Exchange Mail

DATE-TIME 8/6/98 8:32:21 PM

FROM Andreasen, Steven P.

CLASSIFICATION UNCLASSIFIED

SUBJECT FW: National Security Strategy [UNCLASSIFIED]

TO Bouchard, Joseph F.

CARBON_COPY

TEXT_BODY Hope this relieves your desparate state...

-----Original Message-----
From: Bouchard,
Joseph F.
Sent: Tuesday, August 04, 1998 5:17 PM
To: Andreasen,
Steven P.; vonLipsey, Roderick K.
Subject: National Security Strategy
[UNCLASSIFIED]
Importance: High

Attached is the section of the
NSS Bob went over with us.

Steve, you will note that I had already
made changes to the NMD section Bob didn't like (moving reference to the Rumsfeld Commission report from the NMD section to the Intel

section) as part of my effort to incorporate Steinberg's guidance
on the Intel section.

Because of that edit, the pagination is
slightly different than what you saw in Bob's office.

Thank
you both very much for your support.

Joe Bouchard

TRANSLATED_ATTACHMENT Pt-2-Rev3-LILO.DOC
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, fostering the rule of law internationally in order to reduce other countries' vulnerability to criminal exploitation, 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 cyber-security of our nation. 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 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 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 also must stop the proliferation of non-safeguarded dual-use technologies that place these destructive capabilities in the hands of parties hostile to U.S. and global security interests.

* Foreign intelligence collection: The threat from foreign intelligence services is more diverse, complex and difficult to counter than ever before. This threat is a mix of traditional and non-traditional intelligence adversaries that have targeted American military, diplomatic, technological and commercial secrets. Some foreign intelligence services are rapidly adopting new technologies and innovative methods to obtain such secrets, including attempts to use the global information infrastructure to gain access to sensitive information via penetration of computer systems and networks. These new methods compound the already serious threat posed by traditional human, technical and signals intelligence activities.

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

The Need for Integrated Approaches

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

Diplomacy and military force must be closely coordinated - the success of each depends on the other. The success of both is critically dependent on timely and effective intelligence collection and analysis capabilities. Our military forces and foreign policy tools must be able to shape the international environment, respond to the full spectrum of potential crises and prepare against future threats. 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 that have the ability to 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.

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 reserve the right 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 and 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 loss of civilian lives 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, the Administration has 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 dencuclearization 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 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.

The National Defense Authorization Act for fiscal year 1995 authorized funds for the development and implementation of a joint counter proliferation assistance program to be managed by the Defense Department and FBI. This program will expand and improve U.S. efforts to deter the proliferation of WMD by organized crime groups and individuals throughout the NIS and Eastern Europe by providing 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 both in the United States and

strategically stationed or deployed forward, our ability to gain timely access to critical regions and infrastructure overseas, and 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 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 International Law Enforcement Academy in Budapest, Hungary makes a significant contribution to international law enforcement cooperation. It operates under the joint direction of the FBI and the Hungarian National Police, in close coordination with other federal law enforcement agencies and the Department of State. The FBI and other federal law enforcement agencies have provided extensive law enforcement training at ILEA 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 often 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. By prudently integrating environmental concerns into our national
security goals, our ability to meet other international obligations will not be
diminished. We take our environmental stewardship responsibilities seriously,
but remain committed to fulfilling our security commitments while taking action
internationally to protect the environment.

At Kyoto in December 1997, the industrialized nations of the world agreed for the
first time to a realistic framework to deal with the enormous global problem of
climate change. The agreement is environmentally strong, creating binding limits,
and comprehensive, covering the six greenhouse gases whose concentrations are
increasing due to human activity. It strongly 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 in it.

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 Basel Convention on the Control of
Transboundary Movements of Hazardous Wastes;

* 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.

Countering 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. Moreover, as long as terrorists continue to target American citizens and interests, we reserve the right to exercise 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.

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 cooperation in law enforcement 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 make 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.

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. Our antidrug budget request for next year exceeds $17 billion, nearly $6 billion of which will be devoted to demand reduction. 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.

Firearms Trafficking

The United States is working closely with other nations and international
organizations to shut down the illicit trade in firearms that fuels the violence
associated with terrorism, drug trafficking and international crime.

We have intensified country-by-country reviews of applications for licenses to export firearms, ammunition and explosives from the United States to ensure that exported weapons are not diverted to illicit purposes. The President has signed legislation amending the Arms Export Control Act to expand our authority to monitor and regulate the activities of arms brokers. The Bureau of Alcohol, Tobacco and Firearms (ATF) and the Customs Service have intensified their interdiction and investigative efforts at U.S. borders. The Attorney General has directed U.S. attorneys along the southwest border to begin a dedicated effort to prosecute traffickers caught attempting to smuggle firearms across the border.
The President announced last year that the Bureau of Alcohol, Tobacco and Firearms will tighten up proof of residency requirements for aliens purchasing firearms from dealers in the United States.

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 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. The Convention requires effective licensing systems for the export, import and transit of firearms and related materials, and requires that firearms be marked with serial numbers and the name and place of manufacture. The United States and its OAS partners have also drafted "Model Regulations" governing the transfer of firearms. 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.

Managing the Consequences of WMD Incidents

We will do all we can to prevent terrorism, particularly attacks with WMD, from endangering our citizens. But if a terrorist attack occurs, we must 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, agencies and the military continues to be a crucial national security requirement.

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 weapon of mass destruction incident. The Federal Emergency Management Agency 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 incidents involving WMD by 2002. In fiscal year 1997, the Defense Department provided training to nearly 1,500 metropolitan emergency responders -- firemen, 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 telecommunication s, 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.

Countering Foreign Intelligence Collection

To protect our 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.

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 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, appropriate U.S. forces will remain multi-mission capable and will be trained, equipped and organized with multiple missions in mind.

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.

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 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 in the future. 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 that 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.

We must continue aggressive efforts to construct appropriate twenty-first century
national security programs and structures. The Quadrennial Defense Review and
Defense Reform Initiative are doing this within the Department of Defense. 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. 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 improve our ability 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.

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.

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 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

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.

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 in 1998 by independent panels. In the wake of the May 1998 Indian nuclear tests, retired Admiral David E. Jeremiah led a panel that examined our ability to detect and monitor covert 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 in which we need to enhance our collection and assessment capabilities in order to better meet the needs of policymakers. We are taking aggressive action to improve our capabilities in those areas and 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.

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.

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 continue efforts to
prevent the spread of weapons of mass destruction to space. 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. We are pursuing

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.
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 or our forces and ultimately provides our national leaders
with more options in responding to potential crises and conflicts. Being able to
project power allows us to shape, deter, and respond even when we have no
permanent presence or a limited infrastructure in the region.

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

sealift and
airlift, to remain actively engaged in world affairs.

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

Promoting Prosperity

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

Strengthening Macroeconomic Coordination

As national economies become more integrated internationally, the United States

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

The recent financial troubles in Asia have demonstrated that global financial markets dominated by private capital flows provide both immense opportunities and great challenges. Developing ways to strengthen our international financial architecture is an urgent and compelling challenge. The ultimate objective of fashioning a strong, resilient global financial system is to underpin a vibrant, productive, growing global economy that provides 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, Asia Pacific Economic Cooperation (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 should commit to work together to make certain 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 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 antibribery convention developed by the OECD. 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 global 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 strengthening 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
able to compete 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, careful and broadly-based than ever before.

While our export controls and the regulations that implement them have become
easier for American exporters to follow, we have also enhanced our ability to
identify, stop and prosecute those who attempt to evade them. For example, in
fiscal year 1997 efforts of the Commerce Department's criminal

investigators led
to over $1 million in criminal fines and over $16 million in civil penalties. We
have significant enforcement weapons to use against those who would evade our
export controls, and we are using them vigorously.

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

Providing for Energy Security

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

made it a priority to work with the countries of the region to develop multiple pipeline ventures that will ensure access to the oil. We are also working on several fronts to enhance the stability and safeguard the independence of these nations. While these developments are significant, we must remember that the vast majority of proven oil reserves lie in the Middle East and that the global oil market is largely interdependent.

Conservation measures and research leading to 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 non-governmental environmental groups to provide expertise to the NIS
and Central and Eastern European nations that have suffered the most acute
environmental crises.

Promoting Democracy

The third core objective of our national security strategy is to promote

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

Emerging Democracies

We seek international support in helping strengthen democratic and free market
institutions and norms in countries making the transition from closed to open
societies. This commitment to see freedom and respect for human rights take hold
is not only just, but pragmatic, for strengthened democratic institutions benefit
the U.S. 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 are international problem with national implications. We have seen cases of trafficking in the United States for purposes of forced prostitution, sweatshop labor and domestic servitude. The United States is committed to combating trafficking in women and girls with a focus on the areas of prevention, victim assistance and protection, and enforcement. On March 11, 1998, President Clinton directed a wide range of expanded efforts to combat violence against women in the United States and around the world, including efforts to increase national and international awareness of trafficking in women and girls. The President called for continued efforts to fully implement the 1994 Violence Against Women Act and restore its protection for immigrant victims of domestic violence in the United States so that they will not be forced to choose between deportation and abuse. He also called upon the Senate to give its advice and consent to ratification to the Convention on the Elimination of all Forms of Discrimination Against Women, which will enhance our efforts to combat violence against women, reform unfair inheritance and property rights, and strengthen women's access to fair employment and economic opportunity.
The United States will continue to speak out against human rights abuses and carry on human rights dialogues with countries willing to engage us constructively. Because human rights are often violated by police and internal

security services, we must increase training and contacts between U.S. law enforcement and their foreign counterparts. 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 strengthened international

non-governmental movements committed to human rights and democratization.

DRAFT

Exchange Mail

DATE-TIME 9/24/98 11:48:14 AM

FROM Schwartz, Eric P.

CLASSIFICATION UNCLASSIFIED

SUBJECT speech [UNCLASSIFIED]

TO
Bernard, Kenneth W.
Busby, Scott W.
Guarnieri, Valerie D.
Hawley, Leonard R.
Hill, Roseanne M.
Kale, Dora A.
Malley, Robert
Metzl, Jamie F.
Moller, Catherine A.
Naplan, Steven J.
Schwartz, Eric P.
Wippman, David

CARBON_COPY

TEXT_BODY

For comment by 2 pm.

Not my best work (4 hours, from start to finish), but probably passable.

Eric

TRANSLATED_ATTACHMENT

speech.doc

As one involved in the formulation and implementation of foreign policy, let me first emphasize that making moral judgments in foreign policy means more than simply deciding whether actions or policies of foreign governments are, in some sense, right or wrong. If, in fact, we believe that a particular government is acting against universally accepted values, then, perhaps, we have some responsibility to act - to protect human dignity, to ensure a greater good, or to promote our national interests. Or, to do all three.

If, however, we believe there are no such universally accepted values,

or if we
believe that we are ultimately unable to help ensure their observance - - or that
we have no right to try - then perhaps it is best we forego judgments - and
thereby action, at least action designed to improve the human condition.
As an unapologetic advocate of the former proposition, let me begin my
discussion by addressing some of the common arguments in the latter view -
arguments that question the legitimacy, or the value of promoting respect for
what have been termed universal human rights.
The distinguishing characteristic of all of these arguments is that while they
have a germ of truth, they try to prove too much.
First, some claim, the universalist position ignores that the Universal Declaration of Human Rights is a western construct that does not recognize the
tremendous diversity between societies and cultures; that there is no genuine
consensus on the definition of rights.
Indeed, as Amartya Sen has written in his discussion of Asian values and human
rights, "...the championing of democracy and political freedom in the modern
sense cannot be found in the pre-enlightenment tradition [of the east, but nor is
it found in any [other] part of the world. ... What we have to investigate,
instead, are the constituents, the components, of this compound idea. It is the
powerful presence of some of these elements - in non-Western as well as Western
societies [that is critical]. It is hard to make sense of the view that the basic ideas underlying freedom and rights in a tolerant society are "Western"
notions, and somehow alien to Asia, though that view has been championed by Asian
authoritarians and Western chauvinists."
In referring to Islam, my co-Keynote speaker, Professor Mazrui, made the very
same sort of points in his Foreign Affairs piece last year, when he praised
historical ecumenicalism and resistance to the forces of racism in Islamic
societies - in essence, making the argument that critical modern-day human rights
principles can be found in the tenets of Islam.

Kim Dae Jung, the former Korean dissident who now serves as that country's president and is uniquely qualified to discuss this issue, makes a related point when he notes that the cultural relativist argument is often self-serving, made by modern, authoritarian rulers who are harking back to a past that cannot be recreated and probably never even existed.

The key question, it seems to me, is not whether the Universal Declaration of Human Rights - the charter document of the international bill of rights - was drafted exclusively by Western governments - and, indeed, it was not - but rather, whether the most basic ideals of the Declaration - equality of all before the law, freedom from arbitrary punishment, the ability of individuals to express themselves and associate with others fear of retribution, and the right to play a meaningful role in critical societal judgments that impact their lives - whether those ideals not only resonate in the world's great cultures, but have been accepted as common aspirations of humankind.

On balance, I believe the answer is yes - first reflected in the body of accepted international law on the issue, from the African Convention on People's and Human Rights, to the InterAmerican Convention on Human Rights, to the UN Charter to the rights and obligations of the International Bill of Rights - that is, the Universal Declaration, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.

For many decades, we have found worldwide support, or at least acceptance, for these views. Certainly this has been the case in dissident communities, which have long promoted the universality of human rights. To Nelson Mandela, Kim Dae Jung, Aung San Suu Kyi, Andrei Sakarov, Vaclav Havel, to scores of human rights activists from the Middle East, the argument that the West was seeking to impose its values on the rest of the world was, and continues to be in many cases, a transparent justification for rapacious rule.

Increasingly, however, we have also witnessed acceptance of this position in
principle, if not always in practice, by governments that traditionally have been
less than hospitable to the notion of universal human rights. The Chinese, for
example, no longer argue that human rights are simply a western construct; they
have embraced the importance of a predictable and non-arbitrary legal system;
have signed the International Covenant on Economic, Social and Cultural Rights,
and are about to sign the International Political Covenant. Moreover, the United
States has an ongoing, high-level dialogue on these issues with the Chinese, in
which the legitimacy of the exercise is well-established.
Similarly, from Mali to Madagascar, from Slovenia to Sri Lanka, governments
increasingly recognize - if not always implement -- their obligations to uphold
the rights of their citizens. Moreover, no corner of the globe is immune from
this phenomenon, as reflected in Iranian President Khatemi's statements in
support of freedom of expression in Iran, and by his statement to the UN General
Assembly, that "the Afghan people have the inalienable right to determine their
own destiny, and have the right to enjoy a broad-based
government representing all ethnic groups, communities and tendencies in the country."
Even if they accept the legitimacy, in some sense, of universal norms, critics
make other practical arguments against what might be termed the moral dimension
of foreign policy - especially of U.S. foreign policy -- that are worth exploring.
First, as we are far from perfect, by any measure, what gives us the right to
impose our values - or even universal values - on others?
Indeed, as President Clinton has indicated, there is much we still have to do to
ensure universal respect for the human rights of all Americans. And when we go
out to try to change the world, we must tread carefully, respect legitimate
cultural differences, and avoid arrogance. But no society - and no civilization
- has a monopoly on virtue, and if we allow the fact of our

imperfections to
paralyze us, we miss critical opportunities to make the world more livable, and
we reject the notion that are degrees of imperfection - and that evil acts need
to be confronted by those with the capacity to do so.
So...
-- While we continue to be bedeviled by racial injustice and inequality in our
own country, those problems cannot prevent us from leading efforts to end ethnic
cleansing in the Balkans; -- While exploited workers continue to toil in sweat
shops in some of our most prosperous cities, those problems cannot prevent us
from leading effort to end the most abusive forms of child labor around the
world;
-- And while our system for granting political asylum has been criticized by the
UN High Commissioner for Refugees, that fact cannot prevent us from working to
ensure that African governments treat Rwandan refugees with dignity and fairness.
Some critics also contend that the requirements of economic development mandate
suppression of rights, as strong governments are necessary in developing
societies to adequately marshal the resources necessary for development.
As Amartya Sen has argued, the data on this issue is probably inconclusive, at
best, and because political liberty has a significance of its own, the case for
freedom and democracy really remains untarnished. In fact, Sen provides evidence
for the contrary proposition - that the absence of the rule of law and
transparency can have quite damaging economic and social effects. According to
this theory, democratic governments are better than autocratic ones at mitigating
the impact of drought because they are open to receiving negative information and
political pressure to respond with appropriate policies.
Onee can compare recent responses to drought in Southern Africa, where the
situations have been handled effectively, with the widespread malnutrition and
even resulting from drought in North Korea.
Moreover, there is considerable evidence that a lack of transparency,

predictability and impartiality within financial and legal systems played an
important role in exacerbating the financial crisis in Asia, and that these
weaknesses may have been enabled by restrictions on media and public scrutiny of
the practices of governments.
Finally, critics often bemoan the inconsistency of the United States, and - for
that matter - other countries, in promoting human rights. Why, for example, do
we condemn human rights abuses in Iraq, but are less vocal about abuses in, say,
Turkey; or condemn abuses in Cuba, but not in Mexico.
This is among the most vexing question we face.
A few preliminary points.
First, whatever we do in terms of policy, we ought to ensure that truth is not a
casualty. While policy may dictate different approaches for different reasons,
our reporting on human rights practices must be impartial. In other words, what
we say - in particular, in our annual State Department report on Country
Practices -- about friends and foes should not be colored by our policy

objectives.
Indeed, this requirement is a rather tall order. Few governments around the
world would even attempt to undertake such an worldwide enterprise. But, as
mandated by Congress and supported by the Administration, we do so and, in my
view, we do so rather well.
Secondly, different treatment may be appropriate because, as I have said, there
are different degrees of evil. We ought to be more concerned about the

extermination of parts of the Kurdish community, or about resurgent genocide in
the Great Lakes of Africa, than we are about less serious affronts to human
dignity - especially when they are carried within democratic societies that
themselves have the ability to seek redress for abuses. This is not to suggest
that democracies are incapable of abusing human rights, or that some abuses are
not worthy of condemnation. Rather, it reflects recognition that our time is

limited, and imposes upon us tough choices.
Thirdly, in terms of yielding successful results, different approaches may be
appropriate in different situations. For example, it became clear some time ago
that a U.S. approach that relied solely on confrontation with China was not
yielding human rights results we had sought, as the rest of the world was busily
engaging with Beijing -- and we were missing opportunities to encourage
tendencies within China toward integration, toward China's participation in the
global economy, and toward greater demand for the rule of law, predictability,
unrestricted communication and other elements that carry with them the seeds of
change.
Thus, without abandoning our willingness to speak out against abuses, and
without lifting all of our sanctions on China, we have nonetheless sought to
engage the Chinese on a broad range of issues designed to promote the dynamic of
integration and encourage openness.
This approach has also enabled us to address critical issues affecting peace and
security in which the Chinese have a major role to play, from the spread of
weapons of mass destruction, to avoiding war on the Korean peninsula, to securing
a healthy global environment - which brings me to my final point on this issue of
consistency.
The fact of the matter is that our national security interests sometimes do
mandate that direct efforts to promote human rights and democratization are not
in the forefront of diplomacy. In North Korea, which is believed to be guilty of
widespread and egregious human rights abuses, our diplomacy has been focussed on
the threat to peace on the peninsula - and we have made a judgment that direct
efforts to change the nature of Korean society are not our highest priority at
this moment in time. That is a reasonable judgment, but not one that should
negate the value of encouraging human rights and respect for democratic

development whenever possible.
So, if promoting democracy and respect for human rights is a noble enterprise,
what precisely are our goals and how do we seek to implement them?
We seek to promote democratic governance and universal respect for basic human
rights for several reasons. We believe the growth of democratic governments
enhances our own security, especially as democratic governments tend not to wage
war on each other. We also believe that promotion of human rights and democracy
reflects American values and provides a basis for public support of policy.
These objectives are reflected in our efforts to strengthen the community of
democracies; support human rights and political liberalization in undemocratic
regimes; and pursue our humanitarian and relief agenda to help create conditions
conductive to democratic development.
We employ a variety of both carrots and sticks to promote human rights
worldwide. We have provided hundreds of millions of dollars of funding for human
rights and democratization initiatives. We complement these kinds of programs
with willingness to speak out against abuses - and our recent report on religious
freedom abroad, as well as our annual human rights reports reflect our belief in
the importance of public expressions of concern.
Where we think such measures can be effective, we are also prepared to implement
sanctions against the most egregious of abuses, but believe they are most
effective when they are multilateral.
We are very proud of our efforts.
We have supported democratic transitions in Haiti and Russia, and helped to end
the most egregious abuses in the Balkans.
We are the world's leading supporter of the international war crimes tribunals
for Bosnia and Rwanda, reflecting our view of the importance of justice to
overall reconciliation.
We have encouraged nascent democracies of the former Soviet Union, and have
helped to solidify respect for the democratic process within the Western

Hemisphere, through the Summit of the Americas.
We have enhanced multilateral cooperation on human rights - for example, through
our efforts to create the position of UN High Commissioner for Human Rights, as
well to put human rights and democracy promotion on the agenda of the recent
Summit of the Eight.
We have moved forward on several human rights treaties -- dealing with racism,
women's rights, an international criminal court, and the rights of children,
although prospects for movement on many of these issues are limited due to the
skepticism of the Senate.
We have augmented efforts to focus attention on women and children victims of
abuses, in part through the Administration's "No Sweat" initiative in which
corporations and NGOs are developing voluntary means to prevent importation of
products made by child labor.
And we have recognized that human rights issues do not end at the water's edge -
that is, we have tried to practice domestically what we preach abroad.
For example, as we have urged other governments to provide assistance and
protection to refugees, we have maintained our commitment as the world's leader
in refugee resettlement; we have substantially increased our resettlement of
Bosnians - we expect to resettle well over 25,000 in the next fiscal year - we
have taken measures to provide relief for Central American who fled here as
refugees, and we took quick action to rescue some 6500 Kurdish refugees from
northern Iraq.
As I've made clear, I don't want to suggest that we do not confront tough
choices in this area; this and every Administration faces difficult questions on
tactics, and on reconciling our human rights objectives with other foreign policy
goals.
But, while our tactics may vary from one situation to another, our objectives
are consistent, and reflect our belief that promoting human rights and democracy
worldwide serves U.S. national security interests.

Two years from now, we will evaluate the success of our efforts on whether we
have been able to encourage progress on several critical issues, including -
-- an increase in the democratic character of countries in transition in Eastern
and Central Europe and in Africa;
-- liberalization - or at least helping to sustain human rights pressure against
-- the most repressive of regimes;
-- a strengthened international non-governmental movement committed to human
rights and democracy; and
and a more vibrant community of international organizations involved in human
rights promotion.
If we can make the case that some or all of these goals have been advanced, we
will have done our part in promoting and maintaining a critical foreign policy
commitment to enhancing the condition worldwide.

Exchange Mail

DATE-TIME	10/9/98 11:29:07 AM
FROM	Schwartz, Eric P.
CLASSIFICATION	UNCLASSIFIED
SUBJECT	TALKING POINTS [UNCLASSIFIED]
TO	Widmer, Edward L. (Ted) Naplan, Steven J.
CARBON_COPY	
TEXT_BODY	
TRANSLATED_ATTACHMENT	ngo meeting talking points 7-24-97.doc

TALKING POINTS
Meeting with Human Rights NGOs

INTRODUCTION

* Deeply appreciate the work you do, day-in and day-out.

* Also appreciate receiving the "Human Rights Agenda for the Clinton"
Administration, which I know reflected considerable effort.

* Grateful for your kind words about President Clinton's leadership on many
critical human rights issues; share your view that much remains to be done.

* Want this to be a listening session for me, but first thought I might say a few
words about how we approach this important issue.

US GOALS/INTERESTS

* Seek to promote democratic governance and universal respect for basic human
rights -- for several reasons.

* Believe growth of democratic governments enhances our own security, especially
as democratic governments tend not to wage war on each other.

* Also believe that promotion of human rights and democracy reflects American

values and provides a basis for public support of policy.

* These objectives reflected in our efforts to strengthen the community of democracies; support human rights and political liberalization in undemocratic regimes; and pursue our humanitarian and relief agenda to help create conditions conductive to democratic development.

IMPLEMENTATION

* We employ a variety of both carrots and sticks to promote human rights worldwide.

* We have provided hundreds of millions of dollars of funding for human rights and democratization initiatives.

* We complement these kinds of programs with willingness to speak out against abuses - our recent report on religious freedom abroad, and our annual human rights reports reflect our belief in the importance of public expressions of concern.

* Where we think such measures can be effective, we are also prepared to implement sanctions against the most egregious of abuses, but believe they are most effective when they are multilateral.

POLICY SUCCESSES

* Very proud of our efforts, which very much track the priority areas in our "Human Rights Agenda."

* We have supported democratic transitions in Haiti and Russia, and helped to end the most egregious of abuses in the Balkans.

* We are the world's leading supporter of the international war crimes tribunals for Bosnia and Rwanda, reflecting our view of the importance of justice to overall reconciliation.

* We have encouraged nascent democracies of the former Soviet Union, and have
helped to solidify respect for the democratic process within the Western
Hemisphere, through the Summit of the Americas.

* We have enhanced multilateral cooperation on human rights - for example,
through our efforts to create the position of UN High Commissioner for Human
Rights, as well to put human rights and democracy promotion on the agenda of the
recent Summit of the Eight.

* We have moved forward on several human rights treaties -- dealing with racism,
women's rights, an international criminal court, and the rights of children.

* We have augmented efforts to focus attention on women and children victims of
abuses, in part through the Administration's "No Sweat" initiative in which
corporations and NGOs are developing voluntary means to prevent importation of
products made by child labor.

* And, as you have suggested in your paper, we have recognized that human rights
issues do not end at the water's edge - that is, we have tried to practice

domestically what we preach abroad.

* For example, as we have urged other governments to provide assistance and
protection to refugees, we have maintained our commitment as the world's leader
in refugee resettlement, have substantially increased our resettlement of
Bosnians - we expect to resettle up to 26,000 in the next fiscal year -- have
taken measures to provide relief for Central American who fled here as refugees
and whose status is threatened by recently enacted legislation, and took quick
action to rescue some 6500 Kurdish refugees from northern Iraq.

POLICY CHALLENGES

* Don't want to suggest that we do not confront tough choices in this

area; this
and every Administration faces difficult questions on tactics, and on reconciling
our human rights objectives with other foreign policy goals.

* But, while our tactics may vary from one situation to another, our objectives
are consistent, and reflect our belief that promoting human rights and democracy
worldwide serves U.S. national security interests.

CONCLUSION

* Three years from now, we will evaluate the success of our efforts on whether we
have been able to encourage progress on several critical issues, including -

* an increase in the democratic character of countries in transition in Eastern
and Central Europe and in Africa;

* liberalization - or at least helping to sustain human rights pressure against
-- the most repressive of regimes;

* a more structured grouping of governments actively engaged in democracy
promotion and human rights;

* a strengthened international non-governmental movement committed to human
rights and democracy;

* and more vibrant community of international organizations involved in human
rights promotion.
3