PC-AAB-216

NATIONAL SECURITY STRATEGY OF THE UNITED STATES

JANUARY 1988

NATIONAL SECURITY STRATEGY OF THE UNITED STATES

THE WHITE HOUSE
JANUARY 1988

Contents

Preface . . . iv

I. Historical Dimensions of U.S. National Security Strategy . . . 1

II. Fundamentals of U.S. National Security Strategy . . . 3

THE FRAMEWORK–VALUES, INTERESTS, AND NATIONAL SECURITY OBJECTIVES . . . 3

PRINCIPAL THREATS TO U.S. INTERESTS . . . 5

III. Power, Policy and Strategy . . . 7

ELEMENTS OF U.S. NATIONAL POWER . . . 7

A PERIOD OF TRANSITION . . . 8

U.S. DIPLOMATIC POLICY . . . 9

Policies to Move America Forward . . . 9

Informational Support to Diplomatic Power . . . 10

U.S. ECONOMIC POLICY . . . 11

International Economic Policy . . . 11

U.S. DEFENSE POLICY . . . 13

A Policy of Deterrence . . . 13

Maintaining Strategic Deterrence . . . 14

Arms Reductions . . . 15

Maintaining Conventional Deterrence . . . 18

Maintaining a National Mobilization Base . . . 21

SUPPORTING POLICIES . . . 22

U.S. National Space Policy . . . 22

U.S. Intelligence Policy . . . 23

IV. Integrating Elements of Power into National Security Strategy . . . 25

STRATEGY FOR THE WESTERN HEMISPHERE . . . 25

STRATEGY FOR THE SOVIET UNION AND EASTERN EUROPE . . . 26

STRATEGY FOR WESTERN EUROPE AND NATO . . . 27

STRATEGY FOR THE MIDDLE EAST AND SOUTH ASIA . . . 29

STRATEGY FOR EAST ASIA AND THE PACIFIC . . . 30

STRATEGY FOR AFRICA . . . 32

STRATEGY FOR LOW INTENSITY CONFLICT . . . 34

V. Executing the Strategy . . . 37

RESOURCE SUPPORT . . . 37

BIPARTISAN COOPERATION . . . 40

Preface

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

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

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

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

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

- Our persistence and adherence to principle have borne fruit in the historic agreement to eliminate intermediate-range nuclear forces (INF)—the first of the nuclear era to achieve meaningful reductions in U.S. and Soviet arsenals. This treaty is a victory for the Atlantic Alliance as well, reflecting the firmness that all allies showed. We have also made further progress toward a START agreement that could cut U.S. and Soviet strategic offensive arms by 50 percent.
- Our SDI program is making great progress, moving us toward the prospect of a safer world—one which depends for its security on strategic defense, rather than on the threat of mutual nuclear retaliation.
- In the Persian Gulf we have augmented our traditional military presence to prevent Iran from interfering with U.S.-flag shipping and to support our diplomatic efforts to bring an end to the tragic Iran-Iraq war. Our allies' contributions to the safe navigation of the Gulf by non-belligerent shipping are welcomed, and underline the importance which the Free World ascribes to this strategically and economically pivotal region of the world.
- Critical imbalances remain in the international economy which could portend problems ahead unless they are addressed in a forthright and effective manner by the governments of the industrialized nations. The major world economies, including our own, are sound and can provide the basis for continued growth and prosperity, provided we and our partners deal with important fiscal,

trade and budgetary issues in sensible and cooperative ways.

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

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

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

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

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

Ronald Reagan

January 1988

I. Historical Dimensions of U.S. National Security Strategy

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

Walter Lippmann once wrote:

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

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

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

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

The advent of nuclear weapons and intercontinental delivery systems added another dimension to our thinking about National Security Strategy: these

weapons became the primary threat to our national survival. Thus, for over forty years, the deterrence of nuclear war and the reduction of its threat have been major objectives of U.S. National Security Strategy. We have pursued these objectives with renewed vigor, and heartening results, during this Administration.

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

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

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

The United States has long recognized that, even as we have taken up a major role of world leadership, our interests and political values call for a deepening partnership with like-minded nations to advance the cause of peace and freedom. Thus, an abiding commitment to strong alliances has been a consistent and vital component of American strategy since the Second World War. Even if we could afford, economically and militarily, to chart our National Security Strategy without allies—which we cannot—we would not want to do so. "Fortress America" is an obsolete concept. Such a policy would be dangerously misguided and self-defeating. Solidarity with our allies multiplies the strength of all. It permits a sharing of responsibilities and it reminds us that the cause of democracies is, after all, one of our most fundamental goals.

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

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

II. Fundamentals of U.S. National Security Strategy

THE FRAMEWORK—VALUES, INTERESTS, AND NATIONAL SECURITY OBJECTIVES

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

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

U.S. Interests

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

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

2. A healthy and growing U.S. economy to provide opportunity for individual prosperity and a resource base for our national endeavors.

3. A stable and secure world, free of major threats to U.S. interests.

4. The growth of human freedom, democratic institutions, and free market economies throughout the world, linked by a fair and open international trading system.

5. Healthy and vigorous alliance relationships.

Major Objectives in Support of U.S. Interests

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

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

Specifically:

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

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

Specifically:

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

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

Specifically:

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

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

Specifically:

- To address, where possible, the root causes of regional instabilities which create the risk of war.
- To maintain stable regional military balances vis-a-vis the Soviet Union and states aligned with it.
- To neutralize the efforts of the Soviet Union to increase its influence in the world, and to weaken the links between the Soviets and their client states in the Third World.
- To aid in combatting threats to the stability of friendly governments and institutions from insurgencies, subversion, state-sponsored terrorism and the international trafficking of illicit drugs.

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

Specifically:

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

- To seek opportunities to improve relations with the Soviet Union on a realistic and reciprocal basis.
- To improve relations with other nations hostile to us in order to reduce the chance of future conflict.
- To strengthen U.S. influence throughout the world.

PRINCIPAL THREATS TO U.S. INTERESTS

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

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

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

In Europe, the principal threat to America's interests, and to those of our allies, continues to be that posed by the ongoing buildup of Warsaw Pact military capabilities. For decades the Soviet Union has allocated a disproportionately high share of its national income to military expenditures and has created technologically sophisticated forces far in excess of any plausible need for self-defense. Equally threatening, but much more subtle, is the continuous political warfare against Western cohesion through propaganda, particularly focused on the younger generations of Western Europeans. Through such means the Soviet Union is attempting to affect public opinion in allied countries to weaken relations with the United States, erode the commitment to defense, and encourage support for Soviet policies and proposals. Ultimately, the Soviet Union still seeks to separate Western Europe politically and militarily from the United States, thereby altering the global balance of power in the most fundamental way.

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

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

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

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

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

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

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

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

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

III. Power, Policy, and Strategy

ELEMENTS OF U.S. NATIONAL POWER

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

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

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

- Moral and political example. American spirit and prosperity represent a critical challenge to the ideology and the practical record of our adversaries: free, pluralist societies work. Since the days of our Founding Fathers, this power of example has represented a potent leverage in international relations. But we should not leave its expression and understanding to chance. It is in our interest to spread this message in an organized and effective way.
- Military strength. A strong military capability is essential for a stable, secure environment in which our adversaries are deterred and diplomacy can be effective.
- Economic vitality. America's economic strength sustains our other elements of power and fortifies our relations with the countries that share our interest in a free and open international economy.
- Alliance relationships. The pursuit of American security objectives depends on cooperation with like-minded international partners. These relationships enhance our strength and mitigate the understandable reluctance of the American people to shoulder security burdens alone. The predictable difficulties that arise from time to time in all alliance relationships must be measured against the enormous benefits that these ties bring us and our friends.
- Public diplomacy. This is a key instrument—one with an impact both strong and subtle on international political events and how people perceive them. Through our public diplomacy activities, we seek to explain to foreign audiences our policies and actions in ways that are clear, credible, and likely to elicit support for our interests and objectives.

- Security assistance. By helping friends and allies acquire the means to defend themselves, we complement the rebuilding of our own military strength and increase the human and material resources available for the defense of free world interests. In the process, we reduce the likelihood of direct American involvement in potential conflicts. Security assistance is a key instrument in our national security strategies, a productive and highly leveraged investment that promotes our security interests at bargain prices.
- Development assistance. It is in our national interest to support efforts of friendly developing countries to provide for the basic needs of their people. Development assistance plays a vital role in encouraging market-oriented approaches with the potential to increase income levels in recipient countries. A well structured and financed development assistance program enhances our world leadership and influence.
- Science and technology cooperation. For many countries, access to advanced scientific and technological resources is critical to prosperity and long-term economic growth. U.S. world leadership and our vast resources in science and technology are important strategic assets to strengthen existing ties with friends and allies, and promote positive relationships with key developing nations.
- International organizations. Multilateral diplomacy and participation in international organizations such as the United Nations and the International Monetary Fund provide opportunities to address common global problems and share the task of solving them. Skillful diplomacy within these and other multilateral organizations can serve to enhance our overall goals on issues such as peacekeeping, promotion of human rights, and encouraging the development of free economic and political systems.
- Diplomatic mediation. In regions where conflict threatens our interests or those of our friends, political efforts can play a major role in ending violence, promoting freedom and national self-determination, and laying the foundations for future stability. The initiatives of American diplomacy take their strength from effective and integrated use of the tools already discussed, and from the ability of U.S. representatives to act credibly as mediators of disputes. Making clear the firmness of our commitments to friends and allies increases the incentives to negotiate seriously.

A PERIOD OF TRANSITION

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

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

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

Our military leaders, as well as those of our adversaries, are now rethinking military doctrines and force structures as a result of these and other applications of advanced technology to military power. As this trend continues, military competition is likely to focus increasingly on non-nuclear weapons, where the

combinations of stealth and extreme accuracy at long ranges will reopen the possibility of non-nuclear strategic attack. Space will also become a more prominent area of activity, not the least because of its growing importance for air, ground, and naval warfare. We expect that this revolution in military technology will continue well into the next decade and necessitate the adaptation both of military doctrines and of national security strategies. In this regard, the recent report of the bipartisan Commission on Integrated Long-Term Strategy helps bring into focus the essentiality of maintaining our technological superiority through coherent military research and development programs aimed at exploiting emerging strategic opportunities.

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

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

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

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

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

U.S. DIPLOMATIC POLICY

Policies to Move America Forward

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

In dealing with the nuclear threat, we have gone beyond traditional arms control and, together with our NATO allies, have sought verifiable reductions in

nuclear arsenals. At the same time, we have launched a new program of research into ways to defend ourselves against ballistic missile attack. In doing so, we seek to maintain deterrence while moving away from reliance on retaliation, and toward a situation in which ballistic missiles will ultimately be rendered obsolete.

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

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

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

Informational Support to Diplomatic Power

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

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

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

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

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

Our political and informational power must also reach to the peoples of denied areas, particularly the USSR and Eastern Europe—to encourage hope for change and to educate publics on the benefits of free institutions. We undertake this through the electronic media, written materials, increased contacts and the exchange of ideas that come from such contacts. Any process of change must find its roots within a closed

society, but knowledge of the world at large may be a stimulant; and the free flow of ideas and information is, in itself, one of the goals of those who seek democratic change. For our part, we proceed from our fundamental belief that a world composed of free, sovereign democracies will be a safer, more stable world—one where respect for the dignity of all people has a better chance to be realized.

U.S. ECONOMIC POLICY

International Economic Policy

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

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

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

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

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

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

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

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

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

As noted earlier, our nation's defense edge is based on technological, rather than numerical superiority. If we lose this edge, we also lose an essential element of our military deterrent. There is concern that the

loss of advanced production capabilities in critical industries could place our defense manufacturing base in jeopardy. We must avoid situations where increased reliance on other countries for advances in critical technologies could, over the long term, turn into vulnerabilities.

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

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

U.S. DEFENSE POLICY

A Policy of Deterrence

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

America's defense policy throughout the postwar period has been aimed at deterring aggression against the United States and its allies. Deterrence works by persuading potential adversaries that the costs of their aggression will exceed any probable gains. Deterrence is the basis of our military strategy against conventional as well as nuclear aggression. Because any conflict carries the risk of escalation, our goal is to dissuade aggression of any kind.

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

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

- Direct Defense: To confront an adversary with the possibility that his aggression will be stopped without our resorting to actions which escalate the conflict. This is sometimes referred to as "deterrence through denial." Defeating a nonnuclear attack with conventional forces only would be an example of direct defense.
- The Threat of Escalation: To warn an adversary that his aggression could start hostilities that might not be confined in the manner he hopes or envisions and that escalation could exact far greater costs than he anticipates, or could bear. In this regard, NATO's deterrence of a Soviet conventional attack is enhanced by our ability and resolve to use nuclear weapons, if necessary, to halt aggression.
- The Threat of Retaliation: To raise the prospect that an attack will trigger a retaliatory attack on the aggressor's homeland, causing his losses far to exceed any possible gains. Our deterrence of a Soviet nuclear attack on the United States is based on our resolve to retaliate directly against the Soviet Union.

Maintaining Strategic Deterrence

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

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

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

- Denies the Soviets the ability to achieve essential military objectives by holding at risk Soviet warmaking capabilities, including both the full range of Soviet military forces and the war-supporting industry which provides the foundation for Soviet military power and supports its capability to conduct a protracted conflict; and
- Places at risk those political entities the Soviet leadership values most: the mechanisms for ensuring survival of the Communist Party and its leadership cadres, and for retention of the Party's control over the Soviet and Soviet-bloc peoples.

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

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

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

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

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

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

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

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

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

Arms Reductions

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

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

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

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

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

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

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

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

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

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

Specifically:

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

- We seek an effective and verifiable global ban on chemical weapons.

- We seek alliance-to-alliance negotiations to establish a more secure and stable balance in conventional forces at lower levels from the Atlantic to the Urals. Any steps ultimately taken in this area must be effectively verifiable and must recognize the geographic and force asymmetries between the two sides. Alliance policy in this regard, which we fully support, is quite clear—increased security and stability, not reductions *per se,* are the objectives of Western conventional arms control efforts. Given the Warsaw Pact's conventional superiority in certain key areas—particularly those important for offensive operations—even modest reductions in NATO forces, in the absence of larger reductions from the Warsaw Pact, would reduce NATO's security and would not promote stability. The challenge is to synchronize NATO's force improvement plans and conventional arms control efforts toward the long-term goals of increased security and stability.

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

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

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

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

Maintaining Conventional Deterrence

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

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

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

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

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

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

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

In addition to the right numbers and mix of units, U.S. and allied forces require constant upgrading and modernization to retain a qualitative edge in the face of the Pact's superior numbers and rapidly improving

technologies. Our policies relating to force modernization and retention of our technological edge emphasize cooperation among the Allies on research, development, and production. This approach reduces duplication of R&D resources, shares the best available allied technology, promotes interoperable equipment, and provides incentives for our Allies to increase their contribution to Alliance capabilities. Congressional initiatives aimed at stimulating cooperative R&D have aided materially in advancing these programs.

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

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

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

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

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

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

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

military contingencies. However, for military contingencies not involving the Soviet Union, we look primarily to the nations involved to provide for their own defense.

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

- Maintenance of Global Support and Mobility Capabilities.

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

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

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

- Maintenance of an Adequate Logistics Base.

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

- Maintenance of Adequate Active Forces.

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

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

U.S. tactical airpower supports the achievement of theater campaign goals by maintaining battlefield air superiority, providing responsive and effective firepower for ground combat units, and conducting deep interdiction of enemy forces, command and control facilities, and sources of logistics support. In addition, in the European theater, it plays a critical role in assuring the essential reinforcement and resupply of U.S. forward deployed forces by protecting port

facilities, aerial ports of debarkation, prepositioned equipment and munitions, and lines of communication. The capability of air forces to deploy rapidly in crises adds to our ability to bring effective military power to bear in distant regions in contingencies.

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

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

Maintaining a National Mobilization Base

The effective mobilization of manpower and industrial resources in the event of a conflict would provide essential support for our military capabilities. Realistic mobilization plans also provide a clear means for the United States to communicate its resolve to our potential adversaries in periods of tension or crisis.

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

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

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

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

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

such necessary defense functions as logistics, communications, and health services.

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

SUPPORTING POLICIES

U.S. National Space Policy

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

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

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

Our military policy for space encompasses five elements.

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

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

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

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

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

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

- To advance scientific knowledge of the planet Earth, the solar system, and the universe beyond.

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

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

The United States is first among nations in its efforts to foster a purely commercial, market-driven space industry without direct government subsidies. We believe that private sector space initiatives will have positive effects on the U.S. balance of trade, work force skills, and the development of unique manufacturing methods and products. These initiatives also promise lower costs to the taxpayer and enhanced security to our nation. We are confident that traditional American ingenuity will yield innovative space technology applications comparable to, or exceeding, those achieved in aviation earlier this century.

U.S. Intelligence Policy

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

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

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

International terrorism and narcotics trafficking, particularly when state-supported, can threaten the security of the U.S. and our citizens. Intelligence plays a critical role in our efforts to control and reduce these threats. Intelligence collection and special operations by agencies of the U.S. government to protect against international terrorism and international narcotics activities will remain a high priority.

pressure exerted on the Sandinista regime by the Nicaraguan Resistance. We will continue funding the Resistance until we see evidence that democratization in Nicaragua is real and irreversible. Accordingly, the Administration will request renewed assistance for the Freedom Fighters early this year. Economic and trade sanctions are other key elements of our coordinated strategy.

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

Increased trade among the Western Hemisphere countries is also an important element of our national security strategy. Such trade will aid debtor countries in the region in managing their obligations in a responsible manner while contributing to their economic growth. In addition, the United States supports providing additional resources for the World Bank and the International Monetary Fund (IMF) to assist these countries in adjusting to the consequences of external economic forces, such as the decline of world oil and other commodity prices.

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

STRATEGY FOR THE SOVIET UNION AND EASTERN EUROPE

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

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

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

The maintenance of adequate strength to deter Soviet aggression anywhere in the world that our strategic interests require is central to our strategy. Such strength must encompass not only military power, but also the political determination, vitality of alliances and the economic health essential to meet our global responsibilities. In areas where the Soviets are currently engaged in military expansionism, such as Afghanistan, the United States is demonstrating its

willingness to support local resistance forces to the degree necessary to frustrate Soviet ambitions. In general, our goals are to convince the Soviet Union that the use of military force does not pay, and that the build-up of military forces beyond levels necessary for legitimate national defense will not provide unilateral advantage.

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

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

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

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

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

STRATEGY FOR WESTERN EUROPE AND NATO

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

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

The North Atlantic Alliance embodies the U.S. commitment to Western Europe as well as the members' commitment to defend each other. NATO has preserved peace in Europe for almost 40 years, by

far the longest period of peace on the continent in this century. Through the Alliance, NATO members engage in collective defense to deter Soviet aggression and enhance security. NATO is, however, both a political and military entity. Through NATO, the United States also consults with its Western European Allies on a wide range of issues.

The cohesion and unity of NATO are essential to a successful security strategy relative to the Soviet Union. The repeated and unsuccessful Soviet efforts to drive wedges between the United States and Western Europe testify to the strength of Alliance unity. These Soviet efforts have been thwarted through close and frequent high-level consultations among allies, to maintain our solidarity and our common strategy on crucial issues. The most recent success story of the Alliance has been the conclusion of an Intermediate-Range Nuclear Forces (INF) Treaty between the United States and the Soviet Union. This agreement vindicates NATO's 1979 dual-track decision which, through commitment both to negotiate and to deploy intermediate-range nuclear forces, gave the Soviet Union incentive eventually to agree to the total elimination of this category of weapons. The cohesion of the Alliance and the courage of Allied governments which deployed INF missiles despite sometimes significant domestic resistance has paid off, and resulted in the first agreement in history which will actually reduce nuclear arsenals.

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

- Maintenance of the credibility of NATO's nuclear deterrent. We will work toward full implementation of the Montebello agreement, including the provisions on nuclear modernization, as well as some restructuring of NATO's nuclear forces.

- Maintenance of a credible conventional deterrent with emphasis on further execution of Alliance approved conventional defense improvements, including provisions for air defense and increased sustainability stocks.

- More effective use of resources available for deterrent capabilities through national defense budgets. We are just beginning to realize a return on initial efforts in armaments cooperation, and will work closely with our allies to bring to fruition other programs recently initiated with Congressionally reserved funds for cooperative research and development. We will also continue to search for new opportunities to enhance conventional defense capabilities in resource-effective ways, such as improved crisis management procedures and rationalization of roles and missions with our allies.

- Improvement of the military use of technology, while strengthening NATO's industrial base, particularly in some countries on NATO's southern flank.

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

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

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

STRATEGY FOR THE MIDDLE EAST AND SOUTH ASIA

Despite the multitude of changes in the Middle East over the past several decades, U.S. objectives have held remarkably constant. In harmony with the predominant aspiration of the peoples of the region, we remain deeply committed to helping forge a just and lasting peace between Israel and its neighbors. Our regional goals also include limiting Soviet influence, fostering the security and prosperity of Israel and our Arab friends, and curbing state-sponsored terrorism. To achieve these aims, we must hurdle some serious obstacles including continuing, deep-seated Arab-Israeli tensions, the emotionally-charged Palestinian problem, radical anti-Western political and religious movements, the use of terrorism as an instrument of state policy, and Soviet policies which have supported the forces of extremism rather than the forces of moderation.

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

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

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

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

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

In dealing with the problem of nuclear proliferation in South Asia, we have followed a two-track approach.

Cambodian settlement. In the context of a settlement involving the complete withdrawal of Vietnamese troops, we are prepared to enter into normalization talks with Vietnam.

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

As Australia enters its bicentennial year, close bilateral bonds and security relationships continue to be the keystone of our policy in the region. But regrettably, New Zealand has now written into law the policies that caused us to suspend our ANZUS Treaty obligations to Wellington. This has dimmed the prospect of New Zealand's resuming its place in the Alliance.

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

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

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

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

STRATEGY FOR AFRICA

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

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

conflict within South Africa, but is a primary cause of instability in all of southern Africa.

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

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

In a region as underdeveloped as Africa, which has relatively little access to private sources of capital, our ability to achieve our objectives depends in very significant measure on effective economic and security assistance programs. Too often security assistance is portrayed as a tradeoff against support for development. In Africa, this distinction is particularly ill-founded. Our security assistance programs promote a stable political and economic environment that permits the exercise of individual choice and the development of human talent. Without that environment, sustained development is not possible.

U.S. military assistance programs in Africa have always been modest, but recently funding has been almost eliminated by Congress. It is in our national interest to provide a reasonable level of support to moderate, friendly countries such as Kenya and Zaire, to regimes on the front lines of Soviet-supported aggression such as Somalia, and to countries facilitating access in support of our strategies in Southwest Asia and the Persian Gulf.

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

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

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

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

STRATEGY FOR LOW INTENSITY CONFLICT

While high intensity conflict has been successfully deterred in most regions of primary strategic interest to the United States, low intensity conflicts continue to pose a variety of threats to the achievement of important U.S. objectives. As described in last year's report, low intensity conflict typically manifests itself as political-military confrontation below the level of conventional war, frequently involving protracted struggles of competing principles and ideologies, and ranging from subversion to the direct use of military force. These conflicts, generally in the Third World, can have both regional and global implications for our national security interests. For example:

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

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

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

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

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

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

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

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

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

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

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

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

The balanced application of the various elements of national power is necessary to protect U.S. interests in low intensity conflicts. But in the final analysis, the tools we have at our disposal are of little use without the support of the American people, and their willingness to stay the course in what can be protracted struggles. We cannot prevail if there is a sharp asymmetry of wills—if our adversaries' determination is greater than our own. At the same time we do hold important advantages. We represent a model of political and economic development that promises freedom from political oppression and economic privation. If we can protect our own security, and maintain an environment of reasonable stability and open trade and communication throughout the Third World, political, economic, and social forces should eventually work to our advantage.

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

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

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

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

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

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

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

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

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

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

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

BIPARTISAN COOPERATION

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

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

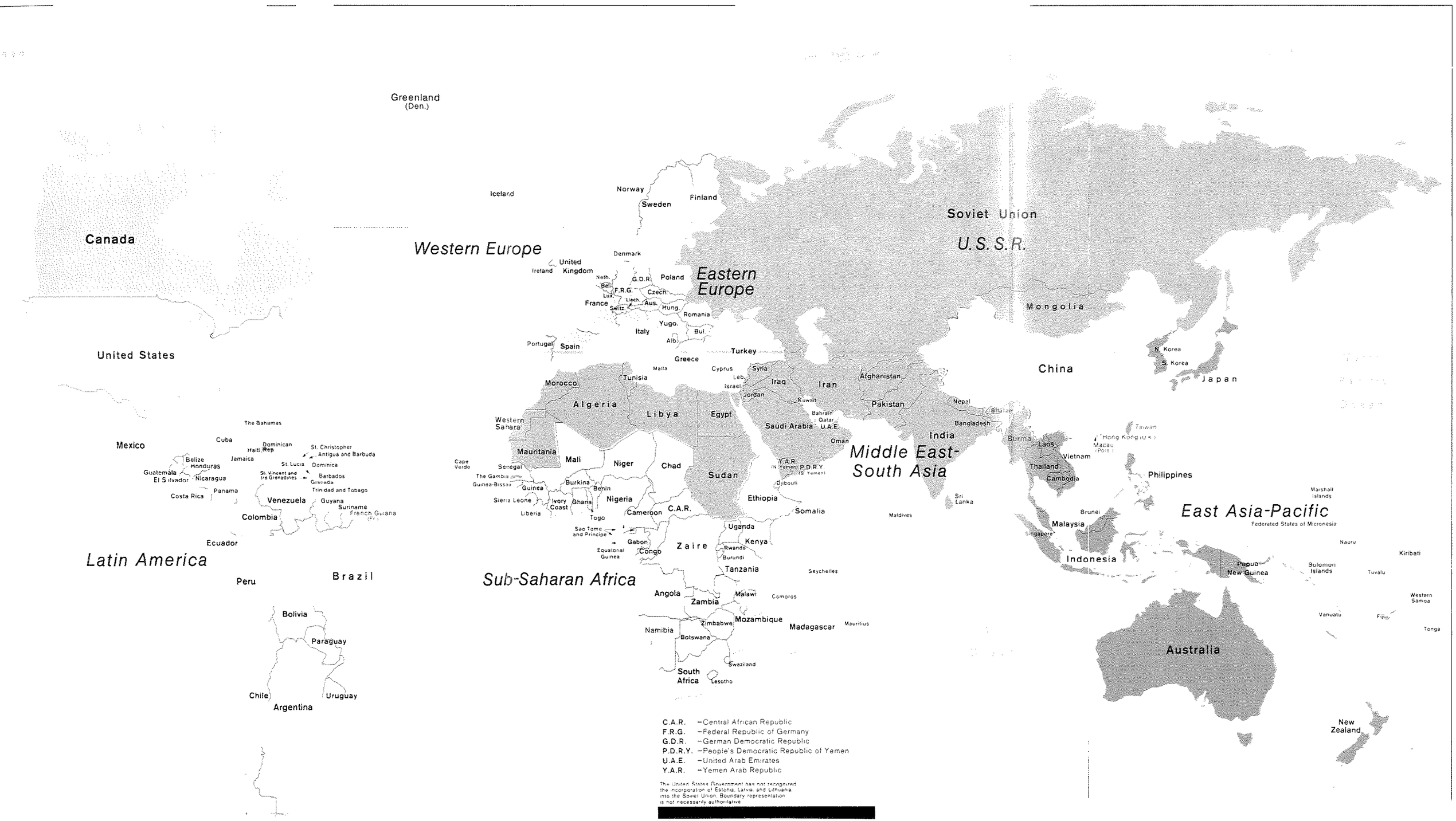
Equally detrimental is the increasing tendency of the Congress to act in a directive manner with regard to details of foreign, defense, and arms control policy, limiting the flexibility of the Executive Branch by enacting into law positions on which the President should be allowed reasonable discretion. This trend diminishes our ability to conduct rational and coherent policies on the world scene; reduces our leverage in critical negotiations; and impedes the integrated use of U.S. power to achieve important

national security objectives. It causes others to view us as unreliable, and diminishes our influence generally.

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

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

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



C.A.R. –Central African Republic
F.R.G. –Federal Republic of Germany
G.D.R. –German Democratic Republic
P.D.R.Y. –People's Democratic Republic of Yemen
U.A.E. –United Arab Emirates
Y.A.R. –Yemen Arab Republic

The United States Government has not recognized the incorporation of Estonia, Latvia, and Lithuania into the Soviet Union. Boundary representation is not necessarily authoritative.

NATIONAL SECURITY STRATEGY OF THE UNITED STATES

THE WHITE HOUSE