substantial contribution we have pledged to the Green Climate Fund will help the most vulnerable developing nations deal with climate change, reduce their carbon pollution, and invest in clean energy. More than 100 countries have also joined with us to reduce greenhouse gases under the Montreal Protocol—the same agreement the world used successfully to phase out ozone-depleting chemicals. We are partnering with African entrepreneurs to launch clean energy projects and helping farmers practice climate-smart agriculture and plant more durable crops. We are also driving collective action to reduce methane emissions from pipelines and to launch a free trade agreement for environmental goods.

Assure Access to Shared Spaces

The world is connected by shared spaces—cyber, space, air, and oceans—that enable the free flow of people, goods, services, and ideas. They are the arteries of the global economy and civil society, and access is at risk due to increased competition and provocative behaviors. Therefore, we will continue to promote rules for responsible behavior while making sure we have the capabilities to assure access to these shared spaces.

Cybersecurity

As the birthplace of the Internet, the United States has a special responsibility to lead a networked world. Prosperity and security increasingly depend on an open, interoperable, secure, and reliable Internet. Our economy, safety, and health are linked through a networked infrastructure that is targeted by malicious government, criminal, and individual actors who try to avoid attribution. Drawing on the voluntary cybersecurity framework, we are securing Federal networks and working with the private sector, civil society, and other stakeholders to strengthen the security and resilience of U.S. critical infrastructure. We will continue to work with the Congress to pursue a legislative framework that ensures high standards. We will defend ourselves, consistent with U.S. and international law, against cyber attacks and impose costs on malicious cyber actors, including through prosecution of illegal cyber activity. We will assist other countries to develop laws that enable strong action against threats that originate from their infrastructure. Globally, cybersecurity requires that long-standing norms of international behavior—to include protection of intellectual property, online freedom, and respect for civilian infrastructure—be upheld, and the Internet be managed as a shared responsibility between states and the private sector with civil society and Internet users as key stakeholders.

Space Security

Space systems allow the world to navigate and communicate with confidence to save lives, conduct commerce, and better understand the human race, our planet, and the depths of the universe. As countries increasingly derive benefits from space, we must join together to deal with threats posed by those who may wish to deny the peaceful use of outer space. We are expanding our international space cooperation activities in all sectors, promoting transparency and confidence-building measures such as an International Code of Conduct on Outer Space Activities, and expanding partnerships with the private sector in support of missions and capabilities previously claimed by governments alone. We will also develop technologies and tactics to deter and defeat efforts to attack our space systems; enable indications, warning, and attributions of such attacks; and enhance the resiliency of critical U.S. space capabilities.

Air and Maritime Security

The United States has an enduring interest in freedom of navigation and overflight as well as the safety and sustainability of the air and maritime environments. We will therefore maintain the

capability to ensure the free flow of commerce, to respond quickly to those in need, and to deter those who might contemplate aggression. We insist on safe and responsible behaviors in the sky and at sea. We reject illegal and aggressive claims to airspace and in the maritime domain and condemn deliberate attacks on commercial passenger traffic. On territorial disputes, particularly in Asia, we denounce coercion and assertive behaviors that threaten escalation. We encourage open channels of dialogue to resolve disputes peacefully in accordance with international law. We also support the early conclusion of an effective code of conduct for the South China Sea between China and the Association of Southeast Asian States (ASEAN). America's ability to press for the observance of established customary international law reflected in the U.N. Convention on the Law of the Sea will be enhanced if the Senate provides its advice and consent—the ongoing failure to ratify this Treaty undermines our national interest in a rules-based international order. Finally, we seek to build on the unprecedented international cooperation of the last few years, especially in the Arctic as well as in combatting piracy off the Horn of Africa and drugsmuggling in the Caribbean Sea and across Southeast Asia.

Increase Global Health Security

The spread of infectious diseases constitute a growing risk. The Ebola epidemic in West Africa highlights the danger of a raging virus. The spread of new microbes or viruses, the rise and spread of drug resistance, and the deliberate release of pathogens all represent threats that are exacerbated by the globalization of travel, food production and supply, and medical products. Despite important scientific, technological, and organizational accomplishments, most countries have not yet achieved international core competencies for health security, and many lack sufficient capacity to prevent, detect, or respond to disease outbreaks.

America is the world leader in fighting pandemics, including HIV/AIDS, and in improving global health security. At home, we are strengthening our ability to prevent outbreaks and ensure sufficient capacity to respond rapidly and manage biological incidents. As an exemplar of a modern and responsive public health system, we will accelerate our work with partners through the Global Health Security Agenda in pursuit of a world that is safer and more secure from infectious disease. We will save lives by strengthening regulatory frameworks for food safety and developing a global system to prevent avoidable epidemics, detect and report disease outbreaks in real time, and respond more rapidly and effectively. Finally, we will continue to lead efforts to combat the rise of antibiotic resistant bacteria.

III. Prosperity

Our economy is the largest, most open, and innovative in the world. Our leadership has also helped usher in a new era of unparalleled global prosperity. Sustaining our leadership depends on shaping an emerging global economic order that continues to reflect our interests and values. Despite its success, our rules-based system is now competing against alternative, less-open models. Moreover, the American consumer cannot sustain global demand—growth must be more balanced. To meet this challenge, we must be strategic in the use of our economic strength to set new rules of the road, strengthen our partnerships, and promote inclusive development.

Through our trade and investment policies, we will shape globalization so that it is working for American workers. By leveraging our improved economic and energy position, we will strengthen the global financial system and advance high-standard trade deals. We will ensure tomorrow's global trading system is consistent with our interests and values by seeking to establish and enforce rules through international institutions and regional initiatives and by addressing emerging challenges like state-owned enterprises and digital protectionism. U.S. markets and educational opportunities will help the next generation of global entrepreneurs sustain momentum in growing a global middle class. To prevent conflict and promote human dignity, we will also pursue policies that eradicate extreme poverty and reduce inequality.

Put Our Economy to Work

The American economy is an engine for global economic growth and a source of stability for the international system. In addition to being a key measure of power and influence in its own right,

it underwrites our military strength and diplomatic influence. A strong economy, combined with a prominent U.S. presence in the global financial system, creates opportunities to advance our security.

To ensure our economic competitiveness, we are investing in a new foundation for sustained economic growth that creates good jobs and rising incomes. Because knowledge is the currency of today's global economy, we must keep expanding access to early childhood and affordable higher education. The further acceleration of our manufacturing revolution will create the next generation of high technology manufacturing jobs. Immigration reform that combines smart and effective enforcement of the law with a pathway to citizenship for those who earn it remains an imperative. We will deliver quality, affordable healthcare to more and more Americans. We will also support job creation, strengthen the middle class, and spur economic growth by opening markets and leveling the playing field for American workers and businesses abroad. Jobs will also grow as we expand our work with trading partners to eliminate barriers to the full deployment of U.S. innovation in the digital space. These efforts are complemented by more modern and reliable infrastructure that ensures safety and enables growth.

In addition to the positive benefits of trade and commerce, a strong and well-regulated economy positions the United States to lead international efforts to promote financial transparency and prevent the global financial system from being abused by transnational criminal and terrorist organizations to engage in, or launder the proceeds of illegal activity. We will continue to work within the Financial Action Task Force, the G-20, and other fora to enlist all nations in the fight to protect the integrity of the global financial system.

Advance Our Energy Security

The United States is now the world leader in oil and gas production. America's energy revival is not only good for growth, it offers new buffers against the coercive use of energy by some and new opportunities for helping others transition to low-carbon economies. American oil production has increased dramatically, impacting global markets. Imports have decreased substantially, reducing the funds we send overseas. Consumption has declined, reducing our vulnerability to global supply disruption and price shocks. However, we still have a significant stake in the energy security of our allies in Europe and elsewhere. Seismic shifts in supply and demand are underway across the globe. Increasing global access to reliable and affordable energy is one of the most powerful ways to support social and economic development and to help build new markets for U.S. technology and investment.

The challenges faced by Ukrainian and European dependence on Russian energy supplies puts a spotlight on the need for an expanded view of energy security that recognizes the collective needs of the United States, our allies, and trading partners as well as the importance of competitive energy markets. Therefore, we must promote diversification of energy fuels, sources, and routes, as well as encourage indigenous sources of energy supply. Greater energy security and independence within the Americas is central to these efforts. We will also stay engaged with global suppliers and our partners to reduce the potential for energy-related conflict in places like the Arctic and Asia. Our energy security will be further enhanced by living up to commitments made in the Rome Declaration and through our all-of-the-above energy strategy for a low-carbon world. We will continue to develop American fossil resources while becoming a more efficient country that develops cleaner, alternative fuels and vehicles. We are demonstrating that America can and will lead the global economy while reducing our emissions.

Lead in Science, Technology, and Innovation

Scientific discovery and technological innovation empower American leadership with a competitive edge that secures our military advantage, propels our economy, and improves the human condition. Sustaining that edge requires robust Federal investments in basic and applied research. We must also strengthen science, technology, engineering, and mathematics (STEM) education to produce tomorrow's discoverers, inventors, entrepreneurs, and high-skills workforce. Our commitment remains strong to preparation and compensation for STEM teachers, broadband

connectivity and high-tech educational tools for schools, programs that inspire and provide opportunities for girls and underrepresented minorities, and support for innovation in STEM teaching and inclusion in higher education. We will also keep our edge by opening our national labs to more commercial partnerships while tapping research and development in the private sector, including a wide range of start-ups and firms at the leading edge of America's innovation economy.

Shape the Global Economic Order

We have recovered from the global economic crisis, but much remains to be done to shape the emerging economic order to avoid future crises. We have responsibilities at home to continue to improve our banking practices and forge ahead with regulatory reform, even as we press others to align with our robust standards. In addition to securing our immediate economic interests, we must drive the inclusive economic growth that creates demand for American exports. We will protect the free movement of information and work to prevent the risky behavior that led to the recent crisis, while addressing resurgent economic forces, from state capitalism to market-distorting free-riding.

American leadership is central to strengthening global finance rules and making sure they are consistent and transparent. We will work through the G-20 to reinforce the core architecture of the international financial and economic system, including the World Trade Organization, to ensure it is positioned to foster both stability and growth. We remain committed to governance reforms for these same institutions, including the World Bank and the International Monetary Fund, to make them more effective and representative. In so doing, we seek to ensure institutions reinforce, rather than undermine, an effective global financial system.

We believe trade agreements have economic and strategic benefits for the United States. We will therefore work with the Congress to achieve bipartisan renewal of Trade Promotion Authority and to advance a trade agenda that brings jobs to our shores, increases standards of living, strengthens our partners and allies, and promotes stability in critical regions. The United States has one of the most open economies in the world. Our tariffs are low, and we do not use regulation to discriminate against foreign goods. The same is not true throughout the world, which is why our trade agenda is focused on lowering tariffs on American products, breaking down barriers to our goods and services, and setting higher standards to level the playing field for American workers and firms.

Through the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (T-TIP), we are setting the world's highest standards for labor rights and environmental protection, while removing barriers to U.S. exports and putting the United States at the center of a free trade zone covering two-thirds of the global economy. Our goal is to use this position, along with our highly skilled workforce, strong rule of law, and abundant supply of affordable energy, to make America the production platform of choice and the premier investment destination. In addition to these major regional agreements, we will work to achieve groundbreaking agreements to liberalize trade in services, information technology, and environmental goods—areas where the United States is a global leader in innovation. And we will make it easier for businesses of all sizes to expand their reach by improving supply chains and regulatory cooperation.

All countries will benefit when we open markets further, extend and enhance tools such as the African Growth and Opportunity Act (AGOA), and reduce inefficiencies in the global trading system through trade facilitation improvements. And through our development initiatives—such as Power Africa, Trade Africa, Feed the Future, and the Open Government Partnership—we will continue to work closely with governments, the private sector, and civil society to foster inclusive economic growth, reduce corruption, and build capacity at the local level. Investment in critical infrastructure and security will facilitate trade among countries, especially for developing and emerging economies.

End Extreme Poverty

We have an historic opportunity to end extreme poverty within a generation and put our societies on a path of shared and sustained prosperity. In so doing, we will foster export markets for U.S. businesses, improve investment opportunities, and decrease the need for costly military

interventions. Growth in the global economy has lifted hundreds of millions out of extreme poverty. We have already made significant progress guided in part through global consensus and mobilization around the Millennium Development Goals. The world cut the percentage of people living in extreme poverty in half between 1990 and 2010. In that period, nearly 800 million people rose above the international poverty line. By 2012, child deaths were down almost 50 percent since 1990. Twenty-nine countries registered as low-income in 2000 have today achieved middle-income status, and private capital and domestic resources far outstrip donor assistance as the primary means for financing development. Trends in economic growth also signal what is possible; sub-Saharan Africa has averaged an aggregate annual growth rate of over 5 percent for the last decade despite the disruptions of the world financial crisis.

We are now working with many partners to put ending extreme poverty at the center of a new global sustainable development agenda that will mobilize action for the next 15 years. We will press for transformative investments in areas like women's equality and empowerment, education, sustainable energy, and governance. We will use trade and investment to harness job-rich economic growth. We will concentrate on the clear need for country ownership and political commitment and reinforce the linkage between social and economic development. We will lead the effort to marshal diverse resources and broad coalitions to advance the imperative of accountable, democratic governance.

We will use our leadership to promote a model of financing that leverages billions in investment from the private sector and draws on America's scientific, technological, and entrepreneurial strengths to take to scale proven solutions in partnership with governments, business, and civil society. And we will leverage our leadership in promoting food security, enhancing resilience, modernizing rural agriculture, reducing the vulnerability of the poor, and eliminating preventable child and maternal deaths as we drive progress toward an AIDS-free generation.

IV. Values

To lead effectively in a world experiencing significant political change, the United States must live our values at home while promoting universal values abroad. From the Middle East to Ukraine to Southeast Asia to the Americas, citizens are more empowered in seeking greater freedoms and accountable institutions. But these demands have often produced an equal and opposite reaction from backers of discredited authoritarian orders, resulting in crackdowns and conflict. Many of the threats to our security in recent years arose from efforts by authoritarian states to oppose democratic forces—from the crisis caused by Russian aggression in Ukraine to the rise of ISIL within the Syrian civil war. By the same token, many of our greatest opportunities stem from advances for liberty and rule of law—from sub-Saharan Africa to Eastern Europe to Burma.

Defending democracy and human rights is related to every enduring national interest. It aligns us with the aspirations of ordinary people throughout the world. We know from our own history people must lead their own struggles for freedom if those struggles are to succeed. But America is also uniquely situated—and routinely expected—to support peaceful democratic change. We will continue mobilizing international support to strengthen and expand global norms of human rights. We will support women, youth, civil society, journalists, and entrepreneurs as drivers of change. We will continue to insist that governments uphold their human rights obligations, speak out against repression wherever it occurs, and work to prevent, and, if necessary, respond to mass atrocities.

Our closest allies in these efforts will be, as they always have, other democratic states. But, even where our strategic interests require us to engage governments that do not share all our values, we will continue to speak out clearly for human rights and human dignity in our public and private diplomacy. Any support we might provide will be balanced with an awareness of the costs of repressive policies for our own security interests and the democratic values by which we live. Because our human rights advocacy will be most effective when we work in concert with a wide range of partners, we are building coalitions with civil society, religious leaders, businesses, other governments, and international organizations. We will also work to ensure people enjoy the same

rights—and security—online as they are entitled to enjoy offline by opposing efforts to restrict information and punish speech.

Live Our Values

Our values are a source of strength and security, and our ability to promote our values abroad is directly tied to our willingness to abide by them at home. In recent years, questions about America's post-9/11 security policies have often been exploited by our adversaries, while testing our commitment to civil liberties and the rule of law at home. For the sake of our security and our leadership in the world, it is essential we hold ourselves to the highest possible standard, even as we do what is necessary to secure our people.

To that end, we strengthened our commitment against torture and have prohibited so-called enhanced interrogation techniques that were contrary to American values, while implementing stronger safeguards for the humane treatment of detainees. We have transferred many detainees from Guantanamo Bay, and we are working with the Congress to remove the remaining restrictions on detainee transfers so that we can finally close it. Where prosecution is an option, we will bring terrorists to justice through both civilian and, when appropriate, reformed military commission proceedings that incorporate fundamental due process and other protections essential to the effective administration of justice.

Our vital intelligence activities are also being reformed to preserve the capabilities needed to secure our interests while continuing to respect privacy and curb the potential for abuse. We are increasing transparency so the public can be confident our surveillance activities are consistent with the rule of law and governed by effective oversight. We have not and will not collect signals intelligence to suppress criticism or dissent or to afford a competitive advantage to U.S. companies. Safeguards currently in place governing how we retain and share intelligence are being extended to protect personal information regardless of nationality.

Advance Equality

American values are reflective of the universal values we champion all around the world—including the freedoms of speech, worship, and peaceful assembly; the ability to choose leaders democratically; and the right to due process and equal administration of justice. We will be a champion for communities that are too frequently vulnerable to violence, abuse, and neglect—such as ethnic and religious minorities; people with disabilities; Lesbian, Gay, Bisexual, and Transgender (LGBT) individuals; displaced persons; and migrant workers.

Recognizing that no society will succeed if it does not draw on the potential of all its people, we are pressing for the political and economic participation of women and girls—who are too often denied their inalienable rights and face substantial barriers to opportunity in too many places. Our efforts include helping girls everywhere get the education they need to participate fully in the economy and realize their potential. We are focused on reducing the scourge of violence against women around the globe by providing support for affected populations and enhancing efforts to improve judicial systems so perpetrators are held accountable.

Support Emerging Democracies

The United States will concentrate attention and resources to help countries consolidate their gains and move toward more democratic and representative systems of governance. Our focus is on supporting countries that are moving in the right direction—whether it is the peaceful transitions of power we see in sub-Saharan Africa; the movement toward constitutional democracy in Tunisia; or the opening taking place in Burma. In each instance, we are creating incentives for positive reform and disincentives for backsliding.

The road from demanding rights in the square to building institutions that guarantee them is long and hard. In the last quarter century, parts of Eastern Europe, Latin America, Africa, and East Asia have consolidated transitions to democracy, but not without setbacks. The popular uprisings that began in the Arab world took place in a region with weaker democratic traditions, powerful authoritarian elites, sectarian tensions, and active violent extremist elements, so it is not surprising setbacks have thus far outnumbered triumphs. Yet, change is inevitable in the Middle East and

North Africa, as it is in all places where the illusion of stability is artificially maintained by silencing dissent.

But the direction of that change is not predetermined. We will therefore continue to look for ways to support the success and ease the difficulties of democratic transitions through responsible assistance, investment and trade, and by supporting political, economic, and security reforms. We will continue to push for reforms in authoritarian countries not currently undergoing wholesale transitions. Good governance is also predicated on strengthening the state-society relationship. When citizens have a voice in the decisionmaking that affects them, governments make better decisions and citizens are better able to participate, innovate, and contribute.

The corrosive effects of corruption must be overcome. While information sharing allows us to identify corrupt officials more easily, globalization has also made it easier for corrupt officials to hide the proceeds of corruption abroad, increasing the need for strong and consistent implementation of the international standards on combating illicit finance. The United States is leading the way in promoting adherence to standards of accountable and transparent governance, including through initiatives like the Open Government Partnership. We will utilize a broad range of tools to recover assets stolen by corrupt officials and make it harder for criminals to hide, launder, and benefit from illegal proceeds. Our leadership toward governance that is more open, responsible, and accountable makes clear that democracy can deliver better government and development for ordinary people.

Empower Civil Society and Young Leaders

Democracy depends on more than elections, or even government institutions. Through civil society, citizens come together to hold their leaders accountable and address challenges. Civil society organizations often drive innovations and develop new ideas and approaches to solve social, economic, and political problems that governments can apply on a larger scale. Moreover, by giving people peaceful avenues to advance their interests and express their convictions, a free and flourishing civil society contributes to stability and helps to counter violent extremism.

Still, civil society and individual activists face challenges in many parts of the world. As technology empowers individuals and nongovernmental groups to mobilize around a wide array of issues—from countering corruption and advancing the rule of law to environmental activism—political elites in authoritarian states, and even in some with more democratic traditions, are acting to restrict space for civil society. Restrictions are often seen through new laws and regulations that deny groups the foreign funding they depend on to operate, that criminalize groups of people like the LGBT community, or deny political opposition groups the freedom to assemble in peaceful protest. The United States is countering this trend by providing direct support for civil society and by advocating rollback of laws and regulations that undermine citizens' rights. We are also supporting technologies that expand access to information, enable freedom of expression, and connect civil society groups in this fight around the world.

More than 50 percent of the world's people are under 30 years old. Many struggle to make a life in countries with broken governance. We are taking the initiative to build relationships with the world's young people, identifying future leaders in government, business, and civil society and connecting them to one another and to the skills they need to thrive. We have established new programs of exchange among young Americans and young people from Africa to Southeast Asia, building off the successes of the International Visitor and Young African Leaders initiatives. We are fostering increased education exchanges in our hemisphere. And we are catalyzing economic growth and innovation within societies by lifting up and promoting entrepreneurship.

Prevent Mass Atrocities

The mass killing of civilians is an affront to our common humanity and a threat to our common security. It destabilizes countries and regions, pushes refugees across borders, and creates grievances that extremists exploit. We have a strong interest in leading an international response to genocide and mass atrocities when they arise, recognizing options are more extensive and less costly when we act preventively before situations reach crisis proportions. We know the risk of

mass atrocities escalates when citizens are denied basic rights and freedoms, are unable to hold accountable the institutions of government, or face unrelenting poverty and conflict. We affirm our support for the international consensus that governments have the responsibility to protect civilians from mass atrocities and that this responsibility passes to the broader international community when those governments manifestly fail to protect their populations. We will work with the international community to prevent and call to account those responsible for the worst human rights abuses, including through support to the International Criminal Court, consistent with U.S. law and our commitment to protecting our personnel. Moreover, we will continue to mobilize allies and partners to strengthen our collective efforts to prevent and respond to mass atrocities using all our instruments of national power.

V. International Order

We have an opportunity—and obligation—to lead the way in reinforcing, shaping, and where appropriate, creating the rules, norms, and institutions that are the foundation for peace, security, prosperity, and the protection of human rights in the 21st century. The modern-day international system currently relies heavily on an international legal architecture, economic and political institutions, as well as alliances and partnerships the United States and other like-minded nations established after World War II. Sustained by robust American leadership, this system has served us well for 70 years, facilitating international cooperation, burden sharing, and accountability. It carried us through the Cold War and ushered in a wave of democratization. It reduced barriers to trade, expanded free markets, and enabled advances in human dignity and prosperity.

But, the system has never been perfect, and aspects of it are increasingly challenged. We have seen too many cases where a failure to marshal the will and resources for collective action has led to inaction. The U.N. and other multilateral institutions are stressed by, among other things, resource demands, competing imperatives among member states, and the need for reform across a range of policy and administrative areas. Despite these undeniable strains, the vast majority of states do not want to replace the system we have. Rather, they look to America for the leadership needed to both fortify it and help it evolve to meet the wide range of challenges described throughout this strategy.

The United States will continue to make the development of sustainable solutions in all of these areas a foreign policy priority and devote diplomatic and other resources accordingly. We will continue to embrace the post-World War II legal architecture—from the U.N. Charter to the multilateral treaties that govern the conduct of war, respect for human rights, nonproliferation, and many other topics of global concern—as essential to the ordering of a just and peaceful world, where nations live peacefully within their borders, and all men and women have the opportunity to reach their potential. We will lead by example in fulfilling our responsibilities within this architecture, demonstrating to the world it is possible to protect security consistent with robust values. We will work vigorously both within the U.N. and other multilateral institutions, and with member states, to strengthen and modernize capacities—from peacekeeping to humanitarian relief—so they endure to provide protection, stability, and support for future generations.

At the same time, we will exact an appropriate cost on transgressors. Targeted economic sanctions remain an effective tool for imposing costs on those irresponsible actors whose military aggression, illicit proliferation, or unprovoked violence threaten both international rules and norms and the peace they were designed to preserve. We will pursue multilateral sanctions, including through the U.N., whenever possible, but will act alone, if necessary. Our sanctions will continue to be carefully designed and tailored to achieve clear aims while minimizing any unintended consequences for other economic actors, the global economy, and civilian populations.

In many cases, our use of targeted sanctions and other coercive measures are meant not only to uphold international norms, but to deter severe threats to stability and order at the regional level. We are not allowing the transgressors to define our regional strategies on the basis of the immediate threats they present. Rather, we are advancing a longer-term affirmative agenda in each of the regions, which prioritizes reinvigorating alliances with long-standing friends, making investments in new partnerships with emerging democratic powers with whom our interests are increasingly

aligned, and continuing to support the development of capable, inclusive regional institutions to help enforce common international rules.

Advance Our Rebalance to Asia and the Pacific

The United States has been and will remain a Pacific power. Over the next 5 years, nearly half of all growth outside the United States is expected to come from Asia. That said, the security dynamics of the region—including contested maritime territorial claims and a provocative North Korea—risk escalation and conflict. American leadership will remain essential to shaping the region's long-term trajectory to enhance stability and security, facilitate trade and commerce through an open and transparent system, and ensure respect for universal rights and freedoms.

To realize this vision, we are diversifying our security relationships in Asia as well as our defense posture and presence. We are modernizing our alliances with Japan, South Korea, Australia, and the Philippines and enhancing the interactions among them to ensure they are fully capable of responding to regional and global challenges. We are committed to strengthening regional institutions such as ASEAN, the East Asia Summit, and Asia-Pacific Economic Cooperation to reinforce shared rules and norms, forge collective responses to shared challenges, and help ensure peaceful resolution of disputes. We are also working with our Asian partners to promote more open and transparent economies and regional support for international economic norms that are vital to maintaining it as an engine for global economic growth. The TPP is central to this effort.

As we have done since World War II, the United States will continue to support the advance of security, development, and democracy in Asia and the Pacific. This is an important focus of the deepening partnerships we are building in Southeast Asia including with Vietnam, Indonesia, and Malaysia. We will uphold our treaty obligations to South Korea, Japan, the Philippines, and Thailand, while encouraging the latter to return quickly to democracy. We will support the people of Burma to deepen and sustain reforms, including democratic consolidation and national reconciliation.

The United States welcomes the rise of a stable, peaceful, and prosperous China. We seek to develop a constructive relationship with China that delivers benefits for our two peoples and promotes security and prosperity in Asia and around the world. We seek cooperation on shared regional and global challenges such as climate change, public health, economic growth, and the denuclearization of the Korean Peninsula. While there will be competition, we reject the inevitability of confrontation. At the same time, we will manage competition from a position of strength while insisting that China uphold international rules and norms on issues ranging from maritime security to trade and human rights. We will closely monitor China's military modernization and expanding presence in Asia, while seeking ways to reduce the risk of misunderstanding or miscalculation. On cybersecurity, we will take necessary actions to protect our businesses and defend our networks against cyber-theft of trade secrets for commercial gain whether by private actors or the Chinese government.

In South Asia, we continue to strengthen our strategic and economic partnership with India. As the world's largest democracies, we share inherent values and mutual interests that form the cornerstone of our cooperation, particularly in the areas of security, energy, and the environment. We support India's role as a regional provider of security and its expanded participation in critical regional institutions. We see a strategic convergence with India's Act East policy and our continued implementation of the rebalance to Asia and the Pacific. At the same time, we will continue to work with both India and Pakistan to promote strategic stability, combat terrorism, and advance regional economic integration in South and Central Asia.

Strengthen Our Enduring Alliance with Europe

The United States maintains a profound commitment to a Europe that is free, whole, and at peace. A strong Europe is our indispensable partner, including for tackling global security challenges, promoting prosperity, and upholding international norms. Our work with Europe leverages our strong and historic bilateral relationships throughout the continent. We will

steadfastly support the aspirations of countries in the Balkans and Eastern Europe toward European and Euro-Atlantic integration, continue to transform our relationship with Turkey, and enhance ties with countries in the Caucasus while encouraging resolution of regional conflict.

NATO is the strongest alliance the world has ever known and is the hub of an expanding global security network. Our Article 5 commitment to the collective defense of all NATO Members is ironclad, as is our commitment to ensuring the Alliance remains ready and capable for crisis response and cooperative security. We will continue to deepen our relationship with the European Union (EU), which has helped to promote peace and prosperity across the region, and deepen NATO-EU ties to enhance transatlantic security. To build on the millions of jobs supported by transatlantic trade, we support a pro-growth agenda in Europe to strengthen and broaden the region's recovery, and we seek an ambitious T-TIP to boost exports, support jobs, and raise global standards for trade.

Russia's aggression in Ukraine makes clear that European security and the international rules and norms against territorial aggression cannot be taken for granted. In response, we have led an international effort to support the Ukrainian people as they choose their own future and develop their democracy and economy. We are reassuring our allies by backing our security commitments and increasing responsiveness through training and exercises, as well as a dynamic presence in Central and Eastern Europe to deter further Russian aggression. This will include working with Europe to improve its energy security in both the short and long term. We will support partners such as Georgia, Moldova, and Ukraine so they can better work alongside the United States and NATO, as well as provide for their own defense.

And we will continue to impose significant costs on Russia through sanctions and other means while countering Moscow's deceptive propaganda with the unvarnished truth. We will deter Russian aggression, remain alert to its strategic capabilities, and help our allies and partners resist Russian coercion over the long term, if necessary. At the same time, we will keep the door open to greater collaboration with Russia in areas of common interests, should it choose a different path—a path of peaceful cooperation that respects the sovereignty and democratic development of neighboring states.

Seek Stability and Peace in the Middle East and North Africa

In the Middle East, we will dismantle terrorist networks that threaten our people, confront external aggression against our allies and partners, ensure the free flow of energy from the region to the world, and prevent the development, proliferation, or use of weapons of mass destruction. At the same time, we remain committed to a vision of the Middle East that is peaceful and prosperous, where democracy takes root and human rights are upheld. Sadly, this is not the case today, and nowhere is the violence more tragic and destabilizing than in the sectarian conflict from Beirut to Baghdad, which has given rise to new terrorist groups such as ISIL.

Resolving these connected conflicts, and enabling long-term stability in the region, requires more than the use and presence of American military forces. For one, it requires partners who can defend themselves. We are therefore investing in the ability of Israel, Jordan, and our Gulf partners to deter aggression while maintaining our unwavering commitment to Israel's security, including its Qualitative Military Edge. We are working with the Iraqi government to resolve Sunni grievances through more inclusive and responsive governance. With our partners in the region and around the world, we are leading a comprehensive counterterrorism strategy to degrade and ultimately defeat ISIL. At the same time, we will continue to pursue a lasting political solution to the devastating conflict in Syria.

Stability and peace in the Middle East and North Africa also requires reducing the underlying causes of conflict. America will therefore continue to work with allies and partners toward a comprehensive agreement with Iran that resolves the world's concerns with the Iranian nuclear program. We remain committed to ending the Israeli-Palestinian conflict through a two-state solution that ensures Israel's security and Palestine's viability. We will support efforts to deescalate sectarian tensions and violence between Shi'a and Sunni communities throughout the region. We

will help countries in transition make political and economic reforms and build state capacity to maintain security, law and order, and respect for universal rights. In this respect, we seek a stable Yemen that undertakes difficult structural reforms and confronts an active threat from al-Qa'ida and other rebels. We will work with Tunisia to further progress on building democratic institutions and strengthening its economy. We will work with the U.N. and our Arab and European partners in an effort to help stabilize Libya and reduce the threat posed by lawless militias and extremists. And we will maintain strategic cooperation with Egypt to enable it to respond to shared security threats, while broadening our partnership and encouraging progress toward restoration of democratic institutions.

Invest in Africa's Future

Africa is rising. Many countries in Africa are making steady progress in growing their economies, improving democratic governance and rule of law, and supporting human rights and basic freedoms. Urbanization and a burgeoning youth population are changing the region's demographics, and young people are increasingly making their voices heard. But there are still many countries where the transition to democracy is uneven and slow with some leaders clinging to power. Corruption is endemic and public health systems are broken in too many places. And too many governments are responding to the expansion of civil society and free press by passing laws and adopting policies that erode that progress. Ongoing conflicts in Sudan, South Sudan, the Democratic Republic of the Congo, and the Central African Republic, as well as violent extremists fighting governments in Somalia, Nigeria, and across the Sahel all pose threats to innocent civilians, regional stability, and our national security.

For decades, American engagement with Africa was defined by aid to help Africans reduce insecurity, famine, and disease. In contrast, the partnerships we are forging today, and will expand in the coming years, aim to build upon the aspirations of Africans. Through our Power Africa Initiative, we aim to double access to power in sub-Saharan Africa. We will increase trade and business ties, generating export-driven growth through initiatives like Trade Africa and AGOA. We will continue to support U.S. companies to deepen investment in what can be the world's next major center of global growth, including through the Doing Business in Africa campaign. Moreover, we are investing in tomorrow's leaders—the young entrepreneurs, innovators, civic leaders, and public servants who will shape the continent's future. We are strengthening civilian and military institutions through our Security Governance Initiative, and working to advance human rights and eliminate corruption. We are deepening our security partnerships with African countries and institutions, exemplified by our partnerships with the U.N. and AU in Mali and Somalia. Such efforts will help to resolve conflicts, strengthen African peacekeeping capacity, and counter transnational security threats while respecting human rights and the rule of law.

Our investment in nutrition and agricultural capacity will continue, reducing hunger through initiatives such as Feed the Future. We will keep working with partners to reduce deaths from Ebola, HIV/AIDS, malaria, and tuberculosis across Africa through such initiatives as the President's Emergency Plan for AIDS Relief and the Global Health Security Agenda. The Ebola epidemic in 2014 serves as a stark reminder of the threat posed by infectious disease and the imperative of global collective action to meet it. American leadership has proven essential to bringing to bear the international community to contain recent crises while building public health capacity to prevent future ones.

Deepen Economic and Security Cooperation in the Americas

We will continue to advance a Western Hemisphere that is prosperous, secure, democratic, and plays a greater global role. In the region as a whole, the number of people in the middle class has surpassed the number of people living in poverty for the first time in history, and the hemisphere is increasingly important to global energy supplies. These gains, however, are put at risk by weak institutions, high crime rates, powerful organized crime groups, an illicit drug trade, lingering economic disparity, and inadequate education and health systems.

To meet these challenges, we are working with Canada and Mexico to enhance our collective economic competitiveness while advancing prosperity in our hemisphere. With Chile, Peru, Mexico, and Canada, we are setting new global trade standards as we grow a strong contingent of countries in the Americas that favor open trading systems to include TPP. We seek to advance our economic partnership with Brazil, as it works to preserve gains in reducing poverty and deliver the higher standards of public services expected by the middle class.

We are also championing a strong and effective inter-American human rights and rule of law system. We are expanding our collaboration across the Americas to support democratic consolidation and increase public-private partnerships in education, sustainable development, access to electricity, climate resilience, and countering transnational organized crime.

Such collaboration is especially important in vulnerable countries like Guatemala, El Salvador, and Honduras, where government institutions are threatened by criminal syndicates. Migration surges involving unaccompanied children across our southern border is one major consequence of weak institutions and violence. American leadership, in partnership with these countries and with the support of their neighbors, remains essential to arresting the slide backwards and to creating steady improvements in economic growth and democratic governance. Likewise, we remain committed to helping rebuild Haiti and to put it and our other Caribbean neighbors on a path to sustainable development.

We will support the resolution of longstanding regional conflicts, particularly Colombia's conclusion of a peace accord with the Revolutionary Armed Forces of Colombia. Overall, we have deepened our strategic partnership with Colombia, which is a key contributor to international peace and security. Equally, we stand by the citizens of countries where the full exercise of democracy is at risk, such as Venezuela. Though a few countries in the region remain trapped in old ideological debates, we will keep working with all governments that are interested in cooperating with us in practical ways to reinforce the principles enumerated in the Inter-American Democratic Charter. As part of our effort to promote a fully democratic hemisphere, we will advance our new opening to Cuba in a way that most effectively promotes the ability of the Cuban people to determine their future freely.

VI. Conclusion

This National Security Strategy provides a vision for strengthening and sustaining American leadership in this still young century. It clarifies the purpose and promise of American power. It aims to advance our interests and values with initiative and from a position of strength. We will deter and defeat any adversary that threatens our national security and that of our allies. We confidently welcome the peaceful rise of other countries as partners to share the burdens for maintaining a more peaceful and prosperous world. We will continue to collaborate with established and emerging powers to promote our shared security and defend our common humanity, even as we compete with them in economic and other realms. We will uphold and refresh the international rules and norms that set the parameters for such collaboration and competition. We will do all of this and more with confidence that the international system whose creation we led in the aftermath of World War II will continue to serve America and the world well. This is an ambitious, but achievable agenda, especially if we continue to restore the bipartisan center that has been a pillar of strength for American foreign policy in decades past. America has greater capacity to adapt and recover from setbacks than any other country. A core element of our strength is our unity and our certainty that American leadership in this century, like the last, remains indispensable.

2017

Стратегия Национальной Безопасности Соединённых Штатов Америки (Вашингтон, декабрь 2017 г.)

NATIONAL SECURITY STRATEGY of the United States of America
DECEMBER 2017

My fellow Americans:

The American people elected me to make America great again. I promised that my Administration would put the safety, interests, and well-being of our citizens first. I pledged that we would revitalize the American economy, rebuild our military, defend our borders, protect our sovereignty, and advance our values.

During my first year in office, you have witnessed my America First foreign policy in action. We are prioritizing the interests of our citizens and protecting our sovereign rights as a nation. America is leading again on the world stage. We are not hiding from the challenges we face. We are confronting them head-on and pursuing opportunities to promote the security and prosperity of all Americans.

The United States faces an extraordinarily dangerous world, filled with a wide range of threats that have intensified in recent years. When I came into office, rogue regimes were developing nuclear weapons and missiles to threaten the entire planet. Radical Islamist terror groups were flourishing. Terrorists had taken control of vast swaths of the Middle East. Rival powers were aggressively undermining American interests around the globe. At home, porous borders and unenforced immigration laws had created a host of vulnerabilities. Criminal cartels were bringing drugs and danger into our communities. Unfair trade practices had weakened our economy and exported our jobs overseas. Unfair burden-sharing with our allies and inadequate investment in our own defense had invited danger from those who wish us harm. Too many Americans had lost trust in our government, faith in our future, and confidence in our values. Nearly one year later, although serious challenges remain, we are charting a new and very different course.

We are rallying the world against the rogue regime in North Korea and confronting the danger posed by the dictatorship in Iran, which those determined to pursue a flawed nuclear deal

had neglected. We have renewed our friendships in the Middle East and partnered with regional leaders to help drive out terrorists and extremists, cut off their financing, and discredit their wicked ideology. We crushed Islamic State of Iraq and Syria (ISIS) terrorists on the battlefields of Syria and Iraq, and will continue pursuing them until they are destroyed. America's allies are now contributing more to our common defense, strengthening even our strongest alliances. We have also continued to make clear that the United States will no longer tolerate economic aggression or unfair trading practices.

At home, we have restored confidence in America's purpose. We have recommitted ourselves to our founding principles and to the values that have made our families, communities, and society so successful. Jobs are coming back and our economy is growing. We are making historic investments in the United States military. We are enforcing our borders, building trade relationships based on fairness and reciprocity, and defending America's sovereignty without apology.

The whole world is lifted by America's renewal and the reemergence of American leadership. After one year, the world knows that America is prosperous, America is secure, and America is strong. We will bring about the better future we seek for our people and the world, by confronting the challenges and dangers posed by those who seek to destabilize the world and threaten America's people and interests.

My Administration's National Security Strategy lays out a strategic vision for protecting the American people and preserving our way of life, promoting our prosperity, preserving peace through strength, and advancing American influence in the world. We will pursue this beautiful vision—a world of strong, sovereign, and independent nations, each with its own cultures and dreams, thriving side-by-side in prosperity, freedom, and peace—throughout the upcoming year.

In pursuit of that future, we will look at the world with clear eyes and fresh thinking. We will promote a balance of power that favors the United States, our allies, and our partners. We will never lose sight of our values and their capacity to inspire, uplift, and renew.

Most of all, we will serve the American people and uphold their right to a government that prioritizes their security, their prosperity, and their interests. This National Security Strategy puts America First.

President Donald J. Trump
The White House
December 2017

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Introduction

An America that is safe, prosperous, and free at home is an America with the strength, confidence, and will to lead abroad. It is an America that can preserve peace, uphold liberty, and create enduring advantages for the American people. Putting America first is the duty of our government and the foundation for U.S. leadership in the world.

A strong America is in the vital interests of not only the American people, but also those around the world who want to partner with the United States in pursuit of shared interests, values, and aspirations.

This National Security Strategy puts America first.

An America First National Security Strategy is based on American principles, a clear-eyed assessment of U.S. interests, and a determination to tackle the challenges that we face. It is a strategy of principled realism that is guided by outcomes, not ideology. It is based upon the view that peace, security, and prosperity depend on strong, sovereign nations that respect their citizens at home and cooperate to advance peace abroad. And it is grounded in the realization that American principles are a lasting force for good in the world.

"We the People" is America's source of strength.

The United States was born of a desire for life, liberty, and the pursuit of happiness—and a conviction that unaccountable political power is tyranny. For these reasons, our Founders crafted and ratified the Constitution, establishing the republican form of government we enjoy today. The Constitution grants our national government not only specified powers necessary to protect our God-given rights and liberties but also safeguards them by limiting the government's size and

scope, separating Federal powers, and protecting the rights of individuals through the rule of law. All political power is ultimately delegated from, and accountable to, the people.

We protect American sovereignty by defending these institutions, traditions, and principles that have allowed us to live in freedom, to build the nation that we love. And we prize our national heritage, for the rare and fragile institutions of republican government can only endure if they are sustained by a culture that cherishes those institutions.

Liberty and independence have given us the flourishing society Americans enjoy today—a vibrant and confident Nation, welcoming of disagreement and differences, but united by the bonds of history, culture, beliefs, and principles that define who we are.

We are proud of our roots and honor the wisdom of the past. We are committed to protecting the rights and dignity of every citizen. And we are a nation of laws, because the rule of law is the shield that protects the individual from government corruption and abuse of power, allows families to live without fear, and permits markets to thrive.

Our founding principles have made the United States of America among the greatest forces for good in history. But we are also aware that we must protect and build upon our accomplishments, always conscious of the fact that the interests of the American people constitute our true North Star.

America's achievements and standing in the world were neither inevitable nor accidental. On many occasions, Americans have had to compete with adversarial forces to preserve and advance our security, prosperity, and the principles we hold dear. At home, we fought the Civil War to end slavery and preserve our Union in the long struggle to extend equal rights for all Americans. In the course of the bloodiest century in human history, millions of Americans fought, and hundreds of thousands lost their lives, to defend liberty in two World Wars and the Cold War. America, with our allies and partners, defeated fascism, imperialism, and Soviet communism and eliminated any doubts about the power and durability of republican democracy when it is sustained by a free, proud, and unified people.

The United States consolidated its military victories with political and economic triumphs built on market economies and fair trade, democratic principles, and shared security partnerships. American political, business, and military leaders worked together with their counterparts in Europe and Asia to shape the post-war order through the United Nations, the Marshall Plan, the North Atlantic Treaty Organization (NATO), and other institutions designed to advance our shared interests of security, freedom, and peace. We recognize the invaluable advantages that our strong relationships with allies and partners deliver.

Following the remarkable victory of free nations in the Cold War, America emerged as the lone superpower with enormous advantages and momentum in the world. Success, however, bred complacency. A belief emerged, among many, that American power would be unchallenged and self-sustaining. The United States began to drift. We experienced a crisis of confidence and surrendered our advantages in key areas. As we took our political, economic, and military advantages for granted, other actors steadily implemented their long-term plans to challenge America and to advance agendas opposed to the United States, our allies, and our partners.

We stood by while countries exploited the international institutions we helped to build. They subsidized their industries, forced technology transfers, and distorted markets. These and other actions challenged America's economic security. At home, excessive regulations and high taxes stifled growth and weakened free enterprise—history's greatest antidote to poverty. Each time government encroached on the productive activities of private commerce, it threatened not only our prosperity but also the spirit of creation and innovation that has been key to our national greatness.

A Competitive World

The United States will respond to the growing political, economic, and military competitions we face around the world.

China and Russia challenge American power, influence, and interests, attempting to erode American security and prosperity. They are determined to make economies less free and less fair, to grow their militaries, and to control information and data to repress their societies and expand their influence. At the same time, the dictatorships of the Democratic People's Republic of Korea and the Islamic Republic of Iran are determined to destabilize regions, threaten Americans and our allies, and brutalize their own people. Transnational threat groups, from jihadist terrorists to transnational criminal organizations, are actively trying to harm Americans. While these challenges differ in nature and magnitude, they are fundamentally contests between those who value human dignity and freedom and those who oppress individuals and enforce uniformity.

These competitions require the United States to rethink the policies of the past two decades—policies based on the assumption that engagement with rivals and their inclusion in international institutions and global commerce would turn them into benign actors and trustworthy partners. For the most part, this premise turned out to be false.

Rival actors use propaganda and other means to try to discredit democracy. They advance anti-Western views and spread false information to create divisions among ourselves, our allies, and our partners. In addition, jihadist terrorists such as ISIS and al-Qa'ida continue to spread a barbaric ideology that calls for the violent destruction of governments and innocents they consider to be apostates. These jihadist terrorists attempt to force those under their influence to submit to Sharia law.

America's military remains the strongest in the world. However, U.S. advantages are shrinking as rival states modernize and build up their conventional and nuclear forces. Many actors can now field a broad arsenal of advanced missiles, including variants that can reach the American homeland. Access to technology empowers and emboldens otherwise weak states. North Korea—a country that starves its own people—has spent hundreds of millions of dollars on nuclear, chemical, and biological weapons that could threaten our homeland. In addition, many actors have become skilled at operating below the threshold of military conflict—challenging the United States, our allies, and our partners with hostile actions cloaked in deniability. Our task is to ensure that American military superiority endures, and in combination with other elements of national power, is ready to protect Americans against sophisticated challenges to national security.

The contest over information accelerates these political, economic, and military competitions. Data, like energy, will shape U.S. economic prosperity and our future strategic position in the world. The ability to harness the power of data is fundamental to the continuing growth of America's economy, prevailing against hostile ideologies, and building and deploying the most effective military in the world.

We learned the difficult lesson that when America does not lead, malign actors fill the void to the disadvantage of the United States. When America does lead, however, from a position of strength and confidence and in accordance with our interests and values, all benefit.

Competition does not always mean hostility, nor does it inevitably lead to conflict—although none should doubt our commitment to defend our interests. An America that successfully competes is the best way to prevent conflict. Just as American weakness invites challenge, American strength and confidence deters war and promotes peace.

An America First National Security Strategy

The competitions and rivalries facing the United States are not passing trends or momentary problems. They are intertwined, long-term challenges that demand our sustained national attention and commitment.

America possesses unmatched political, economic, military, and technological advantages. But to maintain these advantages, build upon our strengths, and unleash the talents of the American people, we must protect four vital national interests in this competitive world.

First, our fundamental responsibility is to protect the American people, the homeland, and the American way of life. We will strengthen control of our borders and reform our immigration system. We will protect our critical infrastructure and go after malicious cyber actors. A layered missile defense system will defend our homeland against missile attacks. And we will pursue threats to their source, so that jihadist terrorists are stopped before they ever reach our borders.

Second, we will promote American prosperity. We will rejuvenate the American economy for the benefit of American workers and companies. We will insist upon fair and reciprocal economic relationships to address trade imbalances. The United States must preserve our lead in research and technology and protect our economy from competitors who unfairly acquire our intellectual property. And we will embrace America's energy dominance because unleashing abundant energy resources stimulates our economy.

Third, we will preserve peace through strength by rebuilding our military so that it remains preeminent, deters our adversaries, and if necessary, is able to fight and win. We will compete with all tools of national power to ensure that regions of the world are not dominated by one power. We will strengthen America's capabilities—including in space and cyberspace—and revitalize others that have been neglected. Allies and partners magnify our power. We expect them to shoulder a fair share of the burden of responsibility to protect against common threats.

Fourth, we will advance American influence because a world that supports American interests and reflects our values makes America more secure and prosperous. We will compete and lead in multilateral organizations so that American interests and principles are protected. America's commitment to liberty, democracy, and the rule of law serves as an inspiration for those living under tyranny. We can play a catalytic role in promoting private-sector-led economic growth, helping aspiring partners become future trading and security partners. And we will remain a generous nation, even as we expect others to share responsibility.

Strengthening our sovereignty—the first duty of a government is to serve the interests of its own people—is a necessary condition for protecting these four national interests. And as we strengthen our sovereignty we will renew confidence in ourselves as a nation. We are proud of our history, optimistic about America's future, and confident of the positive example the United States offers to the world. We are also realistic and understand that the American way of life cannot be imposed upon others, nor is it the inevitable culmination

of progress. Together with our allies, partners, and aspiring partners, the United States will pursue cooperation with reciprocity. Cooperation means sharing responsibilities and burdens. In trade, fair and reciprocal relationships benefit all with equal levels of market access and opportunities for economic growth. An America First National Security Strategy appreciates that America will catalyze conditions to unleash economic success for America and the world.

In the United States, free men and women have created the most just and prosperous nation in history. Our generation of Americans is now charged with preserving and defending that precious inheritance. This National Security Strategy shows the way.

PILLAR I: Protect the American People, the Homeland, and the American Way of Life

“We will defend our country, protect our communities, and put the safe of the American people first.”

PRESIDENT DONALD J. TRUMP

JULY 2017

This National Security Strategy begins with the determination to protect the American people, the American way of life, and American interests. Americans have long recognized the

benefits of an interconnected world, where information and commerce flow freely. Engaging with the world, however, does not mean the United States should abandon its rights and duties as a sovereign state or compromise its security. Openness also imposes costs, since adversaries exploit our free and democratic system to harm the United States.

North Korea seeks the capability to kill millions of Americans with nuclear weapons. Iran supports terrorist groups and openly calls for our destruction. Jihadist terrorist organizations such as ISIS and al-Qa'ida are determined to attack the United States and radicalize Americans with their hateful ideology. Non-state actors undermine social order through drug and human trafficking networks, which they use to commit violent crimes and kill thousands of Americans each year.

Adversaries target sources of American strength, including our democratic system and our economy. They steal and exploit our intellectual property and personal data, interfere in our political processes, target our aviation and maritime sectors, and hold our critical infrastructure at risk. All of these actions threaten the foundations of the American way of life. Reestablishing lawful control of our borders is a first step toward protecting the American homeland and strengthening American sovereignty.

We must prevent nuclear, chemical, radiological, and biological attacks, block terrorists from reaching our homeland, reduce drug and human trafficking, and protect our critical infrastructure. We must also deter, disrupt, and defeat potential threats before they reach the United States. We will target jihadist terrorists and transnational criminal organizations at their source and dismantle their networks of support. We must also take steps to respond quickly to meet the needs of the American people in the event of natural disaster or attack on our homeland. We must build a culture of preparedness and resilience across our governmental functions, critical infrastructure, and economic and political systems.

Secure U.S. Borders and Territory

State and non-state actors place the safety of the American people and the Nation's economic vitality at risk by exploiting vulnerabilities across the land, air, maritime, space, and cyberspace domains. Adversaries constantly evolve their methods to threaten the United States and our citizens. We must be agile and adaptable.

Defend Against Weapons of Mass Destruction (WMD)

The danger from hostile state and non-state actors who are trying to acquire nuclear, chemical, radiological, and biological weapons is increasing. The Syrian regime's use of chemical weapons against its own citizens undermines international norms against these heinous weapons, which may encourage more actors to pursue and use them. ISIS has used chemical weapons in Iraq and Syria. Terrorist groups continue to pursue WMD-related materials. We would face grave danger if terrorists obtained inadequately secured nuclear, radiological, or biological material.

As missiles grow in numbers, types, and effectiveness, to include those with greater ranges, they are the most likely means for states like North Korea to use a nuclear weapon against the United States. North Korea is also pursuing chemical and biological weapons which could also be delivered by missile. China and Russia are developing advanced weapons and capabilities that could threaten our critical infrastructure and our command and control architecture.

Priority Actions

ENHANCE MISSILE DEFENSE: The United States is deploying a layered missile defense system focused on North Korea and Iran to defend our homeland against missile attacks. This system will include the ability to defeat missile threats prior to launch. Enhanced missile defense is not intended to undermine strategic stability or disrupt longstanding strategic relationships with Russia or China.

DETECT AND DISRUPT WEAPONS OF MASS DESTRUCTION:

At our borders and within our territory, we will bolster efforts to detect nuclear, chemical, radiological, and biological agents and keep them from being used against us. We will also better integrate intelligence, law enforcement, and emergency management operations to ensure that frontline defenders have the right information and capabilities to respond to WMD threats from state and non-state actors.

ENHANCE COUNTERPROLIFERATION MEASURES: Building on decades of initiatives, we will augment measures to secure, eliminate, and prevent the spread of WMD and related materials, their delivery systems, technologies, and knowledge to reduce the chance that they might fall into the hands of hostile actors. We will hold state and nonstate actors accountable for the use of WMD.

TARGET WMD TERRORISTS: We will direct counterterrorism operations against terrorist WMD specialists, financiers, administrators, and facilitators. We will work with allies and partners to detect and disrupt plots. Strengthening control over our borders and immigration system is central to national security, economic prosperity, and the rule of law.

Combat Biothreats and Pandemics

Biological incidents have the potential to cause catastrophic loss of life. Biological threats to the U.S. homeland—whether as the result of deliberate attack, accident, or a natural outbreak—are growing and require actions to address them at their source.

Naturally emerging outbreaks of viruses such as Ebola and SARS, as well as the deliberate 2001 anthrax attacks in the United States, demonstrated the impact of biological threats on national security by taking lives, generating economic losses, and contributing to a loss of confidence in government institutions.

Advancements in life sciences that benefit our health, economy, and society also open up new avenues to actors who want to cause harm. Dedicated state actors are likely to develop more advanced bioweapons, and these capabilities may become available to malicious non-state actors as well.

Priority Actions

DETECT AND CONTAIN BIOTHREATS AT THEIR SOURCE: We will work with other countries to detect and mitigate outbreaks early to prevent the spread of disease. We will encourage other countries to invest in basic health care systems and to strengthen global health security across the intersection of human and animal health to prevent infectious disease outbreaks. And we will work with partners to ensure that laboratories that handle dangerous pathogens have in place safety and security measures.

SUPPORT BIOMEDICAL INNOVATION: We will protect and support advancements in biomedical innovation by strengthening the intellectual property system that is the foundation of the biomedical industry.

IMPROVE EMERGENCY RESPONSE: At home, we will strengthen our emergency response and unified coordination systems to rapidly characterize outbreaks, implement public health containment measures to limit the spread of disease, and provide surge medical care—including life-saving treatments.

Strengthen Border Control and Immigration Policy

Strengthening control over our borders and immigration system is central to national security, economic prosperity, and the rule of law. Terrorists, drug traffickers, and criminal cartels exploit porous borders and threaten U.S. security and public safety. These actors adapt quickly to outpace our defenses.

The United States affirms our sovereign right to determine who should enter our country and under what circumstances. The United States understands the contributions immigrants have made

to our Nation throughout its history. Illegal immigration, however, burdens the economy, hurts American workers, presents public safety risks, and enriches smugglers and other criminals.

The United States recognizes that decisions about who to legally admit for residency, citizenship, or otherwise are among the most important a country has to make. The United States will continue to welcome lawful immigrants who do not pose a security threat and whose entry is consistent with the national interest, while at the same time enhancing the screening and vetting of travelers, closing dangerous loopholes, revising outdated laws, and eliminating easily exploited vulnerabilities. We will also reform our current immigration system, which, contrary to our national interest and national security, allows for randomized entry and extended-family chain migration. Residency and citizenship determinations should be based on individuals' merits and their ability to positively contribute to U.S. society, rather than chance or extended family connections.

Priority Actions

ENHANCE BORDER SECURITY: We will secure our borders through the construction of a border wall, the use of multilayered defenses and advanced technology, the employment of additional personnel, and other measures. The U.S. Government will work with foreign partners to deter, detect, and disrupt suspicious individuals well before they enter the United States.

ENHANCE VETTING: The U.S. Government will enhance vetting of prospective immigrants, refugees, and other foreign visitors to identify individuals who might pose a risk to national security or public safety. We will set higher security standards to ensure that we keep dangerous people out of the United States and enhance our information collection and analysis to identify those who may already be within our borders.

ENFORCE IMMIGRATION LAWS: We will enforce immigration laws, both at the border and in the interior, to provide an effective deterrent to illegal immigration. The apprehension and swift removal of illegal aliens at the border is critical to an effective border security strategy. We must also increase efforts to identify and counter fraud in the immigration process, which undermines the integrity of our immigration system, exploits vulnerable individuals, and creates national security risks.

BOLSTER TRANSPORTATION SECURITY: We will improve information sharing across our government and with foreign partners to enhance the security of the pathways through which people and goods enter the country. We will invest in technology to counter emerging threats to our aviation, surface, and maritime transportation sectors. We will also work with international and industry partners to raise security standards.

Pursue Leads to Their Source

There is no perfect defense against the range of threats facing our homeland. That is why America must, alongside allies and partners, stay on the offensive against those violent non-state groups that target the United States and our allies.

The primary transnational threats Americans face are from jihadist terrorists and transnational criminal organizations. Although their objectives differ, these actors pose some common challenges. First, they exploit our open society. Second, they often operate in loose confederations and adapt rapidly. Third, they rely on encrypted communication and the dark web to evade detection as they plot, recruit, finance, and execute their operations. Fourth, they thrive under conditions of state weakness and prey on the vulnerable as they accelerate the breakdown of rules to create havens from which to plan and launch attacks on the United States, our allies, and our partners. Fifth, some are sheltered and supported by states and do their bidding.

Defeat Jihadist Terrorists

Jihadist terrorist organizations present the most dangerous terrorist threat to the Nation. America, alongside our allies and partners, is fighting a long war against these fanatics who advance a totalitarian vision for a global Islamist caliphate that justifies murder and slavery,

promotes repression, and seeks to undermine the American way of life. Jihadist terrorists use virtual and physical networks around the world to radicalize isolated individuals, exploit vulnerable populations, and inspire and direct plots.

Even after the territorial defeat of ISIS and al-Qa'ida in Syria and Iraq, the threat from jihadist terrorists will persist. They have used battlefields as test beds of terror and have exported tools and tactics to their followers. Many of these jihadist terrorists are likely to return to their home countries, from which they can continue to plot and launch attacks on the United States and our allies.

The United States also works with allies and partners to deter and disrupt other foreign terrorist groups that threaten the homeland— including Iranian-backed groups such as Lebanese Hizballah.

Priority Actions

DISRUPT TERROR PLOTS: We will enhance intelligence sharing domestically and with foreign partners. We will give our front line defenders— including homeland security, law enforcement, and intelligence professionals— the tools, authorities, and resources to stop terrorist acts before they take place.

TAKE DIRECT ACTION: The U.S. military and other operating agencies will take direct action against terrorist networks and pursue terrorists who threaten the homeland and U.S. citizens regardless of where they are. e campaigns against ISIS and al-Qa'ida and their affiliates demonstrate that the United States will enable partners and sustain direct action campaigns to destroy terrorists and their sources of support, making it harder for them to plot against us.

ELIMINATE TERRORIST SAFE HAVENS: Time and territory allow jihadist terrorists to plot, so we will act against sanctuaries and prevent their reemergence, before they can threaten the U.S. homeland. We will go after their digital networks and work with private industry to confront the challenge of terrorists and criminals “going dark” and using secure platforms to evade detection.

SEVER SOURCES OF STRENGTH: We will disrupt the financial, materiel, and personnel supply chains of terrorist organizations. We will sever their financing and protect the U.S. and international financial systems from abuse. We will degrade their ability to message and attract potential recruits. This includes combating the evil ideology of jihadists by exposing its falsehoods, promoting counter-narratives, and amplifying credible voices.

SHARE RESPONSIBILITY: Our allies and partners, who are also targets of terrorism, will continue to share responsibility in fighting these barbaric groups. We will help our partners develop and responsibly employ the capacity to degrade and maintain persistent pressure against terrorists and will encourage partners to work independently of U.S. assistance.

COMBAT RADICALIZATION AND RECRUITMENT IN COMMUNITIES: The United States rejects bigotry and oppression and seeks a future built on our values as one American people. We will deny violent ideologies the space to take root by improving trust among law enforcement, the private sector, and American citizens. U.S. intelligence and homeland security experts will work with law enforcement and civic leaders on terrorism prevention and provide accurate and actionable information about radicalization in their communities.

Dismantle Transnational Criminal Organizations

The United States must devote greater resources to dismantle transnational criminal organizations (TCOs) and their subsidiary networks. Some have established global supply chains that are comparable to Fortune 500 corporations. Every day they deliver drugs to American communities, fuel gang violence, and engage in cybercrime. The illicit opioid epidemic, fed by drug cartels as well as Chinese fentanyl traffickers, kills tens of thousands of Americans each year. ese organizations weaken our allies and partners too, by corrupting and undermining democratic institutions. TCOs are motivated by profit, power, and political influence. They exploit weak

governance and enable other national security threats, including terrorist organizations. In addition, some state adversaries use TCOs as instruments of national power, offering them territorial sanctuary where they are free to conduct unattributable cyber intrusions, sabotage, theft, and political subversion.

Priority Actions

IMPROVE STRATEGIC PLANNING AND INTELLIGENCE: We will establish national-level strategic intelligence and planning capabilities to improve the ability of agencies to work together to combat TCOs at home and abroad.

DEFEND COMMUNITIES: We will deny TCOs the ability to harm Americans. We will support public health efforts to halt the growth of illicit drug use in the United States, expand national and community-based prevention efforts, increase access to evidenced-based treatment for addiction, improve prescription drug monitoring, and provide training on substance use disorders for medical personnel.

DEFEND IN DEPTH: U.S. agencies and foreign partners will target TCO leaders and their support infrastructure. We will assist countries, particularly in the Western Hemisphere, to break the power of these organizations and networks.

COUNTER CYBER CRIMINALS: We will use sophisticated investigative tools to disrupt the ability of criminals to use online marketplaces, cryptocurrencies, and other tools for illicit activities. The United States will hold countries accountable for harboring these criminals.

Keep America Safe in the Cyber Era

America's response to the challenges and opportunities of the cyber era will determine our future prosperity and security. For most of our history, the United States has been able to protect the homeland by controlling its land, air, space, and maritime domains. Today, cyberspace offers state and non-state actors the ability to wage campaigns against American political, economic, and security interests without ever physically crossing our borders. Cyberattacks offer adversaries lowcost and deniable opportunities to seriously damage or disrupt critical infrastructure, cripple American businesses, weaken our Federal networks, and attack the tools and devices that Americans use every day to communicate and conduct business.

Critical infrastructure keeps our food fresh, our houses warm, our trade flowing, and our citizens productive and safe. The vulnerability of U.S. critical infrastructure to cyber, physical, and electromagnetic attacks means that adversaries could disrupt military command and control, banking and financial operations, the electrical grid, and means of communication.

Federal networks also face threats. These networks allow government agencies to carry out vital functions and provide services to the American people. The government must do a better job of protecting data to safeguard information and the privacy of the American people. Our Federal networks must be modernized and updated.

In addition, the daily lives of most Americans rely on computer-driven and interconnected technologies. As our reliance on computers and connectivity increases, we become increasingly vulnerable to cyberattacks. Businesses and individuals must be able to operate securely in cyberspace.

Security was not a major consideration when the Internet was designed and launched. As it evolves, the government and private sector must design systems that incorporate prevention, protection, and resiliency from the start, not as an afterthought. We must do so in a way that respects free markets, private competition, and the limited but important role of government in enforcing the rule of law. As we build the next generation of digital infrastructure, we have an opportunity to put our experience into practice.

The Internet is an American invention, and it should reflect our values as it continues to transform the future for all nations and all generations. A strong, defensible cyber infrastructure fosters economic growth, protects our liberties, and advances our national security.

Priority Actions

IDENTIFY AND PRIORITIZE RISK: To improve the security and resilience of our critical infrastructure, we will assess risk across six key areas: national security, energy and power, banking and finance, health and safety, communications, and transportation. We will assess where cyberattacks could have catastrophic or cascading consequences and prioritize our protective efforts, capabilities, and defenses accordingly.

BUILD DEFENSIBLE GOVERNMENT NETWORKS: We will use the latest commercial capabilities, shared services, and best practices to modernize our Federal information technology. We will improve our ability to provide uninterrupted and secure communications and services under all conditions.

DETER AND DISRUPT MALICIOUS CYBER ACTORS: The Federal Government will ensure that those charged with securing critical infrastructure have the necessary authorities, information, and capabilities to prevent attacks before they affect or hold at risk U.S. critical infrastructure. The United States will impose swift and costly consequences on foreign governments, criminals, and other actors who undertake significant malicious cyber activities. We will work with allies and friends to expand our awareness of malicious activities. A stronger and more resilient critical infrastructure will strengthen deterrence by creating doubt in our adversaries that they can achieve their objectives.

IMPROVE INFORMATION SHARING AND SENSING: The U.S. Government will work with our critical infrastructure partners to assess their informational needs and to reduce the barriers to information sharing, such as speed and classification levels. We will also invest in capabilities that improve the ability of the United States to attribute cyberattacks. In accordance with the protection of civil liberties and privacy, the U.S. Government will expand collaboration with the private sector so that we can better detect and attribute attacks.

DEPLOY LAYERED DEFENSES: Since threats transit globally, passing through communications backbones without challenge, the U.S. Government will work with the private sector to remediate known bad activities at the network level to improve the security of all customers. Malicious activity must be defeated within a network and not be passed on to its destination whenever possible.

Promote American Resilience

Despite our best efforts, our government cannot prevent all dangers to the American people. We can, however, help Americans remain resilient in the face of adversity. Resilience includes the ability to withstand and recover rapidly from deliberate attacks, accidents, natural disasters, as well as unconventional stresses, shocks, and threats to our economy and democratic system. In the event of a disaster, Federal, state, and local agencies must perform essential functions and have plans in place to ensure the continuation of our constitutional form of government.

Reducing risk and building more resilient communities are the best ways to protect people, property, and taxpayer dollars from loss and disruption. Through risk-informed investments, we will build resilient communities and infrastructure to protect and benefit future generations.

Should tragedy strike, the U.S. Government will help communities recover and rebuild. Citizens must be confident in our government, but also recognize that response and recovery begins with individuals and local communities. In difficult times, the true character of the American people emerges: their strength, their love, and their resolve. Our first responders selflessly run toward danger, and volunteers rally to the aid of neighbors when disaster strikes.

A democracy is only as resilient as its people. An informed and engaged citizenry is the fundamental requirement for a free and resilient nation. For generations, our society has protected free press, free speech, and free thought. Today, actors such as Russia are using information tools in an attempt to undermine the legitimacy of democracies. Adversaries target media, political processes, financial networks, and personal data. The American public and private sectors must recognize this and work together to defend our way of life. No external threat can be allowed to shake our shared commitment to our values, undermine our system of government, or divide our Nation.

Priority Actions

IMPROVE RISK MANAGEMENT: The United States will improve its ability to assess the threats and hazards that pose the greatest risks to Americans and will prioritize resources based on the highest risks.

BUILD A CULTURE OF PREPAREDNESS: This Administration will take steps to build a culture of preparedness, informing and empowering communities and individuals to obtain the skills and take the preparatory actions necessary to become more resilient against the threats and hazards that Americans face.

IMPROVE PLANNING: State and local governments must conduct realistic exercises that test existing plans to make sure that they are sound and can be executed. Agencies from all levels of government must coordinate better and apply lessons learned from exercises to pinpoint the areas and capabilities that require improvement.

INCENTIVIZE INFORMATION SHARING: To improve the coordination among the private sector and all levels of government that is needed to improve resilience, we must make a stronger commitment to protecting sensitive information so that all partners actively identify and share vulnerabilities and work collaboratively to reduce them.

PILLAR II: Promote American Prosperity

“Economic security is national security”

PRESIDENT DONALD J. TRUMP

NOVEMBER 2017

A strong economy protects the American people, supports our way of life, and sustains American power. American workers thrive when they are free to innovate, develop and access our abundant natural resources, and operate in markets free from excessive regulations and unfair foreign trade practices. A growing and innovative economy allows the United States to maintain the world’s most powerful military and protect our homeland.

We must rebuild our economic strength and restore confidence in the American economic model. Over decades, American factories, companies, and jobs moved overseas. After the 2008 global financial crisis, doubt replaced confidence. Risk-aversion and regulations replaced investment and entrepreneurship. The recovery produced anemic growth in real earnings for American workers. The U.S. trade deficit grew as a result of several factors, including unfair trading practices.

For 70 years, the United States has embraced a strategy premised on the belief that leadership of a stable international economic system rooted in American principles of reciprocity, free markets, and free trade served our economic and security interests. Working with our allies and partners, the United States led the creation of a group of financial institutions and other economic forums that established equitable rules and built instruments to stabilize the international economy and remove the points of friction that had contributed to two world wars.

That economic system continues to serve our interests, but it must be reformed to help American workers prosper, protect our innovation, and reflect the principles upon which that

system was founded. Trading partners and international institutions can do more to address trade imbalances and adhere to and enforce the rules of the order.

Today, American prosperity and security are challenged by an economic competition playing out in a broader strategic context. The United States helped expand the liberal economic trading system to countries that did not share our values, in the hopes that these states would liberalize their economic and political practices and provide commensurate benefits to the United States. Experience shows that these countries distorted and undermined key economic institutions without undertaking significant reform of their economies or politics. They espouse free trade rhetoric and exploit its benefits, but only adhere selectively to the rules and agreements.

We welcome all economic relationships rooted in fairness, reciprocity, and faithful adherence to the rules. Those who join this pursuit will be our closest economic partners. But the United States will no longer turn a blind eye to violations, cheating, or economic aggression. We must work with like minded allies and partners to ensure our principles prevail and the rules are enforced so that our economies prosper.

The United States will pursue an economic strategy that rejuvenates the domestic economy, benefits the American worker, revitalizes the U.S. manufacturing base, creates middle-class jobs, encourages innovation, preserves technological advantage, safeguards the environment, and achieves energy dominance. Rebuilding economic strength at home and preserving a fair and reciprocal international economic system will enhance our security and advance prosperity and peace in the world.

Rejuvenate the Domestic Economy

Economic challenges at home demand that we understand economic prosperity as a pillar of national security. Despite low unemployment rates and stock market gains, overall economic growth has, until recently, been anemic since the 2008 recession. In the past five years, gross domestic product (GDP) growth hovered barely above two percent, and wages stagnated. Taxes increased, and health insurance and prescription drug costs continued to rise, albeit at a slower pace. Education costs climbed at rates far above inflation, increasing student debt. Productivity growth fell to levels not seen in decades.

Significant government intrusion in the economy slowed growth and job creation. Regulatory and corporate tax policies incentivized businesses to invest overseas and disadvantaged American companies against foreign competitors. Excessive regulation burdened small businesses. Banking regulations squelched new bank formation and caused hundreds of small banks to close. Regulation decreased credit availability to consumers and decreased product choice. Excessive environmental and infrastructure regulations impeded American energy trade and the development of new infrastructure projects.

Moreover, the poor state of our physical infrastructure stultified the economy, reduced the profitability of American small businesses, and slowed the productivity of American workers. America's digital infrastructure also fell behind. Improvements in bandwidth, better broadband connectivity, and protection from persistent cyberattacks are needed to support America's future growth. Economic and personal transactions are dependent upon the ".com world," and wealth creation depends on a reliable, secure Internet.

The Administration is dedicated to rejuvenating the U.S. economy, unleashing the potential of all Americans, and restoring confidence in our free market system. Promoting American prosperity makes America more secure and advances American influence in the world.

Priority Actions

REDUCE REGULATORY BURDENS: Departments and agencies will eliminate unnecessary regulations that stifle growth, drive up costs for American businesses, impede research

and development, discourage hiring, and incentivize domestic businesses to move overseas. We will balance our reduction in regulations with adequate protections and oversight.

PROMOTE TAX REFORM: This Administration will work with the Congress to create a simpler, fairer, and pro-growth tax code that encourages the creation of higher wage jobs and gives middleincome families tax relief. Reduced business tax rates and a territorial system for foreign subsidiary earnings will improve the competitiveness of American companies and encourage their return to the United States.

IMPROVE AMERICAN INFRASTRUCTURE: Federal, state, and local governments will work together with private industry to improve our airports, seaports and waterways, roads and railways, transit systems, and telecommunications. e United States will use our strategic advantage as a leading natural gas producer to transform transportation and manufacturing. We will improve America's digital infrastructure by deploying a secure 5G Internet capability nationwide. These improvements will increase national competitiveness, benefit the environment, and improve our quality of life.

REDUCE THE DEBT THROUGH FISCAL RESPONSIBILITY: The national debt, now over \$20 trillion, presents a grave threat to America's long-term prosperity and, by extension, our national security. By restraining Federal spending, making government more efficient, and by modernizing our tax system and making our businesses globally competitive, our economy will grow and make the existing debt more serviceable.

SUPPORT EDUCATION AND APPRENTICESHIP PROGRAMS: We will support apprenticeships and workforce development programs that prepare American worker's for high-wage manufacturing and science, technology, engineering, and mathematics (STEM) jobs of the 21st century.

Promote Free, Fair, and Reciprocal Economic Relationships

For decades, the United States has allowed unfair trading practices to grow. Other countries have used dumping, discriminatory non-tariff barriers, forced technology transfers, non-economic capacity, industrial subsidies, and other support from governments and state-owned enterprises to gain economic advantages.

Today we must meet the challenge. We will address persistent trade imbalances, break down trade barriers, and provide Americans new opportunities to increase their exports. The United States will expand trade that is fairer so that U.S. workers and industries have more opportunities to compete for business. We oppose closed mercantilist trading blocks. By strengthening the international trading system and incentivizing other countries to embrace market-friendly policies, we can enhance our prosperity.

The United States distinguishes between economic competition with countries that follow fair and free market principles and competition with those that act with little regard for those principles. We will compete with like-minded states in the economic domain—particularly where trade imbalances exist—while recognizing that competition is healthy when nations share values and build fair and reciprocal relationships. The United States will pursue enforcement actions when countries violate the rules to gain unfair advantage. The United States will engage industrialized democracies and other likeminded states to defend against economic aggression, in all its forms, that threatens our common prosperity and security.

Priority Actions

ADOPT NEW TRADE AND INVESTMENT AGREEMENTS AND MODERNIZE EXISTING ONES: The United States will pursue bilateral trade and investment agreements with countries that commit to fair and reciprocal trade and will modernize existing agreements to ensure they are consistent with those principles. Agreements must adhere to high standards in intellectual property, digital trade, agriculture, labor, and the environment.

COUNTER UNFAIR TRADE PRACTICES: The United States will counter all unfair trade practices that distort markets using all appropriate means, from dialogue to enforcement tools.

COUNTER FOREIGN CORRUPTION: Using our economic and diplomatic tools, the United States will continue to target corrupt foreign officials and work with countries to improve their ability to fight corruption so U.S. companies can compete fairly in transparent business climates.

WORK WITH LIKE-MINDED PARTNERS: The United States will work with like-minded partners to preserve and modernize the rules of a fair and reciprocal economic order. Together we will emphasize fair trade enforcement actions when necessary, as well as multinational efforts to ensure transparency and adherence to international standards within trade and investment projects.

FACILITATE NEW MARKET OPPORTUNITIES: The United States will partner with countries as they build their export markets, promote free market competition, and incentivize private sector growth. We will expand U.S. trade and investment opportunities and increase the market base for U.S. goods and services.

Lead in Research, Technology, Invention, and Innovation

The United States will build on the ingenuity that has launched industries, created jobs, and improved the quality of life at home and abroad. To maintain our competitive advantage, the United States will prioritize emerging technologies critical to economic growth and security, such as data science, encryption, autonomous technologies, gene editing, new materials, nanotechnology, advanced computing technologies, and artificial intelligence. From self-driving cars to autonomous weapons, the field of artificial intelligence, in particular, is progressing rapidly.

The United States must continue to attract the innovative and the inventive, the brilliant and the bold. We will encourage scientists in government, academia, and the private sector to achieve advancements across the full spectrum of discovery, from incremental improvements to game-changing breakthroughs. We will nurture a healthy innovation economy that collaborates with allies and partners, improves STEM education, draws on an advanced technical workforce, and invests in early-stage research and development (R&D).

Priority Actions

UNDERSTAND WORLDWIDE SCIENCE AND TECHNOLOGY (S&T) TRENDS: To retain U.S. advantages over our competitors, U.S. Government agencies must improve their understanding of worldwide S&T trends and how they are likely to influence—or undermine—American strategies and programs.

ATTRACT AND RETAIN INVENTORS AND INNOVATORS: The U.S. Government must improve our collaboration with industry and academia and our recruitment of technical talent. We will remove barriers to the full use of talent across Federal agencies, and increase incentives for hiring and retaining Federal STEM employees. Initiatives will include rapid hiring, swift adjudication of national security clearances, and offers of competitive salaries. We must create easier paths for the flow of scientists, engineers, and technologists into and out of public service.

LEVERAGE PRIVATE CAPITAL AND EXPERTISE TO BUILD AND INNOVATE: The U.S. Government will use private sector technical expertise and R&D capabilities more effectively. Private industry owns many of the technologies that the government relies upon for critical national security missions. The Department of Defense and other agencies will establish strategic partnerships with U.S. companies to help align private sector R&D resources to priority national security applications.

RAPIDLY FIELD INVENTIONS AND INNOVATIONS: The United States must regain the element of surprise and field new technologies at the pace of modern industry. Government agencies must shift from an archaic R&D process to an approach that rewards rapid fielding and risk taking.

Promote and Protect the U.S. National Security Innovation Base America's business climate and legal and regulatory systems encourage risk taking. We are a nation of people who work hard, dream big, and never give up. Not every country shares these characteristics. Some instead steal or illicitly acquire America's hard-earned intellectual property and proprietary information to compensate for their own systemic weaknesses.

Every year, competitors such as China steal U.S. intellectual property valued at hundreds of billions of dollars. Stealing proprietary technology and early-stage ideas allows competitors to unfairly tap into the innovation of free societies. Over the years, rivals have used sophisticated means to weaken our businesses and our economy as facets of cyber-enabled economic warfare and other malicious activities. In addition to these illegal means, some actors use largely legitimate, legal transfers and relationships to gain access to fields, experts, and trusted foundries that fill their capability gaps and erode America's long-term competitive advantages.

We must defend our National Security Innovation Base (NSIB) against competitors. The NSIB is the American network of knowledge, capabilities, and people—including academia, National Laboratories, and the private sector—that turns ideas into innovations, transforms discoveries into successful commercial products and companies, and protects and enhances the American way of life. The genius of creative Americans, and the free system that enables them, is critical to American security and prosperity.

Protecting the NSIB requires a domestic and international response beyond the scope of any individual company, industry, university, or government agency. The landscape of innovation does not divide neatly into sectors. Technologies that are part of most weapon systems often originate in diverse businesses as well as in universities and colleges. Losing our innovation and technological edge would have far-reaching negative implications for American prosperity and power.

Priority Actions

UNDERSTAND THE CHALLENGES: The U.S. Government will develop a capability to integrate, monitor, and better understand the national security implications of unfair industry trends and the actions of our rivals. We will explore new ways to share this information with the private sector and academia so they better understand their responsibilities in curtailing activities that undercut America's NSIB.

PROTECT INTELLECTUAL PROPERTY: The United States will reduce the illicit appropriation of U.S. public and private sector technology and technical knowledge by hostile foreign competitors. While maintaining an investor-friendly climate, this Administration will work with the Congress to strengthen the Committee on Foreign Investment in the United States (CFIUS) to ensure it addresses current and future national security risks. The United States will prioritize counterintelligence and law enforcement activities to curtail intellectual property theft by all sources and will explore new legal and regulatory mechanisms to prevent and prosecute violations.

TIGHTEN VISA PROCEDURES: The United States will review visa procedures to reduce economic theft by non-traditional intelligence collectors. We will consider restrictions on foreign STEM students from designated countries to ensure that intellectual property is not transferred to our competitors, while acknowledging the importance of recruiting the most advanced technical workforce to the United States.

PROTECT DATA AND UNDERLYING INFRASTRUCTURE: The United States will expand our focus beyond protecting networks to protecting the data on those networks so that it remains secure—both at rest and in transit. To do this, the U.S. Government will encourage practices across companies and universities to defeat espionage and theft.

Embrace Energy Dominance

For the first time in generations, the United States will be an energy-dominant nation. Energy dominance—America's central position in the global energy system as a leading producer,

consumer, and innovator—ensures that markets are free and U.S. infrastructure is resilient and secure. It ensures that access to energy is diversified, and recognizes the importance of environmental stewardship.

Access to domestic sources of clean, affordable, and reliable energy underpins a prosperous, secure, and powerful America for decades to come. Unleashing these abundant energy resources—coal, natural gas, petroleum, renewables, and nuclear—stimulates the economy and builds a foundation for future growth. Our Nation must take advantage of our wealth in domestic resources and energy efficiency to promote competitiveness across our industries.

The United States also anchors the North American energy system, which is one of the most highly integrated in the world. Our vibrant cross-border energy trade and investment are vital for a robust and resilient U.S. economy and energy market. We are committed to supporting energy initiatives that will attract investments, safeguard the environment, strengthen our energy security, and unlock the enormous potential of our shared region.

Climate policies will continue to shape the global energy system. U.S. leadership is indispensable to countering an anti-growth energy agenda that is detrimental to U.S. economic and energy security interests. Given future global energy demand, much of the developing world will require fossil fuels, as well as other forms of energy, to power their economies and lift their people out of poverty. The United States will continue to advance an approach that balances energy security, economic development, and environmental protection. The United States will remain a global leader in reducing traditional pollution, as well as greenhouse gases, while expanding our economy. This achievement, which can serve as a model to other countries, flows from innovation, technology breakthroughs, and energy efficiency gains, not from onerous regulation.

As a growing supplier of energy resources, technologies, and services around the world, the United States will help our allies and partners become more resilient against those that use energy to coerce. America's role as an energy exporter will also require an assessment of our vulnerabilities and a resilient American infrastructure.

Finally, the Nation's long-term energy security future rests with our people. We must invest in our future by supporting innovation and R&D, including through the National Laboratories.

Priority Actions

REDUCE BARRIERS: The United States will promote clean and safe development of our energy resources, while limiting regulatory burdens that encumber energy production and constrain economic growth. We will streamline the Federal regulatory approval processes for energy infrastructure, from pipeline and export terminals to container shipments and gathering lines, while also ensuring responsible environmental stewardship.

PROMOTE EXPORTS: The United States will promote exports of our energy resources, technologies, and services, which helps our allies and partners diversify their energy sources and brings economic gains back home. We will expand our export capacity through the continued support of private sector development of coastal terminals, allowing increased market access and a greater competitive edge for U.S. industries.

ENSURE ENERGY SECURITY: The United States will work with allies and partners to protect global energy infrastructure from cyber and physical threats. The United States will support the diversification of energy sources, supplies, and routes at home and abroad. We will modernize our strategic petroleum stocks and encourage other countries to develop their own—consistent with their national energy security needs.

ATTAIN UNIVERSAL ENERGY ACCESS: The United States will seek to ensure universal access to affordable, reliable energy, including highly efficient fossil fuels, nuclear, and renewables, to help reduce poverty, foster economic growth, and promote prosperity.

FURTHER AMERICA'S TECHNOLOGICAL EDGE: We will improve America's technological edge in energy, including nuclear technology, next-generation nuclear reactors, better batteries, advanced computing, carbon-capture technologies, and opportunities at the energy-water nexus. The United States will continue to lead in innovative and efficient energy technologies, recognizing the economic and environmental benefits to end users.

PILLAR III: Preserve Peace through Strength

"As long as I am President, the servicemen and women who defend our Nation will have the equipment, the resources, and the funding they need to secure our homeland, to respond to our enemies quickly and decisively, and, when necessary, to fight, to overpower, and to always, always, always win."

PRESIDENT DONALD J. TRUMP

DECEMBER 2017

A central continuity in history is the contest for power. The present time period is no different. Three main sets of challengers—the revisionist powers of China and Russia, the rogue states of Iran and North Korea, and transnational threat organizations, particularly jihadist terrorist groups—are actively competing against the United States and our allies and partners. Although differing in nature and magnitude, these rivals compete across political, economic, and military arenas, and use technology and information to accelerate these contests in order to shift regional balances of power in their favor. These are fundamentally political contests between those who favor repressive systems and those who favor free societies.

China and Russia want to shape a world antithetical to U.S. values and interests. China seeks to displace the United States in the Indo-Pacific region, expand the reaches of its state-driven economic model, and reorder the region in its favor. Russia seeks to restore its great power status and establish spheres of influence near its borders. The intentions of both nations are not necessarily fixed. The United States stands ready to cooperate across areas of mutual interest with both countries.

For decades, U.S. policy was rooted in the belief that support for China's rise and for its integration into the post-war international order would liberalize China. Contrary to our hopes, China expanded its power at the expense of the sovereignty of others. China gathers and exploits data on an unrivaled scale and spreads features of its authoritarian system, including corruption and the use of surveillance. It is building the most capable and well-funded military in the world, after our own. Its nuclear arsenal is growing and diversifying. Part of China's military modernization and economic expansion is due to its access to the U.S. innovation economy, including America's world-class universities.

Russia aims to weaken U.S. influence in the world and divide us from our allies and partners. Russia views the North Atlantic Treaty Organization (NATO) and European Union (EU) as threats. Russia is investing in new military capabilities, including nuclear systems that remain the most significant existential threat to the United States, and in destabilizing cyber capabilities through modernized forms of subversive tactics. Russia interferes in the domestic political affairs of countries around the world. The combination of Russian ambition and growing military capabilities creates an unstable frontier in Eurasia, where the risk of conflict due to Russian miscalculation is growing.

The scourge of the world today is a small group of rogue regimes that violate all principles of free and civilized states. The Iranian regime sponsors terrorism around the world. It is developing more capable ballistic missiles and has the potential to resume its work on nuclear weapons that could threaten the United States and our partners. North Korea is ruled as a ruthless dictatorship without regard for human dignity. For more than 25 years, it has pursued nuclear weapons and ballistic missiles in defiance of every commitment it has made. Today, these missiles and weapons

threaten the United States and our allies. The longer we ignore threats from countries determined to proliferate and develop weapons of mass destruction, the worse such threats become, and the fewer defensive options we have.

The United States continues to wage a long war against jihadist terrorist groups such as ISIS and al-Qa'ida. These groups are linked by a common radical Islamist ideology that encourages violence against the United States and our partners and produces misery for those under their control. Although the United States and our partners have inflicted defeats on ISIS and al-Qa'ida in Syria and Iraq, these organizations maintain global reach with established branches in strategic locations. The threat from jihadist terrorists will persist, even as we intensify efforts to prevent attacks on Americans, our allies, and our partners.

Protecting American interests requires that we compete continuously within and across these contests, which are being played out in regions around the world. The outcome of these contests will influence the political, economic, and military strength of the United States and our allies and partners.

To prevail, we must integrate all elements of America's national power—political, economic, and military. Our allies and partners must also contribute the capabilities, and demonstrate the will, to confront shared threats. Experience suggests that the willingness of rivals to abandon or forgo aggression depends on their perception of U.S. strength and the vitality of our alliances.

The United States will seek areas of cooperation with competitors from a position of strength, foremost by ensuring our military power is second to none and fully integrated with our allies and all of our instruments of power. A strong military ensures that our diplomats are able to operate from a position of strength. In this way we can, together with our allies and partners, deter and if necessary, defeat aggression against U.S. interests and increase the likelihood of managing competitions without violent conflict and preserving peace.

Renew America's Competitive Advantages

The United States must consider what is enduring about the problems we face, and what is new. The contests over influence are timeless. They have existed in varying degrees and levels of intensity, for millennia. Geopolitics is the interplay of these contests across the globe. But some conditions are new, and have changed how these competitions are unfolding. We face simultaneous threats from different actors across multiple arenas—all accelerated by technology. The United States must develop new concepts and capabilities to protect our homeland, advance our prosperity, and preserve peace. Since the 1990s, the United States displayed a great degree of strategic complacency. We assumed that our military superiority was guaranteed and that a democratic peace was inevitable. We believed that liberal-democratic enlargement and inclusion would fundamentally alter the nature of international relations and that competition would give way to peaceful cooperation.

Instead of building military capacity, as threats to our national security increased, the United States dramatically cut the size of our military to the lowest levels since 1940. Instead of developing important capabilities, the Joint Force entered a nearly decade long "procurement holiday" during which the acquisition of new weapon systems was severely limited. The breakdown of the Nation's annual Federal budgeting process, exemplified by sequestration and repeated continuing resolutions, further contributed to the erosion of America's military dominance during a time of increasing threats.

Despite decades of efforts to reform the way that the United States develops and procures new weapons, our acquisition system remained sclerotic. The Joint Force did not keep pace with emerging threats or technologies. We got less for our defense dollars, shortchanging American taxpayers and warfighters.

We also incorrectly believed that technology could compensate for our reduced capacity—for the ability to field enough forces to prevail militarily, consolidate our gains, and achieve our desired political ends. We convinced ourselves that all wars would be fought and won quickly, from stand-off distances and with minimal casualties.

In addition, after being dismissed as a phenomenon of an earlier century, great power competition returned. China and Russia began to reassert their influence regionally and globally. Today, they are fielding military capabilities designed to deny America access in times of crisis and to contest our ability to operate freely in critical commercial zones during peacetime. In short, they are contesting our geopolitical advantages and trying to change the international order in their favor.

Moreover, deterrence today is significantly more complex to achieve than during the Cold War. Adversaries studied the American way of war and began investing in capabilities that targeted our strengths and sought to exploit perceived weaknesses. The spread of accurate and inexpensive weapons and the use of cyber tools have allowed state and non-state competitors to harm the United States across various domains. Such capabilities contest what was until recently U.S. dominance across the land, air, maritime, space, and cyberspace domains. They also enable adversaries to attempt strategic attacks against the United States—without resorting to nuclear weapons—in ways that could cripple our economy and our ability to deploy our military forces. Deterrence must be extended across all of these domains and must address all possible strategic attacks.

In addition, adversaries and competitors became adept at operating below the threshold of open military conflict and at the edges of international law. Repressive, closed states and organizations, although brittle in many ways, are often more agile and faster at integrating economic, military, and especially informational to achieve their goals. They are unencumbered by truth, by the rules and protections of privacy inherent in democracies, and by the law of armed conflict. They employ sophisticated political, economic, and military campaigns that combine discrete actions. They are patient and content to accrue strategic gains over time—making it harder for the United States and our allies to respond. Such actions are calculated to achieve maximum effect without provoking a direct military response from the United States. And as these incremental gains are realized, over time, a new status quo emerges.

The United States must prepare for this type of competition. China, Russia, and other state and nonstate actors recognize that the United States often views the world in binary terms, with states being either “at peace” or “at war,” when it is actually an arena of continuous competition. Our adversaries will not fight us on our terms. We will raise our competitive game to meet that challenge, to protect American interests, and to advance our values.

Our diplomatic, intelligence, military, and economic agencies have not kept pace with the changes in the character of competition. America’s military must be prepared to operate across a full spectrum of conflict, across multiple domains at once. To meet these challenges we must also upgrade our political and economic instruments to operate across these environments.

Bureaucratic inertia is powerful. But so is the talent, creativity, and dedication of Americans. By aligning our public and private sector efforts we can field a Joint Force that is unmatched. New advances in computing, autonomy, and manufacturing are already transforming the way we fight. When coupled with the strength of our allies and partners, this advantage grows. The future that we face is ours to win or lose. History suggests that Americans will rise to the occasion and that we can shift trends back in favor of the United States, our allies, and our partners.

Renew Capabilities

Given the new features of the geopolitical environment, the United States must renew key capabilities to address the challenges we face.

Military

U.S. military strength remains a vital component of the competition for influence. The Joint Force demonstrates U.S. resolve and commitment and provides us with the ability to fight and win across any plausible conflict that threatens U.S. vital interests.

The United States must retain overmatch—the combination of capabilities in sufficient scale to prevent enemy success and to ensure that America’s sons and daughters will never be in a fair fight. Overmatch strengthens our diplomacy and permits us to shape the international environment to protect our interests. To retain military overmatch the United States must restore our ability to produce innovative capabilities, restore the readiness of our forces for major war, and grow the size of the force so that it is capable of operating at sufficient scale and for ample duration to win across a range of scenarios.

We must convince adversaries that we can and will defeat them—not just punish them if they attack the United States. We must ensure the ability to deter potential enemies by denial, convincing them that they cannot accomplish objectives through the use of force or other forms of aggression. We need our allies to do the same—to modernize, acquire necessary capabilities, improve readiness, expand the size of their forces, and affirm the political will to win.

Priority Actions

MODERNIZATION: Ensuring that the U.S. military can defeat our adversaries requires weapon systems that clearly overmatch theirs in lethality. Where possible, we must improve existing systems to maximize returns on prior investments. In other areas we should seek new capabilities that create clear advantages for our military while posing costly dilemmas for our adversaries. We must eliminate bureaucratic impediments to innovation and embrace less expensive and time-intensive commercial off-the-shelf solutions. Departments and agencies must work with industry to experiment, prototype, and rapidly field new capabilities that can be easily upgraded as new technologies come online.

ACQUISITION: The United States will pursue new approaches to acquisition to make better deals on behalf of the American people that avoid cost overruns, eliminate bloated bureaucracies, and stop unnecessary delays so that we can put the right equipment into the hands of our forces. We must harness innovative technologies that are being developed outside of the traditional defense industrial base.

CAPACITY: The size of our force matters. To deter conflict and, if deterrence fails, to win in war, the Nation must be able to field forces capable of operating in sufficient scale and for ample duration to defeat enemies, consolidate military gains, and achieve sustainable outcomes that protect the American people and our vital interests. The United States must reverse recent decisions to reduce the size of the Joint Force and grow the force while modernizing and ensuring readiness.

IMPROVE READINESS: The United States must retain a ready force that is capable of protecting the homeland while defending U.S. interests. Readiness requires a renewed focus on training, logistics, and maintenance. We must be able to get to a theater in time to shape events quickly. This will require a resilient forward posture and agile global mobility forces.

RETAIN A FULL-SPECTRUM FORCE: The Joint Force must remain capable of deterring and defeating the full range of threats to the United States. The Department of Defense must develop new operational concepts and capabilities to win without assured dominance in air, maritime, land, space, and cyberspace domains, including against those operating below the level of conventional military conflict. We must sustain our competence in irregular warfare, which requires planning for a longterm, rather than ad hoc, fight against terrorist networks and other irregular threats.

Defense Industrial Base

A healthy defense industrial base is a critical element of U.S. power and the National Security Innovation Base. The ability of the military to surge in response to an emergency depends on our

Nation's ability to produce needed parts and systems, healthy and secure supply chains, and a skilled U.S. workforce. The erosion of American manufacturing over the last two decades, however, has had a negative impact on these capabilities and threatens to undermine the ability of U.S. manufacturers to meet national security requirements. Today, we rely on single domestic sources for some products and foreign supply chains for others, and we face the possibility of not being able to produce specialized components for the military at home. As America's manufacturing base has weakened, so too have critical workforce skills ranging from industrial welding, to high-technology skills for cybersecurity and aerospace. Support for a vibrant domestic manufacturing sector, a solid defense industrial base, and resilient supply chains is a national priority.

Priority Actions

UNDERSTAND THE PROBLEM: We will evaluate the strengths and weaknesses of our defense industrial base, including the identification of materials essential to national security, contingencies that could affect supply chains, and technologies that are likely to be critical for the future.

ENCOURAGE HOMELAND INVESTMENT: The United States will promote policies and incentives that return key national security industries to American shores. Where possible, the U.S. Government will work with industry partners to strengthen U.S. competitiveness in key technologies and manufacturing capabilities. In addition, we will reform regulations and processes to facilitate the export of U.S. military equipment.

PROTECT AND GROW CRITICAL SKILLS: The United States must maintain and develop skilled trades and high-technology skills through increased support for technical college and apprenticeship programs. We will support STEM efforts, at the Federal and state levels, and target national security technology areas.

Nuclear Forces

Nuclear weapons have served a vital purpose in America's National Security Strategy for the past 70 years. They are the foundation of our strategy to preserve peace and stability by deterring aggression against the United States, our allies, and our partners. While nuclear deterrence strategies cannot prevent all conflict, they are essential to prevent nuclear attack, non-nuclear strategic attacks, and large-scale conventional aggression. In addition, the extension of the U.S. nuclear deterrent to more than 30 allies and partners helps to assure their security, and reduces their need to possess their own nuclear capabilities.

Following the Cold War, the United States reduced investments in our nuclear enterprise and reduced the role of nuclear weapons in our strategy. Some parts of America's strategic nuclear Triad of bombers, sea-based missiles, and land-based missiles are over 30 years old, and much of our nuclear infrastructure dates to the World War II era. At the same time, however, nuclear-armed adversaries have expanded their arsenals and range of delivery systems. The United States must maintain the credible deterrence and assurance capabilities provided by our nuclear Triad and by U.S. theater nuclear capabilities deployed abroad. Significant investment is needed to maintain a U.S. nuclear arsenal and infrastructure that is able to meet national security threats over the coming decades.

Priority Actions

SUSTAIN U.S. NUCLEAR WEAPONS: The United States will sustain a nuclear force structure that meets our current needs and addresses unanticipated risks. The United States does not need to match the nuclear arsenals of other powers, but we must sustain a stockpile that can deter adversaries, assure allies and partners, and achieve U.S. objectives if deterrence fails.

MODERNIZE U.S. NUCLEAR FORCES AND INFRASTRUCTURE: We will modernize our nuclear enterprise to ensure that we have the scientific, engineering, and manufacturing capabilities necessary to retain an effective and safe nuclear Triad and respond to future national

security threats. Modernization and sustainment require investing in our aging command and control system and maintaining and growing the highly skilled workforce needed to develop, manufacture, and deploy nuclear weapons.

MAINTAIN STABLE DETERRENCE: To avoid miscalculation, the United States will conduct discussions with other states to build predictable relationships and reduce nuclear risks. We will consider new arms control arrangements if they contribute to strategic stability and if they are verifiable. We will not allow adversaries to use threats of nuclear escalation or other irresponsible nuclear behaviors to coerce the United States, our allies, and our partners. Fear of escalation will not prevent the United States from defending our vital interests and those of our allies and partners.

Space

The United States must maintain our leadership and freedom of action in space. Communications and financial networks, military and intelligence systems, weather monitoring, navigation, and more have components in the space domain. As U.S. dependence on space has increased, other actors have gained access to space-based systems and information. Governments and private sector firms have the ability to launch satellites into space at increasingly lower costs. The fusion of data from imagery, communications, and geolocation services allows motivated actors to access previously unavailable information. The “democratization of space” has an impact on military operations and on America’s ability to prevail in conflict.

Many countries are purchasing satellites to support their own strategic military activities. Others believe that the ability to attack space assets offers an asymmetric advantage and as a result, are pursuing a range of anti-satellite (ASAT) weapons. The United States considers unfettered access to and freedom to operate in space to be a vital interest. Any harmful interference with or an attack upon critical components of our space architecture that directly affects this vital U.S. interest will be met with a deliberate response at a time, place, manner, and domain of our choosing.

Priority Actions

ADVANCE SPACE AS A PRIORITY DOMAIN: America’s newly re-established National Space Council, chaired by the Vice President, will review America’s long-range space goals and develop a strategy that integrates all space sectors to support innovation and American leadership in space.

PROMOTE SPACE COMMERCE: The United States will simplify and update regulations for commercial space activity to strengthen competitiveness. As the U.S. Government partners with U.S. commercial space capabilities to improve the resiliency of our space architecture, we will also consider extending national security protections to our private sector partners as needed.

MAINTAIN LEAD IN EXPLORATION: To enable human exploration across the solar system and to bring back to Earth new knowledge and opportunities, we will increase public-private partnerships and promote ventures beyond low Earth orbit with allies and friends.

Cyberspace

Malicious state and non-state actors use cyberattacks for extortion, information warfare, disinformation, and more. Such attacks have the capability to harm large numbers of people and institutions with comparatively minimal investment and a troubling degree of deniability. These attacks can undermine faith and confidence in democratic institutions and the global economic system. Many countries now view cyber capabilities as tools for projecting influence, and some use cyber tools to protect and extend their autocratic regimes. Cyberattacks have become a key feature of modern conflict. The United States will deter, defend, and when necessary defeat malicious actors who use cyberspace capabilities against the United States. When faced with the opportunity to take action against malicious actors in cyberspace, the United States will be risk informed, but not risk averse, in considering our options.

Priority Actions

IMPROVE ATTRIBUTION, ACCOUNTABILITY, AND RESPONSE: We will invest in capabilities to support and improve our ability to attribute cyberattacks, to allow for rapid response.

ENHANCE CYBER TOOLS AND EXPERTISE: We will improve our cyber tools across the spectrum of conflict to protect U.S. Government assets and U.S. critical infrastructure, and to protect the integrity of data and information. U.S. departments and agencies will recruit, train, and retain a workforce capable of operating across this spectrum of activity.

IMPROVE INTEGRATION AND AGILITY: We will improve the integration of authorities and procedures across the U.S. Government so that cyber operations against adversaries can be conducted as required. We will work with the Congress to address the challenges that continue to hinder timely intelligence and information sharing, planning and operations, and the development of necessary cyber tools.

Intelligence

America's ability to identify and respond to geostrategic and regional shifts and their political, economic, military, and security implications requires that the U.S. Intelligence Community (IC) gather, analyze, discern, and operationalize information. In this information-dominant era, the IC must continuously pursue strategic intelligence to anticipate geostrategic shifts, as well as shorter-term intelligence so that the United States can respond to the actions and provocations of rivals.

The ability of the United States to modernize our military forces to overmatch our adversaries requires intelligence support. Intelligence is needed to understand and anticipate foreign doctrine and the intent of foreign leaders, prevent tactical and operational surprise, and ensure that U.S. capabilities are not compromised before they are fielded. In addition, virtually all modern weapon systems depend upon data derived from scientific and technical intelligence.

The IC, as well as the law enforcement community, offer unique abilities to defend against and mitigate threat actors operating below the threshold of open conflict. Both communities have exceptionally strong liaison relationships throughout the world, allowing the United States to cooperate with allies and partners to protect against adversaries.

Priority Actions

IMPROVE UNDERSTANDING: To prevent the theft of sensitive and proprietary information and maintain supply chain integrity, the United States must increase our understanding of the economic policy priorities of our adversaries and improve our ability to detect and defeat their attempts to commit economic espionage.

HARNESS ALL INFORMATION AT OUR DISPOSAL: The United States will, in concert with allies and partners, use the information-rich open-source environment to deny the ability of state and non-state actors to attack our citizens, conduct offensive intelligence activities, and degrade America's democratic institutions.

FUSE INFORMATION AND ANALYSIS: The United States will fuse our analysis of information derived from the diplomatic, information, military, and economic domains to compete more effectively on the geopolitical stage.

Diplomacy and Statecraft Competitive Diplomacy

Across the competitive landscape, America's diplomats are our forward-deployed political capability, advancing and defending America's interests abroad. Diplomacy catalyzes the political, economic, and societal connections that create America's enduring alignments and that build positive networks of relationships with partners.

Diplomacy sustains dialogue and fosters areas of cooperation with competitors. It reduces the risk of costly miscommunication. Diplomacy is indispensable to identify and implement solutions to conflicts in unstable regions of the world short of military involvement. It helps to galvanize allies for action and marshal the collective resources of like-minded nations and organizations to

address shared problems. Authoritarian states are eager to replace the United States where the United States withdraws our diplomats and closes our outposts.

We must upgrade our diplomatic capabilities to compete in the current environment and to embrace a competitive mindset. Effective diplomacy requires the efficient use of limited resources, a professional diplomatic corps, modern and safe facilities, and secure methods to communicate and engage with local populations.

Priority Actions

PRESERVE A FORWARD DIPLOMATIC PRESENCE: Our diplomats must be able to build and sustain relationships where U.S. interests are at stake. Face-to-face diplomacy cannot be replaced by technology. Relationships, developed over time, create trust and shared understanding that the United States calls upon when confronting security threats, responding to crises, and encouraging others to share the burden for tackling the world's challenges. We must enable forward-deployed field work beyond the confines of diplomatic facilities, including partnering with military colleagues in conflict-affected states.

ADVANCE AMERICAN INTERESTS: In the ongoing contests for power, our diplomats must build and lead coalitions that advance shared interests and articulate America's vision in international forums, in bilateral relationships, and at local levels within states. Our diplomats need additional flexibility to operate in complex conflict-affected areas.

CATALYZE OPPORTUNITIES: Diplomats must identify opportunities for commerce and cooperation, and facilitate the cultural, educational, and people-to-people exchanges that create the networks of current and future political, civil society, and educational leaders who will extend a free and prosperous world.

Tools of Economic Diplomacy

Retaining our position as the world's preeminent economic actor strengthens our ability to use the tools of economic diplomacy for the good of Americans and others. Maintaining America's central role in international financial forums enhances our security and prosperity by expanding a community of free market economies, defending against threats from state-led economies, and protecting the U.S. and international economy from abuse by illicit actors.

We want to create wealth for Americans and our allies and partners. Prosperous states are stronger security partners who are able to share the burden of confronting common threats. Fair and reciprocal trade, investments, and exchanges of knowledge deepen our alliances and partnerships, which are necessary to succeed in today's competitive geopolitical environment. Trade, export promotion, targeted use of foreign assistance, and modernized development finance tools can promote stability, prosperity, and political reform, and build new partnerships based on the principle of reciprocity.

Economic tools—including sanctions, anti-money-laundering and anti-corruption measures, and enforcement actions—can be important parts of broader strategies to deter, coerce, and constrain adversaries. We will work with like-minded partners to build support for tools of economic diplomacy against shared threats. Multilateral economic pressure is often more effective because it limits the ability of targeted states to circumvent measures and conveys united resolve.

Priority Actions

REINFORCE ECONOMIC TIES WITH ALLIES AND PARTNERS: We will strengthen economic ties as a core aspect of our relationships with like-minded states and use our economic expertise, markets, and resources to bolster states threatened by our competitors.

DEPLOY ECONOMIC PRESSURE ON SECURITY THREATS: We will use existing and pursue new economic authorities and mobilize international actors to increase pressure on threats to peace and security in order to resolve confrontations short of military action.

SEVER SOURCES OF FUNDING: We will deny revenue to terrorists, WMD proliferators, and other illicit actors in order to constrain their ability to use and move funds to support hostile acts and operations .

Information Statecraft

America's competitors weaponize information to attack the values and institutions that underpin free societies, while shielding themselves from outside information. They exploit marketing techniques to target individuals based upon their activities, interests, opinions, and values. They disseminate misinformation and propaganda.

Risks to U.S. national security will grow as competitors integrate information derived from personal and commercial sources with intelligence collection and data analytic capabilities based on Artificial Intelligence (AI) and machine learning. Breaches of U.S. commercial and government organizations also provide adversaries with data and insights into their target audiences. China, for example, combines data and the use of AI to rate the loyalty of its citizens to the state and uses these ratings to determine jobs and more. Jihadist terrorist groups continue to wage ideological information campaigns to establish and legitimize their narrative of hate, using sophisticated communications tools to attract recruits and encourage attacks against Americans and our partners.

Russia uses information operations as part of its offensive cyber efforts to influence public opinion across the globe. Its influence campaigns blend covert intelligence operations and false online personas with state-funded media, third-party intermediaries, and paid social media users or "trolls."

U.S. efforts to counter the exploitation of information by rivals have been tepid and fragmented. U.S. efforts have lacked a sustained focus and have been hampered by the lack of properly trained professionals. The American private sector has a direct interest in supporting and amplifying voices that stand for tolerance, openness, and freedom.

Priority Actions

PRIORITIZE THE COMPETITION: We will improve our understanding of how adversaries gain informational and psychological advantages across all policies. The United States must empower a true public diplomacy capability to compete effectively in this arena.

DRIVE EFFECTIVE COMMUNICATIONS: We will craft and direct coherent communications campaigns to advance American influence and counter challenges from the ideological threats that emanate from radical Islamist groups and competitor nations. These campaigns will adhere to American values and expose adversary propaganda and disinformation.

ACTIVATE LOCAL NETWORKS: Local voices are most compelling and effective in ideological competitions. We must amplify credible voices and partner with them to advance alternatives to violent and hateful messages. Since media and Internet companies are the platforms through which messages are transported, the private sector should lend its creativity and resources to promoting the values that inspire and grow a community of civilized groups and individuals.

SHARE RESPONSIBILITY: The United States will urge states where radicalism thrives to take greater responsibility for countering violent messaging and promoting tolerant and pluralistic worldviews.

UPGRADE, TAILOR, AND INNOVATE: We will reexamine legacy delivery platforms for communicating U.S. messages overseas. We must consider more cost-effective and efficient ways to deliver and evaluate content consistent with U.S. national security interests.

PILLAR IV: Advance American Influence

"Above all, we value the dignity of every human life, protect the rights of every person, and share the hope of every soul to live in freedom. That is who we are."

PRESIDENT DONALD J. TRUMP

JULY 2017

Our America First foreign policy celebrates America's influence in the world as a positive force that can help set the conditions for peace and prosperity and for developing successful societies.

There is no arc of history that ensures that America's free political and economic system will automatically prevail. Success or failure depends upon our actions. This Administration has the confidence to compete to protect our values and interests and the fundamental principles that underpin them.

During the Cold War, a totalitarian threat from the Soviet Union motivated the free world to create coalitions in defense of liberty. Today's challenges to free societies are just as serious, but more diverse. State and non-state actors project influence and advance their objectives by exploiting information, democratic media freedoms, and international institutions. Repressive leaders often collaborate to subvert free societies and corrupt multilateral organizations.

Around the world, nations and individuals admire what America stands for. We treat people equally and value and uphold the rule of law. We have a democratic system that allows the best ideas to flourish. We know how to grow economies so that individuals can achieve prosperity. These qualities have made America the richest country on earth—rich in culture, talent, opportunities, and material wealth.

The United States offers partnership to those who share our aspirations for freedom and prosperity. We lead by example. "The world has its eye upon America," Alexander Hamilton once observed. "The noble struggle we have made in the cause of liberty, has occasioned a kind of revolution in human sentiment. The influence of our example has penetrated the gloomy regions of despotism."

We are not going to impose our values on others. Our alliances, partnerships, and coalitions are built on free will and shared interests. When the United States partners with other states, we develop policies that enable us to achieve our goals while our partners achieve theirs.

Allies and partners are a great strength of the United States. They add directly to U.S. political, economic, military, intelligence, and other capabilities. Together, the United States and our allies and partners represent well over half of the global GDP. None of our adversaries have comparable coalitions.

We encourage those who want to join our community of like-minded democratic states and improve the condition of their peoples. By modernizing U.S. instruments of diplomacy and development, we will catalyze conditions to help them achieve that goal. These aspiring partners include states that are fragile, recovering from conflict, and seeking a path forward to sustainable security and economic growth. Stable, prosperous, and friendly states enhance American security and boost U.S. economic opportunities.

We will continue to champion

American values and offer encouragement to those struggling for human dignity in their societies. There can be no moral equivalency between nations that uphold the rule of law, empower women, and respect individual rights and those that brutalize and suppress their people. Through our words and deeds, America demonstrates a positive alternative to political and religious despotism.

Encourage Aspiring Partners

Some of the greatest triumphs of American statecraft resulted from helping fragile and developing countries become successful societies. These successes, in turn, created profitable markets for American businesses, allies to help achieve favorable regional balances of power, and coalition partners to share burdens and address a variety of problems around the world. Over time, the United States has helped create a network of states that advance our common interests and values.

This historical record is unprecedented and exceptional. American support to aspiring partners enabled the recovery of the countries of Western Europe under the Marshall Plan, as well as the ongoing integration of Central and Eastern Europe into Western institutions after the Cold War. In Asia, the United States worked with South Korea and Japan, countries ravaged by war, to help them become successful democracies and among the most prosperous economies in the world.

These achievements were products of patient partnerships with those who aspired to build prosperous societies and join the community of democratic states. They resulted in mutually beneficial relationships in which the United States helped states mobilize their own resources to achieve transitions to growth and stability. Working with these countries made the United States wealthier and more competitive. This progress illustrates how effective foreign assistance programs should reach their natural endpoint.

Today, the United States must compete for positive relationships around the world. China and Russia target their investments in the developing world to expand influence and gain competitive advantages against the United States. China is investing billions of dollars in infrastructure across the globe. Russia, too, projects its influence economically, through the control of key energy and other infrastructure throughout parts of Europe and Central Asia. The United States provides an alternative to state-directed investments, which often leave developing countries worse off. The United States pursues economic ties not only for market access but also to create enduring relationships to advance common political and security interests.

The United States will promote a development model that partners with countries that want progress, consistent with their culture, based on free market principles, fair and reciprocal trade, private sector activity, and rule of law. The United States will shift away from a reliance on assistance based on grants to approaches that attract private capital and catalyze private sector activity. We will emphasize reforms that unlock the economic potential of citizens, such as the promotion of formal property rights, entrepreneurial reforms, and infrastructure improvements—projects that help people earn their livelihood and have the added benefit of helping U.S. businesses. By mobilizing both public and private resources, the United States can help maximize returns and outcomes and reduce the burden on U.S. Government resources. Unlike the state-directed mercantilism of some competitors that can disadvantage recipient nations and promote dependency, the purpose of U.S. foreign assistance should be to end the need for it. The United States seeks strong partners, not weak ones.

U.S. development assistance must support America's national interests. We will prioritize collaboration with aspiring partners that are aligned with U.S. interests. We will focus on development investments where we can have the most impact—where local reformers are committed to tackling their economic and political challenges.

Within this framework, the United States will also assist fragile states to prevent threats to the U.S. homeland. Transnational threat organizations, such as jihadist terrorists and organized crime, often operate freely from fragile states and undermine sovereign governments. Failing states can destabilize entire regions.

Across Africa, Latin America, and Asia, states are eager for investments and financing to develop their infrastructure and propel growth. The United States and its partners have opportunities to work with countries to help them realize their potential as prosperous and sovereign states that are accountable to their people. Such states can become trading partners that buy more American-made goods and create more predictable business environments that benefit American companies. American-led investments represent the most sustainable and responsible approach to development and offer a stark contrast to the corrupt, opaque, exploitive, and low-quality deals offered by authoritarian states.

Priority Actions: Developing Countries

MOBILIZE RESOURCES: The United States will modernize its development finance tools so that U.S. companies have incentives to capitalize on opportunities in developing countries. With these changes, the United States will not be left behind as other states use investment and project finance to extend their influence. In addition, the U.S. Government must not be an obstacle to U.S. companies that want to conduct business in the developing world.

CAPITALIZE ON NEW TECHNOLOGIES: We will incorporate innovative technologies in our diplomatic and development programs. For example, digital technologies enable millions to access financial services through their cell phones and can connect farmers to markets. Such technologies can reduce corruption, increase transparency, and help ensure that money reaches its intended destination.

INCENTIVIZE REFORMS: The United States will use diplomacy and assistance to encourage states to make choices that improve governance, rule of law, and sustainable development. We already do this through the Millennium Challenge Corporation, which selects countries that are committed to reform and then monitors and evaluates their projects.

Priority Actions: Fragile States

COMMIT SELECTIVELY: We will give priority to strengthening states where state weaknesses or failure would magnify threats to the American homeland. For instance, engagement in Afghanistan seeks to prevent the reemergence of terrorist safe havens.

WORK WITH REFORMERS: Political problems are at the root of most state fragility. The United States will prioritize programs that empower reform-minded governments, people, and civil society. As the United States designs its efforts, inputs from local actors improve the likelihood of enduring solutions, reduce costs, and increase accountability to the American taxpayer.

SYNCHRONIZE ACTIONS: The United States must use its diplomatic, economic, and military tools simultaneously when assisting aspiring partners. We will place a priority on economic support that achieves local and macroeconomic stability, helps build capable security forces, and strengthens the rule of law.

Achieve Better Outcomes in Multilateral Forums The United States must lead and engage in the multinational arrangements that shape many of the rules that affect U.S. interests and values. A competition for influence exists in these institutions. As we participate in them, we must protect American sovereign- and advance American interests and values.

A range of international institutions establishes the rules for how states, businesses, and individuals interact with each other, across land and sea, the Arctic, outer space, and the digital realm. It is vital to U.S. prosperity and security that these institutions uphold the rules that help keep these common domains open and free. Free access to the seas remains a central principle of national security and economic prosperity, and exploration of sea and space provides opportunities for commercial gain and scientific breakthroughs. The flow of data and an open, interoperable Internet are inseparable from the success of the U.S. economy.

Authoritarian actors have long recognized the power of multilateral bodies and have used them to advance their interests and limit the freedom of their own citizens. If the United States cedes leadership of these bodies to adversaries, opportunities to shape developments that are positive for the United States will be lost. All institutions are not equal, however. The United States will prioritize its efforts in those organizations that serve American interests, to ensure that they are strengthened and supportive of the United States, our allies, and our partners. Where existing institutions and rules need modernizing, the United States will lead to update them. At the same time, it should be clear that the United States will not cede sovereign- to those that claim authority over American citizens and are in conflict with our constitutional framework.

Priority Actions

EXERCISE LEADERSHIP IN POLITICAL AND SECURITY BODIES: The United States will strive for outcomes in political and security forums that are consistent with U.S. interests and values—values which are shared by our allies and partners. The United Nations can help contribute to solving many of the complex problems in the world, but it must be reformed and recommit to its founding principles. We will require accountability and emphasize shared responsibility among members. If the United States is asked to provide a disproportionate level of support for an institution, we will expect a commensurate degree of influence over the direction and efforts of that institution.

SHAPE AND REFORM INTERNATIONAL FINANCIAL AND TRADE INSTITUTIONS: The United States will continue to play a leading role in institutions such as the International Monetary Fund (IMF), World Bank, and World Trade Organization (WTO), but will improve their performance through reforms. These reforms include encouraging multilateral development banks to invest in high-quality infrastructure projects that promote economic growth. We will press to make the WTO a more effective forum to adjudicate unfair trade practices.

ENSURE COMMON DOMAINS REMAIN FREE: The United States will provide leadership and technology to shape and govern common domains—space, cyberspace, air, and maritime—within the framework of international law. The United States supports the peaceful resolution of disputes under international law but will use all of its instruments of power to defend U.S. interests and to ensure common domains remain free.

PROTECT A FREE AND OPEN INTERNET: The United States will advocate for open, interoperable communications, with minimal barriers to the global exchange of information and services. The United States will promote the free flow of data and protect its interests through active engagement in key organizations, such as the Internet Corporation for Assigned Names and Numbers (ICANN), the Internet Governance Forum (IGF), the UN, and the International Telecommunication Union (ITU).

Champion American Values

The extraordinary trajectory of the United States from a group of colonies to a thriving, industrialized, sovereign republic—the world's lone superpower—is a testimony to the strength of the idea on which our Nation is founded, namely that each of our citizens is born free and equal under the law. America's core principles, enshrined in the Declaration of Independence, are secured by the Bill of Rights, which proclaims our respect for fundamental individual liberties beginning with the freedoms of religion, speech, the press, and assembly. Liberty, free enterprise, equal justice under the law, and the dignity of every human life are central to who we are as a people.

These principles form the foundation of our most enduring alliances, and the United States will continue to champion them. Governments that respect the rights of their citizens remain the best vehicle for prosperity, human happiness, and peace. In contrast, governments that routinely abuse the rights of their citizens do not play constructive roles in the world. For example, governments that fail to treat women equally do not allow their societies to reach their potential.

No nation can unilaterally alleviate all human suffering, but just because we cannot help everyone does not mean that we should stop trying to help anyone. For much of the world, America's liberties are inspirational, and the United States will always stand with those who seek freedom. We will remain a beacon of liberty and opportunity around the world.

The United States also remains committed to supporting and advancing religious freedom—America's first freedom. Our Founders understood religious freedom not as the state's creation, but as the gift of God to every person and a fundamental right for our flourishing society.

And it is part of our culture, as well as in America's interest, to help those in need and those trying to build a better future for their families. We aid others judiciously, aligning our means to our

objectives, but with a firm belief that we can improve the lives of others while establishing conditions for a more secure and prosperous world.

Priority Actions

SUPPORT THE DIGNITY OF INDIVIDUALS: We support, with our words and actions, those who live under oppressive regimes and who seek freedom, individual dignity, and the rule of law. We are under no obligation to offer the benefits of our free and prosperous communi- to repressive regimes and human rights abusers. We may use diplomacy, sanctions, and other tools to isolate states and leaders who threaten our interests and whose actions run contrary to our values. We will not remain silent in the face of evil. We will hold perpetrators of genocide and mass atrocities accountable.

DEFEAT TRANSNATIONAL TERRORIST ORGANIZATIONS: There can be no greater action to advance the rights of individuals than to defeat jihadist terrorists and other groups that foment hatred and use violence to advance their supremacist Islamist ideologies. We will continue to join with other states to defeat this scourge of all civilized peoples.

EMPOWER WOMEN AND YOUTH: Societies that empower women to participate fully in civic and economic life are more prosperous and peaceful. We will support efforts to advance women's equality, protect the rights of women and girls, and promote women and youth empowerment programs.

PROTECT RELIGIOUS FREEDOM AND RELIGIOUS MINORITIES: We will advocate on behalf of religious freedom and threatened minorities. Religious minorities continue to be victims of violence. We will place a priority on protecting these groups and will continue working with regional partners to protect minority communities from attacks and to preserve their cultural heritage.

REDUCE HUMAN SUFFERING: e United States will continue to lead the world in humanitarian assistance. Even as we expect others to share responsibility, the United States will continue to catalyze international responses to man-made and natural disasters and provide our expertise and capabilities to those in need. We will support food security and health programs that save lives and address the root cause of hunger and disease. We will support displaced people close to their homes to help meet their needs until they can safely and voluntarily return home.

The Strategy in a Regional Context

The United States must tailor our approaches to different regions of the world to protect U.S. national interests. We require integrated regional strategies that appreciate the nature and magnitude of threats, the intensi of competitions, and the promise of available opportunities, all in the context of local political, economic, social, and historical realities.

Changes in a regional balance of power can have global consequences and threaten U.S. interests. Markets, raw materials, lines of communication, and human capital are located within, or move among, key regions of the world. China and Russia aspire to project power worldwide, but they interact most with their neighbors. North Korea and Iran also pose the greatest menace to those closest to them. But, as destructive weapons proliferate and regions become more interconnected, threats become more difficult to contain. And regional balances that shift against the United States could combine to threaten our security.

The United States must marshal the will and capabilities to compete and prevent unfavorable shifts in the Indo-Pacific, Europe, and the Middle East. Sustaining favorable balances of power will require a strong commitment and close cooperation with allies and partners because allies and partners magnify U.S. power and extend U.S. influence. They share our interests and responsibility for resisting authoritarian trends, contesting radical ideologies, and deterring aggression.

In other regions of the world, instabili- and weak governance threaten U.S. interests. Some governments are unable to maintain security and meet the basic needs of their people, making their

country and citizens vulnerable to predators. Terrorists and criminals thrive where governments are weak, corruption is rampant, and faith in government institutions is low. Strategic competitors often exploit rather than discourage corruption and state weakness to extract resources and exploit their populations.

Regions afflicted by instability and weak governments also offer opportunities to improve security, promote prosperity, and restore hope. Aspiring partner states across the developing world want to improve their societies, build transparent and effective governments, confront non-state threats, and strengthen their sovereignty. Many recognize the opportunities offered by market economies and political liberties and are eager for partnership with the United States and our allies. The United States will encourage aspiring partners as they undertake reforms and pursue their aspirations. States that prosper and nations that transition from recipients of development assistance to trading partners offer economic opportunities for American businesses. And stability reduces threats that target Americans at home.

Indo-Pacific

A geopolitical competition between free and repressive visions of world order is taking place in the Indo-Pacific region. The region, which stretches from the west coast of India to the western shores of the United States, represents the most populous and economically dynamic part of the world. The U.S. interest in a free and open Indo-Pacific extends back to the earliest days of our republic.

Although the United States seeks to continue to cooperate with China, China is using economic inducements and penalties, influence operations, and implied military threats to persuade other states to heed its political and security agenda. China's infrastructure investments and trade strategies reinforce its geopolitical aspirations. Its efforts to build and militarize outposts in the South China Sea endanger the free flow of trade, threaten the sovereignty of other nations, and undermine regional stability. China has mounted a rapid military modernization campaign designed to limit U.S. access to the region and provide China a freer hand there. China presents its ambitions as mutually beneficial, but Chinese dominance risks diminishing the sovereignty of many states in the Indo-Pacific. States throughout the region are calling for sustained U.S. leadership in a collective response that upholds a regional order respectful of sovereignty and independence.

In Northeast Asia, the North Korean regime is rapidly accelerating its cyber, nuclear, and ballistic missile programs. North Korea's pursuit of these weapons poses a global threat that requires a global response. Continued provocations by North Korea will prompt neighboring countries and the United States to further strengthen security bonds and take additional measures to protect themselves. And a nuclear-armed North Korea could lead to the proliferation of the world's most destructive weapons across the Indo-Pacific region and beyond.

U.S. allies are critical to responding to mutual threats, such as North Korea, and preserving our mutual interests in the Indo-Pacific region. Our alliance and friendship with South Korea, forged by the trials of history, is stronger than ever. We welcome and support the strong leadership role of our critical ally, Japan. Australia has fought alongside us in every significant conflict since World War I, and continues to reinforce economic and security arrangements that support our shared interests and safeguard democratic values across the region. New Zealand is a key U.S. partner contributing to peace and security across the region. We welcome India's emergence as a leading global power and stronger strategic and defense partner. We will seek to increase quadrilateral cooperation with Japan, Australia, and India.

In Southeast Asia, the Philippines and Thailand remain important allies and markets for Americans. Vietnam, Indonesia, Malaysia, and Singapore are growing security and economic partners of the United States. The Association of Southeast Asian Nations (ASEAN) and Asia-

Pacific Economic Cooperation (APEC) remain centerpieces of the Indo-Pacific's regional architecture and platforms for promoting an order based on freedom.

Priority Actions

POLITICAL: Our vision for the Indo-Pacific excludes no nation. We will redouble our commitment to established alliances and partnerships, while expanding and deepening relationships with new partners that share respect for sovereign- , fair and

reciprocal trade, and the rule of law. We will reinforce our commitment to freedom of the seas and the peaceful resolution of territorial and maritime disputes in accordance with international law. We will work with allies and partners to achieve complete, verifiable, and irreversible denuclearization on the Korean Peninsula and preserve the non-proliferation regime in Northeast Asia.

ECONOMIC: The United States will encourage regional cooperation to maintain free and open seaways, transparent infrastructure financing practices, unimpeded commerce, and the peaceful resolution of disputes. We will pursue bilateral trade agreements on a fair and reciprocal basis. We will seek equal and reliable access for American exports. We will work with partners to build a network of states dedicated to free markets and protected from forces that would subvert their sovereignty. We will strengthen cooperation with allies on high-quality infrastructure. Working with Australia and New Zealand, we will shore up fragile partner states in the Pacific Islands region to reduce their vulnerability to economic fluctuations and natural disasters.

MILITARY AND SECURITY: We will maintain a forward military presence capable of deterring and, if necessary, defeating any adversary. We will strengthen our long-standing military relationships and encourage the development of a strong defense network with our allies and partners. For example, we will cooperate on missile defense with Japan and South Korea to move toward an area defense capability. We remain ready to respond with overwhelming force to North Korean aggression and will improve options to compel denuclearization of the peninsula. We will improve law enforcement, defense, and intelligence cooperation with Southeast Asian partners to address the growing terrorist threat. We will maintain our strong ties with Taiwan in accordance with our "One China" policy, including our commitments under the Taiwan Relations Act to provide for Taiwan's legitimate defense needs and deter coercion. We will expand our defense and security cooperation with India, a Major Defense Partner of the United States, and support India's growing relationships throughout the region. We will re-energize our alliances with the Philippines and island and strengthen our partnerships with Singapore, Vietnam, Indonesia, Malaysia, and others to help them become cooperative maritime partners.

Europe

A strong and free Europe is of vital importance to the United States. We are bound together by our shared commitment to the principles of democracy, individual liberty, and the rule of law. Together, we rebuilt Western Europe after World War II and created institutions that produced stability and wealth on both sides of the Atlantic. Today, Europe is one of the most prosperous regions in the world and our most significant trading partner.

Although the menace of Soviet communism is gone, new threats test our will. Russia is using subversive measures to weaken the credibility of America's commitment to Europe, undermine transatlantic unity, and weaken European institutions and governments. With its invasions of Georgia and Ukraine, Russia demonstrated its willingness to violate the sovereignty of states in the region. Russia continues to intimidate its neighbors with threatening behavior, such as nuclear posturing and the forward deployment of offensive capabilities.

China is gaining a strategic foothold in Europe by expanding its unfair trade practices and investing in key industries, sensitive technologies, and infrastructure. Europe also faces immediate threats from violent Islamist extremists. Attacks by ISIS and other jihadist groups in Spain, France, Germany, Belgium, the United Kingdom, and other countries show that our European partners

continue to face serious threats. Instability in the Middle East and Africa has triggered the movement of millions of migrants and refugees into Europe, exacerbating instability and tensions in the region.

The United States is safer when Europe is prosperous and stable, and can help defend our shared interests and ideals. The United States remains firmly committed to our European allies and partners.

The NATO alliance of free and sovereign states is one of our great advantages over our competitors, and the United States remains committed to Article V of the Washington Treaty.

European allies and partners increase our strategic reach and provide access to forward basing and overflight rights for global operations. Together we confront shared threats. European nations are contributing thousands of troops to help fight jihadist terrorists in Afghanistan, stabilize Iraq, and fight terrorist organizations across Africa and the greater Middle East.

The NATO alliance will become stronger when all members assume greater responsibility for and pay their fair share to protect our mutual interests, sovereignty, and values.

Priority Actions

POLITICAL: The United States will deepen collaboration with our European allies and partners to confront forces threatening to undermine our common values, security interests, and shared vision. The United States and Europe will work together to counter Russian subversion and aggression, and the threats posed by North Korea and Iran. We will continue to advance our shared principles and interests in international forums.

ECONOMIC: The United States will work with the European Union, and bilaterally with the United Kingdom and other states, to ensure fair and reciprocal trade practices and eliminate barriers to growth. We will encourage European foreign direct investment in the United States to create jobs. We will work with our allies and partners to diversify European energy sources to ensure the energy security of European countries. We will work with our partners to contest China's unfair trade and economic practices and restrict its acquisition of sensitive technologies.

MILITARY AND SECURITY: The United States fulfills our defense responsibilities and expects others to do the same. We expect our European allies to increase defense spending to 2 percent of gross domestic product by 2024, with 20 percent of this spending devoted to increasing military capabilities. On NATO's eastern flank we will continue to strengthen deterrence and defense, and catalyze frontline allies and partners' efforts to better defend themselves. We will work with NATO to improve its integrated air and missile defense capabilities to counter existing and projected ballistic and cruise missile threats, particularly from Iran. We will increase counterterrorism and cybersecurity cooperation.

Middle East

The United States seeks a Middle East that is not a safe haven or breeding ground for jihadist terrorists, not dominated by any power hostile to the United States, and that contributes to a stable global energy market.

For years, the interconnected problems of Iranian expansion, state collapse, jihadist ideology, socio-economic stagnation, and regional rivalries have convulsed the Middle East. The United States has learned that neither aspirations for democratic transformation nor disengagement can insulate us from the region's problems. We must be realistic about our expectations for the region without allowing pessimism to obscure our interests or vision for a modern Middle East.

The region remains home to the world's most dangerous terrorist organizations. ISIS and al-Qa'ida thrive on instability and export violent jihad. Iran, the world's leading state sponsor of terrorism, has taken advantage of instability to expand its influence through partners and proxies, weapon proliferation, and funding. It continues to develop more capable ballistic missiles and intelligence capabilities, and it undertakes malicious cyber activities. These activities have

continued unabated since the 2015 nuclear deal. Iran continues to perpetuate the cycle of violence in the region, causing grievous harm to civilian populations. Rival states are filling vacuums created by state collapse and prolonged regional conflict.

Despite these challenges, there are emerging opportunities to advance American interests in the Middle East. Some of our partners are working together to reject radical ideologies, and key leaders are calling for a rejection of Islamist extremism and violence. Encouraging political stability and sustainable prosperity would contribute to dampening the conditions that fuel sectarian grievances.

For generations the conflict between Israel and the Palestinians has been understood as the prime irritant preventing peace and prosperity in the region. Today, the threats from jihadist terrorist organizations and the threat from Iran are creating the realization that Israel is not the cause of the region's problems. States have increasingly found common interests with Israel in confronting common threats.

Today, the United States has the opportunity to catalyze greater economic and political cooperation that will expand prosperity for those who want to partner with us. By revitalizing partnerships with reform-minded nations and encouraging cooperation among partners in the region, the United States can promote stability and a balance of power that favors U.S. interests.

Priority Actions

POLITICAL: We will strengthen partnerships, and form new ones, to help advance security through stability. Whenever possible, we will encourage gradual reforms. We will support efforts to counter violent ideologies and increase respect for the dignity of individuals. We remain committed to helping our partners achieve a stable and prosperous region, including through a strong and integrated Gulf Cooperation Council. We will strengthen our long-term strategic partnership with Iraq as an independent state. We will seek a settlement to the Syrian civil war that sets the conditions for refugees to return home and rebuild their lives in safety. We will work with partners to deny the Iranian regime all paths to a nuclear weapon and neutralize Iranian malign influence. We remain committed to helping facilitate a comprehensive peace agreement that is acceptable to both Israelis and Palestinians.

ECONOMIC: The United States will support the reforms underway that begin to address core inequities that jihadist terrorists exploit. We will encourage states in the region, including Egypt and Saudi Arabia, to continue modernizing their economies. We will play a role in catalyzing positive developments by engaging economically, supporting reformers, and championing the benefits of open markets and societies.

MILITARY AND SECURITY: We will retain the necessary American military presence in the region to protect the United States and our allies from terrorist attacks and preserve a favorable regional balance of power. We will assist regional partners in strengthening their institutions and capabilities, including in law enforcement, to conduct counterterrorism and counterinsurgency efforts. We will help partners procure interoperable missile defense and other capabilities to better defend against active missile threats. We will work with partners to neutralize Iran's malign activities in the region.

South and Central Asia

With over a quarter of the world's population, a fifth of all U.S.-designated terrorist groups, several fast-growing economies, and two nuclear-armed states, South and Central Asia present some of the most complicated national security challenges and opportunities. The region spans the terrorist threats emanating from the Middle East and the competition for power unfolding in Europe and the Indo-Pacific. The United States continues to face threats from transnational terrorists and militants operating from within Pakistan. The prospect for an Indo-Pakistani military conflict that could lead to a nuclear exchange remains a key concern requiring consistent diplomatic attention.

U.S. interests in the region include countering terrorist threats that impact the security of the U.S. homeland and our allies, preventing cross-border terrorism that raises the prospect of military and nuclear tensions, and preventing nuclear weapons, technology, and materials from falling into the hands of terrorists. We seek an American presence in the region proportionate to threats to the homeland and our allies. We seek a Pakistan that is not engaged in destabilizing behavior and a stable and self-reliant Afghanistan. And we seek Central Asian states that are resilient against domination by rival powers, are resistant to becoming jihadist safe havens, and prioritize reforms.

Priority Actions

POLITICAL: We will deepen our strategic partnership with India and support its leadership role in Indian Ocean security and throughout the broader region. We will press Pakistan to intensify its counterterrorism efforts, since no partnership can survive a country's support for militants and terrorists who target a partner's own service members and officials. The United States will also encourage Pakistan to continue demonstrating that it is a responsible steward of its nuclear assets. We will continue to partner with Afghanistan to promote peace and security in the region. We will continue to promote anti-corruption reform in Afghanistan to increase the legitimacy of its government and reduce the appeal of violent extremist organizations. We will help South Asian nations maintain their sovereignty as China increases its influence in the region.

ECONOMIC: We will encourage the economic integration of Central and South Asia to promote prosperity and economic linkages that will bolster connectivity and trade. And we will encourage India to increase its economic assistance in the region. In Pakistan, we will build trade and investment ties as security improves and as Pakistan demonstrates that it will assist the United States in our counterterrorism goals.

MILITARY AND SECURITY: We are committed to supporting the Afghan government and security forces in their fight against the Taliban, al-Qa'ida, ISIS, and other terrorists. We will bolster the fighting strength of the Afghan security forces to convince the Taliban that they cannot win on the battlefield and to set the conditions for diplomatic efforts to achieve enduring peace. We will insist that Pakistan take decisive action against militant and terrorist groups operating from its soil. We will work with the Central Asian states to guarantee access to the region to support our counterterrorism efforts.

Western Hemisphere

Stable, friendly, and prosperous states in the Western Hemisphere enhance our security and benefit our economy. Democratic states connected by shared values and economic interests will reduce the violence, drug trafficking, and illegal immigration that threaten our common security, and will limit opportunities for adversaries to operate from areas of close proximity to us.

In the last half century, parts of this hemisphere were marred by dictatorships and insurgencies that killed tens of thousands of people. Today, this region stands on the cusp of prosperity and peace, built upon democracy and the rule of law. U.S. trade in the region is thriving and market opportunities for American goods and services, energy and infrastructure projects, and foreign direct investment continue to expand.

Challenges remain, however. Transnational criminal organizations—including gangs and cartels—perpetuate violence and corruption, and threaten the stability of Central American states including Guatemala, Honduras, and El Salvador. In Venezuela and Cuba, governments cling to anachronistic leftist authoritarian models that continue to fail their people. Competitors have found operating space in the hemisphere.

China seeks to pull the region into its orbit through state-led investments and loans. Russia continues its failed politics of the Cold War by bolstering its radical Cuban allies as Cuba continues to repress its citizens. Both China and Russia support the dictatorship in Venezuela and are seeking

to expand military linkages and arms sales across the region. The hemisphere's democratic states have a shared interest in confronting threats to their sovereignty.

Canada and the United States share a unique strategic and defense partnership. The United States also has important and deepening relations with key countries in the region. Together, we will build a stable and peaceful hemisphere that increases economic opportunities for all, improves governance, reduces the power of criminal organizations, and limits the malign influence of non-hemispheric forces.

Priority Actions

POLITICAL: We will catalyze regional efforts to build security and prosperity through strong diplomatic engagement. We will isolate governments that refuse to act as responsible partners in advancing hemispheric peace and prosperity. We look forward to the day when the people of Cuba and Venezuela can enjoy freedom and the benefits of shared prosperity, and we encourage other free states in the hemisphere to support this shared endeavor.

ECONOMIC: We will modernize our trade agreements and deepen our economic ties with the region and ensure that trade is fair and reciprocal. We will encourage further market-based economic reforms and encourage transparency to create conditions for sustained prosperity. We will ensure the U.S. financial system does not serve as a haven or transit point for criminal proceeds.

MILITARY AND SECURITY: We will build upon local efforts and encourage cultures of lawfulness to reduce crime and corruption, including by supporting local efforts to professionalize police and other security forces; strengthen the rule of law and undertake judicial reform; and improve information sharing to target criminals and corrupt leaders and disrupt illicit trafficking.

Africa

Africa remains a continent of promise and enduring challenges. Africa contains many of the world's fastest growing economies, which represent potential new markets for U.S. goods and services. Aspiring partners across the continent are eager to build market-based economies and enhance stability. The demand for quality American exports is high and will likely grow as Africa's population and prosperity increase. People across the continent are demanding government accountability and less corruption, and are opposing autocratic trends. A number of stable African nations has grown since the independence era as numerous countries have emerged from devastating conflicts and undergone democratic transitions.

Despite this progress, many states face political turbulence and instability that spills into other regions. Corruption and weak governance threaten to undermine the political benefits that should emerge from new economic opportunities. Many African states are battlegrounds for violent extremism and jihadist terrorists. ISIS, al-Qa'ida, and their affiliates operate on the continent and have increased the lethality of their attacks, expanded into new areas, and targeted U.S. citizens and interests. African nations and regional organizations have demonstrated a commitment to confront the threat from jihadist terrorist organizations, but their security capabilities remain weak.

China is expanding its economic and military presence in Africa, growing from a small investor in the continent two decades ago into Africa's largest trading partner today. Some Chinese practices undermine Africa's long-term development by corrupting elites, dominating extractive industries, and locking countries into unsustainable and opaque debts and commitments. The United States seeks sovereign African states that are integrated into the world economy, able to provide for their citizens' needs, and capable of managing threats to peace and security. Improved governance in these states supports economic development and opportunities, diminishes the attraction of illegal migration, and reduces vulnerability to extremists, thereby reducing instability.

Priority Actions

POLITICAL: The United States will partner with governments, civil society, and regional organizations to end long-running, violent conflicts. We will encourage reform, working with

promising nations to promote effective governance, improve the rule of law, and develop institutions accountable and responsive to citizens. We will continue to respond to humanitarian needs while also working with committed governments and regional organizations to address the root causes of human suffering. If necessary, we are prepared to sanction government officials and institutions that prey on their citizens and commit atrocities. When there is no alternative, we will suspend aid rather than see it exploited by corrupt elites.

ECONOMIC: We will expand trade and commercial ties to create jobs and build wealth for Americans and Africans. We will work with reform-oriented governments to help establish conditions that can transform them into trading partners and improve their business environment. We will support economic integration among African states. We will work with nations that seek to move beyond assistance to partnerships that promote prosperity. We will offer American goods and services, both because it is profitable for us and because it serves as an alternative to China's often extractive economic footprint on the continent.

MILITARY AND SECURITY: We will continue to work with partners to improve the ability of their security services to counter terrorism, human trafficking, and the illegal trade in arms and natural resources. We will work with partners to defeat terrorist organizations and others who threaten U.S. citizens and the homeland.

Conclusion

This National Security Strategy sets a positive strategic direction for the United States that is meant to reassert America's advantages on the world stage and to build upon our country's great strengths. During the Trump Administration, the American people can be confident that their security and prosperity will always come first. A secure, prosperous, and free America will be strong and ready to lead abroad to protect our interests and our way of life.

America's renewed strategic confidence is anchored in our recommitment to the principles inscribed in our founding documents. The National Security Strategy celebrates and protects what we hold dear—individual liberty, the rule of law, a democratic system of government, tolerance, and opportunity for all. By knowing ourselves and what we stand for, we clarify what we must defend and we establish guiding principles for our actions.

This strategy is guided by principled realism. It is realist because it acknowledges the central role of power in international politics, affirms that sovereign states are the best hope for a peaceful world, and clearly defines our national interests. It is principled because it is grounded in the knowledge that advancing American principles spreads peace and prosperity around the globe. We are guided by our values and disciplined by our interests.

This Administration has a bright vision of America's future. America's values and influence, underwritten by American power, make the world more free, secure, and prosperous.

Our Nation derives its strength from the American people. Every American has a role to play in this grand, national effort to implement this America First National Security Strategy. Together, our task is to strengthen our families, to build up our communities, to serve our citizens, and to celebrate American greatness as a shining example to the world. We will leave our children and grandchildren a Nation that is stronger, better, freer, prouder, and greater than ever before.

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