# After Kosovo: Building a Lasting Peace

Secretary Albright

Remarks before the Council on Foreign Relations, New York City, June 28, 1999.

Thank you very much, Les. That was very generous of you. Thank you. Good evening to all of you in this fantastic new setting. Members of the Council on Foreign Relations and distinguished colleagues, friends, and guests: NATO's confrontation with Belgrade over Kosovo has ended in accordance with the conditions the alliance set. Now we face the even harder task of building a lasting peace there and throughout southeast Europe. This evening, I would like to discuss with you this historic challenge.

Churchill once described Russia as a riddle wrapped in a mystery inside an enigma. In Kosovo today, we see a success folded within a tragedy stamped with a question mark.

Consider the reactions of the refugees and displaced as their time of exile ends. For some, coming home means a joyous reunion of family and friends. For others, it means a heart-stopping confirmation of terrible fears as bodies are identified, and mass graves found. For all, it means uncertainty about what will come next.

As a result, Kosovo today is a cauldron of grief mixed with exhilaration, of unresolved anger, and unfulfilled dreams. Out of this, the international community and the area's people must build a future secure and free. A starting point is provided by UN Security Council Resolution 1244, and the military and political arrangements to which it refers. In accordance with these, Serb forces have left, KFOR is deploying, and the Kosovo LiberationArmy will demilitarize over the next 90 days.

In addition, the United Nations Interim Mission is being set up. It will operate in partnership with the EU and OSCE, donor countries, and KFOR. Its duties will encompass civil administration, humanitarian relief, economic recovery, and the creation of democratic institutions, including—most crucially—a new local police.

Assembling the nuts and bolts of a durable peace in Kosovo is a daunting challenge. Our expectations should be realistic. The mission will take time; complaints will surely be heard. And despite KFOR's presence, the danger of violence will persist. As is usual, the good news will often be treated as no news, while setbacks receive the spotlight. Success will require an extraordinary team effort.

Notwithstanding all this, I am hopeful for three reasons.

**First,** for most of the past decade, Kosovar Albanians coped with Serb repression by maintaining parallel political, educational, and social structures. They have experience managing institutions.

**Second,** in past weeks, I have seen an extraordinary determination on the part of European officials to get this job done and done right. This is true from London to Helsinki and from Ankara to Lisbon. Failure is not an option.

**Third**, the international community has learned some hard lessons in recent years about the do's and don'ts of building peace in post-conflict situations.

It is essential that, in Kosovo, these lessons be heeded. The military and civilian components must work together well both internally and with each other. Both must take effective use of their mandates and focus on results. Donors must back them not just with promises, but with resources of sufficient quantity and timeliness to make a difference. And above all, we must have faith that the mission's underlying principles of democracy and tolerance, economic reform, and the rule of law are the right ones for all the people of Kosovo.

Now, there are some who see an insurmountable obstacle in the desire of many Kosovars for immediate independence —a position that neither NATO nor governments in the region support. Having met with the Kosovar leadership, I know the yearning for independence is powerful. But I also know that Belgrade's withdrawal has altered the reality within which the people of Kosovo will formulate their aspirations. Until now, independence has seemed the only alternative to repression. But in the future, Kosovars will have something they've never had, which is genuine self-government. They will be out from under Milosevic's boot, with the freedom to choose their own leaders and shape the laws by which they are governed. Milosevic, meanwhile, won't be able to arrest so much as a jaywalker in Kosovo. And his henchmen won't have the capacity to intimidate Kosovars or deny them their rights.

That's why the Kosovar Albanian leadership signed onto the Rambouillet Accords, despite the absence of an independence guarantee—and why I will go out on a limb and predict that KFOR will receive strong cooperation from most Kosovars in the months ahead.

Another key issue is whether the new Kosovo will include its ethnic Serb, Roma, and other minorities and whether they will be able to live safely now that Belgrade's forces have been withdrawn.

Given the extent of destruction inflicted by Serbs, the risk is obvious that some ethnic Albanians will take the law into their own hands. Many unacceptable incidents have already occurred. But KFOR takes seriously its mandate to protect all Kosovars, including Serbs. And its effectiveness will increase as deployment continues and demilitarization gains steam.

Kosovo will be a better place if Serbs who did not commit crimes stay and help rebuild. But that is their decision to make. We will measure our success by whether the rights of all those who choose to live in Kosovo are respected.

The same principle, incidentally, should apply elsewhere in the region. The international community must continue to press for the safe return of other refugees, including ethnic Serbs to the Krajina region of Croatia. This is crucial, for there could be few greater gifts to the 21st century than to bust the ghosts of Balkans past and consign Milosevic's tactics of hate to the trash bin of history. Even as we work to help Kosovo regain its feet, we are acting to secure the future of the region. With our partners in the European Union playing a big role, we have launched a pact to stabilize, transform, and eventually integrate all of southeast Europe into the continent's democratic mainstream.

We undertake this effort because it's right but also because it is smart. For we know that America cannot be secure unless Europe is secure, which it will not be if its southeast corner remains wracked by division and strife.

Our strategy, with our partners, is to apply the model of help and self-help reflected in the Marshall Plan half a century ago, and in efforts to aid

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democratization in central Europe this decade. In this spirit, President Clinton will meet with his counterparts in the region this summer.

Together, they will discuss ways to mobilize the resources of a wide range of governments and organizations, while coordinating with the European Union and World Bank. Our intention is to work urgently and effectively with leaders in southeast Europe as they strive to attract capital, raise living standards, reconcile ethnic and religious tensions, and promote the rule of law. In this way, we hope over time to enable countries throughout the region to participate fully in the major economic and political institutions of the transatlantic community. This would greatly serve America's interest in expanding the area within Europe where wars simply do not happen. And it would mark another giant step toward the creation of a continent whole and free.

We don't start from square one but, rather, with a strong base of democratic leadership. Hungary has already joined NATO. Hungary and Slovenia are well along in accession negotiations with the EU. And officials in Bulgaria, Romania, Macedonia, Albania, and Croatia demonstrated throughout the recent crisis that they want their societies to grow, prosper, and live in peace.

The same is true of Montenegro, where President Djukanovic and his people endured grave danger without wavering in their support for democratic principles. They have earned the right to participate in our initiative. We look forward, as well, to welcoming a new Serbia, because our efforts at regional integration cannot fully succeed until that occurs. But Serbia will not receive help, except humanitarian relief, until it is democratic and Milosevic is out of work—or, better yet, in jail.

This is only common sense. Milosevic led Serbia into four wars this decade. He has been indicted for crimes against humanity. He has lied repeatedly to his own people and to the world. His regime is hopelessly corrupt. He portrays himself as a hero, but he is a traitor to every honorable Serb and has no place in the region's future.

We learned in Kosovo, as in Bosnia and Rwanda, that in this era of varied and mobile dangers, gross violations of human rights are everyone's business. Earlier this century, our predecessors confronted not only Hitler, but fascism; not only Stalin, but communism. In recent weeks, we confronted not only Milosevic, but ethnic cleansing. NATO's leaders simply refused to stand by and watch while an entire ethnic community was expelled from its home in the alliance's frontyard.

By acting with unity and resolve, NATO reaffirmed its standing as an effective defender of stability and freedom in the region. It validated the strategy for modernizing the alliance approved at the Washington Summit in April. And it underlined the importance of the leading nations on both sides of the Atlantic acting together in defense of shared interests and values.

If we are as resolute in building peace as we were persistent in conflict, the crisis in Kosovo may come to be viewed as a turning point in European history.

In the past, Balkan strife has torn Europe apart, and big powers took sides and made local fights their own. The Dayton Accords established a new model of nations coming together to promote peace. Milosevic gambled that Kosovo would prompt a reversion to the earlier model, splitting the alliance and opening an unbridgeable gap between Russia and the West. Thanks to a careful assessment of mutual interests in Moscow and allied capitals, he was wrong.

Russia and NATO did not see eye to eye on the use of force against Belgrade. But both wanted to prevent the conflict from spreading, and following President Clinton's lead, we worked together to bring the conflict to an end. And now, with Russia in KFOR, we are working together to sustain the peace.

More generally, the time-tested marriage of diplomacy and force played a central role from the beginning of the crisis. At Rambouillet, we sought an interim political settlement that would have protected the rights of all Kosovars. To the vast detriment of Serb interests, Milosevic rejected that agreement. But the talks helped bring the Kosovar Albanian leadership together in an unprecedented way. After NATO launched its campaign, we shifted from diplomacy backed by the threat of force to diplomacy in support of force. We worked hard to assist the front-line states in coping with the flood of refugees. We received

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help from countries on every continent, including those in the Muslim world. We consulted constantly with our allies, who stayed together every step of the way. And we made full use of public diplomacy to explain NATO's objectives.

Ultimately, we were able to use diplomacy to help bring the need for force to an end. Thanks to the tireless efforts of Deputy Secretary Strobe Talbott, we reached an understanding with Russia's envoy, Viktor Chernomyrdin, on the terms of peace. We solicited the help of Finnish President Ahtisaari in presenting those terms to Belgrade. By then, an isolated Milosevic had no other choice but to accept. And we proceeded to gain Security Council approval for an international force with NATO at its core.

Now we are in a new stage of practicing diplomacy to build peace. During the past 2 weeks, we have consummated agreements on an appropriate role for Russia in KFOR, KLA demilitarization, and the Southeast Europe Stability Pact.

Our strategy throughout has been grounded firmly in U.S. interests. By meeting massive ethnic cleansing in the Balkans with a red light, we make it less likely that NATO will be called upon to use force in the future. And by supporting democracy and promoting human rights, we contribute to a future of stability and peace throughout Europe. This is fully consistent both with American interests and with NATO's purpose, which is to prevent war while defending freedom.

Some hope, and others fear, that Kosovo will be a precedent for similar interventions around the globe. I would caution against any such sweeping conclusions. Every circumstance is unique. Decisions on the use of force will be made by any President on a case-by-case basis after weighing a host of factors. Moreover, the response to Milosevic would not have been possible without NATO, and NATO is a European and Atlantic-not a globalinstitution. We have been laboring throughout this decade to improve the world's ability to prevent and respond to humanitarian disasters, but this does remain a work in progress.

We conceived the Africa Crisis Response Initiative to improve indigenous capabilities on that continent. We are the largest contributor to the UN High Commissioner for Refugees. We are backing strongly the War Crimes Tribunal for Rwanda and the Balkans. And we have supported peace initiatives from Northern Ireland to the Middle East and Central Africa.

The United States remains the world's leading force for justice and stability. But a leader cannot stand still. We need help from Congress to support the President's requests for resources to back our leadership, and to ensure that our commitments in southeast Europe do not cause the neglect of other priorities. Not long ago, I visited a refugee camp in Macedonia. And I was never prouder to be an American than when I heard the chant "USA, USA, USA" and saw a little boy's hand-lettered sign that read, at the top, "I Love America," and at the bottom, "I want to go home."

As someone whose own family was twice forced to flee its home when I was still a little girl, I remember how it feels to be displaced. And now I know how it feels, as Secretary of State, to be able to tell that little boy and his family that with America's help, they would go home safely and soon.

There are some who say that Americans need not care what happens to that child or to those like him. Others suggest that until we can help all the victims of ethnic violence, we should be consistent and not help any. Still others believe that by trying to bring stability to the Balkans, we're taking on a job that is simply too hard. Finally, there are some—overseas and even here at home—who see NATO's actions as part of a master plan to impose our values on the world.

Such criticisms are not original. They echo voices heard half a century ago whenAmerica led in rebuilding war-torn societies across two oceans, helped to reconcile historic enemies, elevated the world's conception of human rights, and attempted and achieved the impossible by supplying more than 2 million people in Berlin entirely by air for more than 9 months.

From that time to this, the United States has defended its own interests, while promoting values of tolerance and free expression that are not "Made in America" or confined to the West, but rather universal and fundamental to world progress and peace.

It is in this spirit of melding present interests with timeless values—a spirit fully in keeping with the highest traditions of U.S. foreign policy—that we have acted in Kosovo, and that we strive now for lasting peace throughout Southeast Europe.

It is to the success of this mission and the continuation of this tradition that I pledge my own best efforts tonight, and I respectfully solicit your wise counsel and support.

Thank you very much.

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# The United States and Africa: Building A Better Partnership

Secretary Albright

Address to the Annual Convention of the National Association for the Advancement of Colored People (NAACP), New York City, July 13, 1999.

Thank you, Mr. Shelton, for that introduction. President Mfume, Chairman Bond, Mrs. Myrlie Evers-Williams, Representative Conyers, Rev. Genevise-Tweed, Ms. Louise Simpson, Deputy Attorney General Eric Holder, members of the Board, and members of the NAACP: Good morning to you all. I am delighted to be here.

I am proud to have with me my colleague Johnnie Carson, America's next Ambassador to Kenya, and Peter Burleigh, our Ambassador to the United Nations. And I am pleased to see so many young people. The NAACP is 90 years old, but clearly your eyes are focused on the next 90 years. In that spirit, can I do a little recruitment? I hope that some of you here today will consider joining the Foreign Service or encourage others to do so. I can testify that it is a great honor to represent the United States.

As for the A.R.C. Gospel Choir, your singing brings to mind the saying that music is the sound of God breathing in and out. May your voices never lose their strength or their power to inspire. I appreciate deeply the chance to speak with you this morning, because your 90 years of hard work have made your name a synonym for justice. Year in and year out, you have helped America to confront its contradictions and move closer to its ideals.

And your message has been heard far beyond classrooms and courtrooms here at home. The NAACP long ago went global.

Your founding inspired the creation of the African National Congress. And you helped forge an invaluable partnership between the people of the United States and the people of Africa. It is this partnership that I would like to discuss this morning. I do so at a time when the United States and NATO have made a big commitment in southeast Europe to reverse ethnic cleansing, return refugees, and help a war-torn society to rebuild. That is the right approach for Kosovo and the Balkans.

In the wake of that commitment, it is no surprise that some of you are asking—and comparisons are being made with our policy toward Africa. But no one would say that we must do the same thing everywhere. And no reasonable person would say that we should have done less in Kosovo because we could not do the same everywhere. It is true that we have been able to do far more to end conflicts in Europe than in Africa. In Europe the United States has allies to share the risks and costs of responding to crises. We have strong regional organizations to promote understanding and economic integration to foster peace.

In Africa, such resources are scarce. But that is no excuse for disengaging or giving up. Instead, it is a challenge, as President Clinton has suggested, to use the lessons of Kosovo to help us do better in Africa.

In the weeks ahead, Africans and the international community together face tests in the Democratic Republic of the Congo and Sierra Leone. If the peace agreements that have been signed in those two countries are implemented—and we pray that they will then we must find the resources to support peacekeeping, reconstruction, and reconciliation. I hope I can count on your support as I work with Congress to make sure we do our share, for we should have learned by now that America cannot be secure if millions elsewhere are trapped by strife and scarcity.

I visited Africa several times as America's Ambassador to the United Nations and every year since I became Secretary of State. And I saw that the continent is more democratic than it has ever been, more economically open, and more alive with the energy of a growing civil society.

But I also saw that Africa is being pulled two ways. I watched war crimes investigators in Rwanda excavate with great care the skeleton of a child about the size of one of my grandsons and the sights of that day Nowhere in the world are there stronger or braver people than those Africans working at the grassroots for justice and lasting peace. I look forward to meeting with these people as well as the region's leaders—when I return to Africa this fall. I will also seek their counsel on how we can help make African societies more peaceful and safe; more democratic; and more prosperous, healthy, and free.

This morning, I want to focus on two areas where the NAACP is also taking a leading role—supporting

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made vivid Eleanor Roosevelt's statement that "within all of us there are two sides. One reaches for the stars, the other descends to the level of beasts."

Five years ago, when a campaign of genocide was launched in Rwanda, neither America, nor the nations of Africa, nor the rest of the international community did enough, quickly enough, to try to stop it. It is no secret that I was not satisfied with our efforts then. And I say to you today that we must do all we can now to see that such a nightmare is never repeated.

I take great pride that the United States took the lead in creating an international criminal tribunal for Rwanda. The tribunal has offered the world a lesson by prosecuting not just the perpetrators but the leaders of genocide. And it has established, once and for all, that those who see rape and sexual assault as just another weapon of war must answer for their crimes. Africa's economic development and assisting Africans in the search for lasting security and peace.

Economically, the key to progress in Africa, as elsewhere, is creating good jobs and sound economic structures. So the Clinton Administration, starting with the leadership of the late Ron Brown, has worked hard to encourage American investors to make the most of the opportunities Africa has to offer.

In March, I hosted representatives of 50 African nations for the first-ever U.S.-Africa Ministerial. It was the largest gathering of American and African officials ever and an important opportunity to hear the concerns of the continent's leaders.

At the ministerial, African leaders told us in no uncertain terms that one of the most helpful things we could do would be to obtain passage of the African Growth and Opportunity Act. This Act will give a hand up to leaders who have been reforming and modernizing their economies and give new reason for others to do the same. It offers a smart path for Africa into the global economy.

I want to thank the NAACP for its decision last year to endorse this measure. It is the most important piece of legislation on Africa I can remember. Together, we have fought for its enactment. And together, we must win that fight.

The House is expected to vote on this bill Friday. I hope you agree that both Houses of Congress should pass this bill—not at some distant point but this year, this month, now.

At the March ministerial, many of Africa's leaders also told us that international debt burdens were crippling their ability to provide even the most basic social services for their citizens. We have responded. Last month, the G-7 agreed to the President's plan to provide up to \$90 billion in additional debt relief for developing countries. The prime beneficiaries will be African.

At the same time, President Clinton has committed to work with Congress to restore U.S. assistance to Africa to its historic high levels. These steps are essential. But economic growth is linked, as well, to political development and peace.

The United States is a strong supporter of democratic forces across the continent. We know the critical importance to Africa's future of the success of Nigeria and other new democracies.

We are also working hard to halt conflicts and to address the massive human suffering they have caused. In the Sudan, for instance, we have taken a major role in trying to energize a regional peace process that could finally settle that country's disastrous 16-year-long civil war which has affected the region. As we seek an end to war, we also seek concrete progress from the Sudanese Government on terrorism and human rights; an end to slavery and religious persecution; and steps to address the historical grievances of the south. When I was in Gulu, Uganda, I met with young people who had been abducted from their homes and taken to Sudan to serve as slaves or child soldiers. Some escaped from the Sudan-backed Brutal Lord's resistance army. All had been terribly abused, and none could imagine a future free of violence and want.

To make sure America plays its full part in that effort, I am announcing today that the President will soon appoint a special envoy who will focus on reducing human rights abuses, improving humanitarian responses, and revitalizing the regional peace effort led by Kenya. We have taken this step because the people of Sudan deserve not delay, but decisiveness; not starvation, but succor; not boundless inhumanity, but lasting peace.

The United States remains far and away the largest contributor to relief efforts in the Sudan, having provided more than \$1 billion in this decade. We are also fully engaged in efforts to resolve the other conflicts across the continent—from the seemingly endless civil war in Angola to the bloody dispute between Eritrea and Ethiopia.

In the Democratic Republic of Congo, we have supported Zambian President Chiluba's sustained efforts to negotiate a cease-fire. The accord signed last weekend by six countries is an important first step toward a lasting regional peace settlement. We call upon all the insurgent groups involved to sign it.

In Sierra Leone as well, a recent peace agreement offers the hope of ending a conflict characterized by horrendous abuses of human rights. If we can help alleviate the suffering caused by these conflicts, we should. This is the right thing to do; it is also the smart thing.

But while responding to these conflicts, we must take broader steps to help prevent them. That means supporting the Organization of African Unity. It means enhancing Africa's peacekeeping capacity, as President Clinton's African Crisis Response Initiative does. And it means restoring the UN's rightful place in ending war in Africa's crisis zones.

We must also be Africa's partner in a larger struggle; a struggle being waged around the globe between those with faith in the rule of law and those who believe in no rules at all. From within and without, parts of Africa are besieged by what Langston Hughes referred to as "the force that kills, the power that robs, and the greed that does not care." It does not have to be this way.

Those complicit are white and black, African and non-African. They are diamond runners, arms peddlers, and those who consider public office a license to steal. They are mercenaries who would sell drugs and guns to a kindergarten if the mark-up were high enough. And they are international terrorist groups that use Africa as a convenient base of operations, such as those who killed hundreds of AmeriOne place to start is by backing strong democratic leaders in their fight against corruption. As Nigeria's new President Obasanjo has observed, in African tradition, gifts are given in public and excessive gifts are returned. Secret offshore bank accounts, he adds, are not part of this tradition.

A second priority is the need to halt the uncontrolled flow of guns and other weapons into Africa. I know the NAACP understands this problem well, and I have great respect for your work to reduce gun violence in our own country.

In Africa, the end of the Cold War brought large quantities of weaponry into the continent at bargain-basement prices, through transactions that were neither regulated nor recorded. As a result, the continent is awash in arms that feed conflict and crime. Today, I am releasing a special State Department report—"Arms and Conflict in Africa"—describing the dimensions of

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cans and Africans last summer by bombing our embassies in Kenya and Tanzania.

We will honor those victims in a memorial ceremony on August 7. As we do so, we must vow never to forget—and never to be complacent. The world must come together with Africa, not to compete for influence, but to cooperate for peace, development, and law. this problem, how the business of arms sales to Africa works, and what its impacts are.

As the report makes clear, although prices are low, the social cost of arms sales is high. Countries that are among the world's poorest spend hundreds of millions of dollars buying tanks, jet fighters, and small arms. Diamonds are smuggled, crops are mortgaged, and relief supplies are stolen to finance these purchases. In each case, it is the African people who are the losers. Of course, countries have the right to self-defense. Many arms transfers are legitimate, but many others are not.

The United Nations has imposed arms embargoes against two African countries and three extremist rebel groups, which are responsible for more than a million deaths in this decade. Unfortunately, the enforcement of these embargoes has been lacking, and the arms have continued to flow.

The international community must do better. And the United States is determined to do its part. Currently, we are working with the United Nations and African leaders to find ways to strengthen the enforcement of arms embargoes. We are negotiating a global agreement to prevent the illicit manufacturing or sale of firearms. And we are seeking support for rules governing the export of shoulder-fired missiles a threat to civilian aircraft and a deadly danger in the hands of terrorists.

Curbing the illicit or destabilizing sale of arms would help make Africans safer and Africa stronger. The same would be true for progress against an even deadlier threat, and that is HIV/ AIDS.

Neither numbers nor statistics are adequate to describe the human destruction being caused by this disease, especially in Africa. In the minutes since I began this speech, 100 Africans became newly infected with HIV/AIDS. By the time your convention ends, another 25,000 will have been infected.

The imperative in Africa now, as in our own country a decade or so ago, is to face squarely the reality of this disease, for we know that with national leadership, international assistance and local interventions, the tide can be turned.

Uganda was among the first nations to be devastated by AIDS, but it has fought back. President Museveni has urged every cabinet minister; every school; every church; and every business to promote AIDS awareness, prevention, and treatment. Ugandans call this "the big noise," and it has cut HIV infection rates by 50%.

Today, the big noise is starting to be heard in more and more African nations. The United States has helped by urging others to heed Uganda's example and by steering to Africa more than one-half of \$1 billion we have invested in the global fight against AIDS.

But so much more needs to be done. So I pledge this morning that I will do all I can to see that we will do more—and that we stick with this fight until it is won.

Many years ago, in a speech at Lincoln University, the Rev. Martin Luther King confessed to being what he called a "maladjusted" person. He said that he simply had not been able to adjust to a world of discrimination. He had not been able to adjust to economic conditions that left a few with luxuries and the vast majority without basic necessities. And he said that the salvation of the world may well rest in the hands of the maladjusted.

Today, I hope that we, too, will be maladjusted. That we will never adjust to an America where hate crimes still occur and discrimination persists; or to a world where too many of our fellow human beings are abused and exploited, denied fundamental freedoms, and lack the means for a decent life.

I hope that we will be true partners to our brothers and sisters in Africa; that we will reach out to those who share our belief in the power of free institutions; and that we will help out those in need of relief from illness, hardship, and war.

I hope that we will take our cue from the proud tradition of the NAACP, and never cease in our striving to build a freer and more equitable world. And by so doing validate the last message of your founder, W.E.B. Dubois, that "human beings will live and progress to greater, broader and fuller life."

Thank you very much for your attention this morning and for the work you do every day for America and for the world. ■

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For text of "Arms and Conflict in Africa" see http://www.state.gov/www/regions/ africa/9907\_africa\_conflict.html

# U.S. Policy Toward the Middle East

Martin S. Indyk

Testimony by the Assistant Secretary for Near Eastern Affairs before the House International Relations Committee, Washington, DC, June 8, 1999.

I welcome this opportunity to appear before you again to discuss United States policy toward the Middle East.

In the Middle East, as in the rest of the world, we stand on the threshold of a new millennium. But this region finds itself caught between its turbulent, conflict-ridden past and a future of greater peace, stability, prosperity, and popular participation. It is not yet clear which direction the Middle East will take because the indicators are mixed.

The difficulties in the Arab-Israeli peace process on all tracks over the past 2 <sup>1</sup>/<sub>2</sub> years had the effect of dramatically slowing the momentum toward positive change in the region, and it reduced the hopes of many that a comprehensive peace would usher in a new era of coexistence and regional cooperation. Last month, however, the Israeli people voted for change, and Prime Minister-elect Ehud Barak now has a strong mandate to continue the search for a comprehensive Arab-Israeli peace.

Saddam Hussein's defiance of the UN Security Council threatens to destabilize the Gulf while exacting a heavy price from the Iraqi people. But the Iraqi tyrant has emerged from the Desert Fox campaign weakened and isolated and less capable of creating trouble for his neighbors.

President Khatami's election in Iran and the recent local elections there have made clear that a significant majority of the people of this great nation support political liberalization, respect for the rule of law, and a constructive role for Iran in regional and international affairs. But this evolution still faces strong and sometimes violent opposition from some quarters inside Iran. Moreover, Iran's determined development of ballistic missiles to enable delivery of its weapons of mass destruction over long distances has the potential to trigger a new and dangerous arms race across the region.

Extremism is now on the defensive in Algeria and Egypt after years of bloody confrontation. Across the Arab world a gradual struggle for political liberalization and economic reform is taking place. In Morocco, the opposition has become the government; in Qatar women have voted for the first time in a GCC state, and Kuwait has decided to permit women to vote as well; and the Palestinian Authority is being held to account by an elected Palestinian Legislative Council. Developments in the recent Algerian elections were a disappointment to us, but the people's desire for political and economic reform is manifest, and President Bouteflika is beginning to make clear his intention to respond to their aspirations. Meanwhile, Egypt, Tunisia, and Morocco have implemented significant and far-reaching economic reforms.

Finally, King Hussein's untimely death has underscored the fact that a process of succession is underway across the region after decades of unchanging rule in most Arab countries. The transitions in Jordan and Bahrain have been encouragingly smooth, but these may be the exceptions rather than the rule. And we must remain cognizant of the fact that over the next decade, leaders who have built up credibility and legitimacy over many years will be replaced by a younger generation who will take some time to establish itself.

Because the Middle East is a region of vital interest to the United States, we are committed to helping it achieve a better future in the 21st century than what it has experienced in the last half of the 20th century, when the Middle East was often a synonym for trouble and hopelessness. Above all, we have an intense interest in preventing it from backsliding into another era of extremism and conflict, marked by a new arms race in ballistic missiles and weapons of mass destruction.

In confronting these challenges, we have sought on the one hand to contain those governments or political movements that use violence as a matter of policy to advance a hostile agenda. At the same time, we have mounted a steady and determined effort to expand the breadth and depth of our partnerships with friendly governments in the region to promote the peace, stability, and prosperity which remain our abiding vision for the Middle East. We more peaceful and prosperous region, working with them to achieve our common vision. At the same time, we must enforce our ability to overcome those forces that threaten our interests.

# **Arab-Israeli Peace Process**

Looking back in time, enormous progress has been made in realizing the historic goal of a comprehensive Arab-Israeli peace. Some 20 years after the Israel-Egypt treaty—which remains the bedrock of all subsequent progress peace between Israel and all of her neighbors is in sight.

"Some 20 years after the Israel-Egypt treaty . . . peace between Israel and all of her neighbors is in sight. In the 6 years since the signing of the Declaration of Principles . . . we have witnessed the signing of a peace treaty between Jordan and Israel, the Israeli-Palestinian Interim Agreements, the Hebron Protocol, and the Wye River Memorandum."

have also sought to encourage states in the region that have developed the bad habit of acting outside of international norms to change in ways that would permit their reintegration into the international community. As a consequence, this always crisis-prone region has seen a marked decline in violence and conflict in the past 6 years and now has the potential for a significant deepening of peace and stability.

As we look to the future of the region, the question before us is: How can we widen the circle of peace while countering those who would oppose the promotion of a more normal existence for all the people of the region? The answer in our minds is clear. We must broaden the scope and depth of our relationships with those states that share our commitment to a

In the 6 years since the signing of the Declaration of Principles in Washington, we have witnessed the signing of a peace treaty between Jordan and Israel, the Israeli-Palestinian Interim Agreements, the Hebron Protocol, and the Wye River Memorandum. The PLO has revised its charter, and Arafat has pledged that there will be no return to violence. The Likud-led Government of Israel took a historically important step by agreeing to redeploy from parts of the West Bank, thereby resolving an ideological debate decisively in favor of the principle of land for peace and territorial compromise in the West Bank.

The process of normalization and Middle East economic summits have resulted in the abandonment of the secondary Arab boycott and the establishment of commercial contacts between Israel and all but a handful of Arab countries, including the establishment of trade offices with Morocco, Tunisia, Oman, and Qatar. And although agreement was not reached, Israeli-Syrian negotiations did establish the basis for settlement of that longstanding conflict.

The coming period offers a renewed opportunity to move forward on all tracks. Once Prime Minister-elect Barak forms his government, we expect he will come to Washington to discuss with President Clinton how best to proceed on the peace process. For our part, and in full coordination with all the parties, we intend to work vigorously on furthering comprehensive peace in the region. On the Palestinian track, we believe that the Wye River Memorandum should be implemented, and we have called on both parties to engage in accelerated permanent status negotiations and rededicate themselves to the goal of reaching an agreement within a year.

Throughout the peace process, we have been guided by the belief that agreements can only be reached through direct negotiations. The only bases for negotiating a peace agreement between Israelis and Palestinians are the terms of reference defined in Madrid and the principles agreed to in the Oslo Accords. These include UN Security Council resolutions 242 and 338; they do not and never have included UNGA resolution 181.

Our experience has taught us the importance of the parties creating the proper environment for progress in their negotiations and for dealing with differences through those negotiations. That is one reason why the Administration is working hard to see that the proposed July 15 meeting of the High Contracting Parties to the Fourth Geneva Convention does not take place. We have voiced our opposition to such a meeting in the strongest terms, have made clear that we would not attend a meeting if it takes place, and we have encouraged all others to do likewise. This meeting will not contribute to the peace process. That is also why we have called on both sides to refrain from taking unilateral steps such as unilateral declaration of statehood or provocative settlement activity—that could prejudge the outcome of permanent status negotiations.

Between Israel and Lebanon, and Israel and Syria, there have been no direct negotiations in 3 years, and these tracks should move forward as well. When there were negotiations between Israel and Syria, progress was made, but significant gaps remained, particularly in the all-important area of security arrangements. If the parties are willing to match our effort, we are prepared to do our part to help bring about peace between Israel and Syria. This is not only because of our commitment to a comprehensive peace, but also because an Israel-Syria peace agreement would contribute to peace between Israel and Lebanon and would have important regional benefits as well

# **North Africa**

With regard to Libya, we have seen almost 10 years of efforts finally bear fruit in the delivery last April for trial of the two Libyan suspects in the 1988 bombing of Pan Am flight 103. This extraordinary effort succeeded because of sustained cooperation from our British and Dutch allies-both of which had to adopt special legislation to accommodate the initiative. UN Secretary General Kofi Annan also played a critical role, and the personal involvement of former South African President Mandela and HRH Crown Prince Abdallah of Saudi Arabia was a crucial factor in the final push to obtain Libyan compliance. Because we now have the real possibility of a trial, we are a critical step closer to achieving a measure of justice for the victims of that appalling attack and for their families.

The surrender of the suspects has led to the suspension of the UN Security Council's sanctions against Libya, as the relevant UNSC resolutions provide. The permanent lifting of those sanctions will require a further resolution by the UNSC. That Council action would follow a report by the Secretary General on the status of Libyan compliance with the remaining requirements of the Security Council resolutions, specifically, to:

• End and renounce support for all forms of terrorism;

Pay appropriate compensation;

• Acknowledge responsibility for the actions of its officials; and

• Cooperate with the investigation and the trial.

We do not think the Secretary General will be able to report positively on Libyan compliance with those requirements by the early July deadline for his report. This is true particularly because Libya's obligation to cooperate must be measured in part by its response to requests from the Scottish court. We are aware, however, that many Security Council members are anxious to close the chapter of Libya sanctions and might be prepared to accept Libyan assurances instead of actions. We are not. We will not seek to delay unnecessarily the transition to a permanent lifting of sanctions. We would like to see Libya genuinely comply and return to full participation in the family of nations. But the requirements set by the Security Council are real and must first be addressed. We would prefer to avoid unnecessary confrontation in the Council on this issue but are prepared, as the Secretary has indicated, to veto a resolution lifting sanctions if it is presented before we are satisfied with Libyan actions.

We will be talking very shortly in New York with the Secretary General and our British counterparts and Libyan representatives to communicate our views about what the Libyans need to do to address the points I have listed. And we are prepared to continue dialogue with them to make clear the actions they need to take to comply fully with the UNSC resolutions. U.S. unilateral sanctions against Libya remain in place. It is too early to speculate about the future of bilateral relations with Libya or about any future actions with respect to our unilateral sanctions until we see what the Libyans are prepared to do to satisfy the remaining requirements of the UNSC resolutions.

Elsewhere in North Africa, we remain engaged with our friendsparticularly Morocco and Tunisia-on issues ranging from political and economic reform, to support for the Middle East peace process, to military cooperation and human rights. We are seeing progress on those issues, though it can be hesitant and uneven. Algeria remains of great concern. The level of violence is not what it was a year ago, but we have not yet seen the kind of progress on political and economic reform we think is fundamental to a secure, prosperous, and democratic future for Algeria. Yesterday, President Bouteflika announced an amnesty for members of the AIS who renounce violence and terrorism. This is an important step forward. We hope that it presages an approach by President Bouteflika toward rebuilding Algeria that we can actively support.

The dispute between Morocco and the Polisario Front over the territory of the Western Sahara is another issue of concern. We continue to support the efforts of the UN and former Secretary of State James Baker to implement the settlement plan to which Morocco and the Polisario have agreed. Like many others, however, we would like to see the two parties move forward to the holding of a referendum or be prepared to engage in what they have committed themselves to doing under the plan, or to indicate an alternative means of settling this issue.

# Iraq and Iran

Let me now turn to Iraq and Iran by reviewing what has become known as our "dual containment" policy toward Iraq and Iran, a policy enunciated by

the Clinton Administration 6 years ago and pursued with vigor ever since. Dual containment was premised on the notion that the U.S. needed to shift away from its earlier policy of relying on either Iraq or Iran to balance each other-a policy we had followed throughout the previous decade with disastrous results. Instead, we judged that both regional powers, while warweary and economically weakened, were still militarily ambitious and clearly hostile to the United States and our interests in the region. We, therefore, decided to focus our efforts on containing Saddam Hussein's threats to his neighbors and his own people, while at the same time pursuing multilateral efforts to prevent Iran from acquiring and developing weapons of mass destruction-WMD-and the ballistic missiles necessary to deliver them. Our policy vis-a-vis Iran was also based on continuing to seek change in dangerous Iranian policiesincluding support for terrorism, subversion of friendly governments, and violent opposition to the Middle East peace process-through economic pressure aimed mainly at Iran's oil industry.

Dual containment, however, never prescribed identical policies toward Iraq and Iran, nor was dual containment designed to be static or inflexible over time. Indeed, it is guite natural that these two states would evolve differently and that our policies would evolve in response. Nor was dual containment meant to impose a kind of Pax Americana on the region, in which we would try to exclude Iran and Iraq—both large and important regional playerspermanently from making positive and constructive contributions to the economics, politics, and security of the region, should they change their hostile ways.

Over the past 6 years we have, in fact, seen pronounced differences in the evolution of both the external and internal policies of these two regional powers. And U.S. policy has adapted itself in response. Iraq, under Saddam Hussein, remains dangerous, unreconstructed, and defiant. We have come to the conclusion, after more than 7 years of effort at seeking Saddam's compliance with UN Security Council resolutions, that his regime will never be able to be rehabilitated or reintegrated into the community of nations. This conclusion is based on what Saddam's record makes manifest—that he will never

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relinquish what remains of his WMD arsenal and that he will never cease being a threat to the region, U.S. interests, and his own people. It is based on Saddam's policies, not on any predetermined policy of our own. Thus, in November of last year, President Clinton announced a new policy with regard to Iraq; henceforth, we would contain Saddam Hussein while we sought a new regime to govern in Baghdad. The President committed the United States to support those Iraqis—inside and outside Iraq who seek a new government and a better future for all the people of Iraq.

The evolution in Iran, and hence our own response, has been markedly different. In recent years, the Iranian people have demonstrated a desire for greater participation in their governance, freedom from undue interference by the state in their private affairs, and greater openness and contact with the outside world. Iran's leaders have taken steps to address these concerns. conducting generally fair presidential and local elections, allowing increased public debate, and publicly shifting from a foreign policy of confrontation to one of dialogue and cooperation. Despite these positive developments, we continue to have serious concerns about some Iranian policies that violate international norms and threaten our interests and those of our allies.

We would be remiss, however, were we to fail to adjust our approach to the changing reality in Iran. As Iran's leaders have shown an interest in constructive engagement with the international community, we have sought to respond by highlighting our interest in encouraging changes in Iranian behavior and establishing through dialogue a road map for building a more cooperative relationship. This approach was enunciated by Secretary Albright last June in her speech to the Asia Society in New York.

**Iraq.** Some 8 years after the Gulf war and Saddam's persistent defiance of the international community, we are under no illusions that Iraq under Saddam Hussein will comply with UNSC resolutions on disarmament, human rights, accounting for POW's, and the return of stolen property.

In view of this reality, our policy rests on three pillars.

First, as long as he is around, we will contain Saddam Hussein in order to reduce the threat he poses both to Iraq's neighbors and to the Iraqi people. **Second**, we will seek to alleviate the humanitarian cost to the Iraqi people of his refusal to comply with UNSC resolutions.

**Finally**, we will work with forces inside and outside Iraq, as well as Iraq's neighbors, to change the regime in Iraq and help its new government rejoin the community of nations.

Our policy of containment plus regime change is designed to protect the citizens of Iraq and its neighbors from an aggressive and hostile regime. Sanctions prevent Saddam Hussein from reconstituting his military or WMD capabilities. Operations Northern and Southern Watch prevent Saddam from using his air force against the civilian populations north of the 36th parallel and south of the 33rd. We maintain a robust force in the region, which we have made clear we are prepared to use should Saddam cross our well-established red lines. Those red lines include: should he try to rebuild his weapons of mass destruction; should he strike out at his neighbors; should he challenge allied aircraft in the no-fly zones; or, should he move against the people living in the Kurdishcontrolled areas of Northern Iraq.

Let me be particularly clear on this point: The United States is concerned for the protection of all Iraqis against the repression of the Baghdad regime. Hence, we believe that the world community should tolerate no backsliding from Baghdad's obligations under any of the UNSC resolutions intended to protect the people of Iraq and its neighbors from the depredations of the current Baghdad regime. In particular, UNSC resolution 688 twice cited the consequences of Baghdad's repression of the Iraqi civilian population as a threat to international peace and security. It therefore demanded that Baghdad "immediately end this repression." Baghdad is in flagrant violation of this UNSC resolution, as it is of so many others.

We are committed to maintaining UNSC sanctions against the Iraqi regime, while lifting the burden of sanctions off the backs of the Iraqi

people through the expansion and streamlining of the oil-for-food program. This humanitarian relief program is the second pillar of our policy. Sanctions were never directed against the humanitarian needs of the Iraqi people. In fact, food and medicine are specifically exempt from sanctions. Iraq has always been free to buy and import these goods, but Saddam Hussein has long chosen not to do so in order to manipulate public opinion by deliberately causing the suffering of his own citizens. Our response has been to first establish and then expand the oilfor-food program, which provides a mechanism for the international community to control the use of revenues from the sale of Iraqi oil for the purchase of humanitarian supplies for the Iraqi people. Despite interference by the regime, the oil-for-food program has ensured that the people of Iraq receive the food and medicine, which their own government denies them. There is a fundamental principle at work here. As long as the current Baghdad regime is in defiance of the UNSC resolutions, we will never allow him to regain control of Iraq's oil revenues. They will continue to be escrowed by the UN and their uses controlled by the UN sanctions committee.

Although effective, containment has its costs. As we have seen repeatedly since 1991, even a contained Iraq under its current leadership remains a threat both to the stability of the region and to the welfare of the Iraqi people. Both are paying too high a price for Saddam's continued rule. In our judgment, both urgently deserve better. It is past time for Saddam to go.

For these reasons, President Clinton announced in November that the United States would work with the Iraqi people toward a government in Iraq which is prepared to live in peace with its neighbors and respect the rights of its people. We are fully committed to supporting the Iraqi people in bringing this about. In pursuit of this objective, the United States will adhere to two important principles: one, we will uphold the territorial integrity of Iraq;

and two, we will not seek to impose from the outside a particular government or leaders on the people of Iraq. We do support a change of government that will be responsive to the aspirations of the Iraqi people-one that takes meaningful steps toward a democratic future for the country and can represent fairly the concerns of all of Iraq's communities. And we will work with a new Iraqi government, as it pledges to fulfill its international obligations, to lift the sanctions, to deal with the large debt burden, and to reintegrate Iraq into the international community.

If it is to be successful, change must come from within, from the Iragis themselves. In particular, the security forces and the people must stand on the same side. The support of Iraqi exiles, including the politically active opposition, along with neighboring states, however, is indispensable: The captive Iragis need a voice. And, in particular, the internal Iraqi resistance needs a voice, through the Iraqi opposition living in freedom, to make clear to all Iraqis and to the world its aims. The Iraqi National Congress has described these resistance aims to us as: first, to bring the security forces to the side of the people in changing the regime; and second, after the current regime passes, to stand with all Iraqis in promoting reconciliation and reconstruction. Our approach is to work in an intensive and coordinated way with these Iragis and other countries that support these aspirations of the Iraqi people.

Free Iraqis—those in exile and those who live in relative freedom in northern Iraq—bear a special responsibility to develop a coherent vision for a brighter future. They must take the lead in developing and promoting an alternative vision based on the restoration of civil society, the rebuilding of the economy, and the promotion of a new role for Iraq as a force for peace and reconciliation in the region. They can also play an effective role in delegitimizing Saddam, in helping to build the case for his prosecution as a war criminal, and in getting the truth into and out of Iraq. And, as Iraqis committed to a future vision of Iraq that appeals to Iraqis inside and to Iraq's neighbors, they can best build the case for the support of regional states to channel more material assistance to the Iraqi people and their resistance elements.

Congress has provided the Administration with a number of important tools to support Iraqis who are working toward a better future for Iraq. These include earmarks of \$8 million in existing Economic Support Funds. We are using these funds to strengthen opposition political unity, to support the Iraq war crimes initiative, to support humanitarian programs and the development of civil society, and for activities inside Iraq.

We also have established and recently stepped up broadcasting hours for Radio Free Iraq, which operates independently and broadcasts daily in Arabic uncensored news and information to the Iraqi people.

We have named a Special Coordinator for Transition in Iraq, Francis Ricciardone, who is managing the overall effort. Mr. Ricciardone has already had considerable success in helping disparate opposition groups work together and elect a new interim leadership that right now is preparing the way for an Iraqi opposition conference that will have as broad participation as possible. He also is consulting intensively with regional states on how best to promote our shared interests in the reintegration of Iraq to the world community under a government that will act responsibly both internally and externally.

We have also made progress working with the two major Kurdish factions in the North—the PUK and the KDP—to help them reconcile their differences and better provide for all the people of northern Iraq. The two major Kurdish leaders, and other groups from northern Iraq, have played a very positive role in reunifying and reviving the Iraqi National Congress. This portends well for the contribution the Kurds, Turcomans, Assyrians, and Arabs of the North must also make in reunifying and rebuilding Iraq when a new leadership in Baghdad makes this possible.

Finally, there is the Iraq Liberation Act, which provides discretionary authority to the President to direct up to \$97 million in Defense Department drawdown and training for designated Iraqi opposition groups. We have now begun drawing down this account for the provision of nonlethal supplies to the opposition.

Many have called on the President to use this authority to arm the Iraqi opposition and support military action against Saddam Hussein. We believe such action is premature. There are a host of issues that must be resolved before such equipment and training could be provided with confidence that it would advance our objectives of promoting a change of regime and not just lead to more Iraqis being killed unnecessarily. One requirement is a credible, broad-based, Iraqi political umbrella movement, based on consensus, that can authoritatively articulate a future vision for those Iraqis who now lack a voice in their own fate. Hence, the first kinds of support which we will provide to the Iragi opposition under the drawdown will be to meet their most urgent requirements: equipment for the infrastructure vital to the effectiveness of an international political advocacy movement; broadcasting equipment; and training in civil affairs. Further kinds of material assistance to the Iraqi opposition can be provided when they can best be absorbed and exploited.

To channel substantial assistance to those resisting Saddam's oppression inside Iraq, we will need the cooperation of Iraq's neighbors. Although they all share and support the Iraqi people's longing for a change of regime in Baghdad, they have strong views about how we can help the Iraqi people reach this goal. We must take those views into account and gain their cooperation in promoting the recovery of Iraq as a good neighbor and contributor to regional stability.

**Iran.** Secretary Albright discussed our policy toward Iran at length in her Asia Society speech a year ago. The main point the Secretary made was that we are prepared to develop with the Islamic Republic, when it is ready, a road map in which both sides would take parallel steps leading to normal relations. Unfortunately, the Iranian Government has made clear that at this stage it is not ready to engage, insisting instead that the U.S. first take a number of unilateral steps.

Given Iran's reluctance to begin a bilateral dialogue, we have pursued other avenues that can serve to broaden our engagement with Iran. We have worked constructively with Iran in multilateral settings on issues of common concern, such as countering the spread of narcotics and the situation in Afghanistan. Last year, Iran's eradication of its poppy crop meant that Iran no longer met the criteria for inclusion on our list of major drug producers. Accordingly, we removed Iran from that list, and we fully support the UN Drug Control Program's plans to increase its cooperation with and activities in Iran. This is a case where positive Iranian actions have been met with a positive U.S. response. We also continue to work with Iran in the sixplus-two forum at the United Nations on Afghanistan, where the Islamic Republic has played a constructive role in the search for a peaceful solution to the civil strife in that war-torn country.

We have also noted with interest Iran's improving relations with the Arab world, particularly on the other side of the Persian Gulf. High-level visits are now occurring between Tehran and most of the capitals of the Gulf Cooperation Council states. We welcome a relaxation of tension in this part of the world; at the same time, we remain closely in touch with our Arab friends in the region and share their cautious approach that is based on testing Iran's willingness to abandon destabilizing policies. In this regard, we remain concerned at Iran's threatening approach to the islands dispute with the UAE.

We have also supported greater contact between our two peoples, for we believe that such exchanges can increase mutual understanding and respect and can help overcome decades of mistrust. We have streamlined our visa policies and supported academic and athletic exchanges. We have hosted wrestling teams, newspaper editors, film directors, musicians, and numerous Iranian scholars. At the same time, we are pleased that Iran has opened its doors to increasing numbers of American visitors-wrestling teams, scholars, graduate students, and museum officials.

Given the intense interest in U.S. sanctions policy with respect to Iran, it is important to recall the rationale for the sanctions as well as our reasons for some decisions we have made recently in this regard, in particular the adjustment to our economic sanctions policy, which will now allow the export of certain foods and medicines to Iran and other sanctioned countries.

Within the context of a broad review of U.S. sanctions policy, President Clinton recently announced his decision to exempt commercial sales of food, medicines, and medical equipment from future and current sanctions regimes where we have the authority to do so. This decision will enable the sale of certain U.S. items to Iran. It does not, however, conflict with our policy of applying economic pressure on the Iranian Government. Any benefit derived will accrue to the Iranian people and to American farmers and manufacturers. It is important to remember that U.S. sanctions policy seeks to influence the behavior of regimes, not deny their people basic humanitarian necessities. Our conclusions remain the same about Iran's objectionable policies. What has changed is our calculation of the impact on our overall policy objectives

of including food and medicine in sanctions regimes. Sales of food, medicine, and other human necessities do not enhance a nation's WMD capabilities or its ability to support international terrorism.

This adjustment of our sanctions policy does not provide for the automatic approval of agricultural and medical sales. Instead, it shifts the presumption in favor of such sales. We

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are now working with Treasury's Office of Foreign Assets Control, USDA, Commerce, and other relevant agencies to develop country-specific licensing criteria for Iran—and for the other countries affected by the change—based on the principle that the sanctioned government should not benefit from this adjustment to our sanctions policy. In general, however, we can say that all sales will have to be conducted at prevailing market prices and will be restricted to nongovernment entities or to governmental procurement bodies not affiliated with the coercive organs of the state. It is also a requirement that there be no U.S. Government funding, financing, or guarantees in support of the sales authorized by this changed policy.

Apart from that recent adjustment, our sanctions policy will remain in force vis-a-vis Iran. The reasons behind this policy of applying economic pressure remain the same today as they did when that policy was first invoked. U.S. sanctions are a response to Iranian Government practices that violate international norms and threaten our interests and those of our allies. Their intent is to deprive Iran of the resources to pursue those activities and to demonstrate to Iran's leaders that pursuing such policies comes at a price. In this regard, we will continue to oppose bilateral debt rescheduling, Paris Club debt treatment for Iran, and the extension of favorable credit terms by Iran's principal foreign creditors. We will also continue to oppose loans to Iran by the international financial institutions.

Some of these objectionable Iranian Government practices unfortunately have continued, although not to the same degree in all areas, under the present government. Iran remains on this year's State Department list of state supporters of terrorism. While Iran apparently conducted fewer antidissident assassinations abroad in 1998 than in 1997, Iran continued to support a variety of groups that use terrorism to pursue their goals. And despite Iranian public statements condemning certain terrorist acts or expressing sympathy for Kenyan and Tanzanian victims of the August 1998 bombings of the U.S. embassies in Nairobi and Dar es Salaam, Iranian support for terrorism remains in place.

At the same time, Iran accurately claims it also is a victim of terrorism. In 1998 several high-ranking members of the Iranian Government were attacked and at least two were killed in attacks claimed by the terrorist group Mujahedin-e Khalq—MEK. More recently, that same group claimed responsibility for the assassination of Iran's deputy chief of staff. We condemn these acts as we condemn all acts of terrorism.

President Khatami has publicly denounced terrorism and condemned the killing of innocents, including Israelis. The Iranian Government has also stated that Iran would accept a peace acceptable to the Palestinians. We assume that these statements are sincerely made, and it is therefore also reasonable for us to expect that the actions and policies of the Islamic Republic should reflect them. Unfortunately, so far, this has not been the case. Iran was harshly critical of the Wye Agreement, and its Hezbollah proxy in Lebanon threatened Arafat's life. President Khatami himself met with leaders of the Palestinian rejectionist groups when he visited Syria last month and apparently promised them more support.

We are also concerned at Iran's continued drive to develop weapons of mass destruction and the ballistic missiles necessary to deliver them. Clandestine efforts to procure nuclear, chemical, and biological weapons continue despite Iran's adherence to relevant international nonproliferation conventions. In this regard, we are particularly concerned about Iran's nuclear drive. Last summer, Iran also tested a ballistic missile-the Shehab III—capable of delivering warheads 800 miles and reported to be close to producing a missile with an even greater range. These developments pose significant potential threats to U.S. forces and to our friends in the region.

Clearly, our concern about Iranian WMD and missile development must be considered in a regional context. We continue to support a Middle East free of all WMD. But the kind of proliferation we see in the region today—be it in Iran, India, or Pakistan—is leading exactly in the wrong direction. Proliferation on the eastern side of the Persian Gulf is, among other things, increasing nervousness on the other side of the Gulf and could drive other countries to seek their own weapons systems.

We have to act quickly to forestall this imminent arms race in ballistic missiles and WMD by working with Israel, our Arab allies, and Turkey to help boost their abilities to deal with their emerging threats. These responses include strengthening active and passive defenses, enhancing deterrence, slowing down proliferation through relevant multilateral arms control regimes and other means, and encouraging moderation in the policies pursued by those regimes that are trying to acquire these systems. The threat of weapons of mass destruction is based on a mix of capability and intention; thus, it is imperative that we continue to work both on stemming proliferation and on encouraging more acceptable international behavior.

Iran's efforts to develop WMD and ballistic missiles, together with its other ongoing policies of concern, are the reason we oppose investment in Iran's petroleum sector, Iran's participation in the development and transport of Caspian resources—including pipelines across Iran-multilateral lending to Iran, and Iran's full integration in international economic fora. A change in the U.S. position on these issues will require Iran to bring its practices into line with international norms or, at least, demonstrate a willingness to begin such a process. It was with this, and our larger interests in the Caspian in mind, that we recently denied the application from a U.S. company to engage in an oil swap arrangement with Iran.

For the moment, we know that our policy to pressure Iran economically is having an effect on Iran. We look forward to a time when greater economic interaction with Iran will be possible, but this depends on the Iranian Government's willingness to address practices that in our view continue to disqualify Iran from enjoying the full economic and commercial advantages that come with responsible membership in the international community.

Finally, we continue to observe with great interest internal developments in Iran. As we have often said, we fully respect Iran's sovereignty and the right of the Iranian people to choose their system of government as they see fit. That said, we will not shy away from expressing our support for values that we believe to be universal: human rights, rule of law, free markets, and democracy. In this regard, both the presidential election in 1997 and the recent municipal elections were remarkable for their openness and the level of participation of the Iranian people. Statements by President Khatami in support of human rights and the rule of law deserve acknowledgment and support. At the same time. we are concerned at the gap that often remains between words and deeds. For example, we find it hard to reconcile President Khatami's words with the announcement yesterday that 13 members of the Jewish communities of Shiraz and Isfahan, including Rabbis, would be charged with espionage. These arrests send a very disturbing signal. We call on the Government of Iran to ensure no harm comes to these individuals and to release them.

We continue to believe that nations living according to democratic and pluralistic values internally will also abide more fully and more naturally with internationally accepted norms of behavior in their foreign policies. This is a principle that underlines our approaches to both Iran and Iraq, as well as to other parts of the world.

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# MULTILATERAL

#### North Atlantic Treaty

Agreement among the States Parties to the North Atlantic Treaty and the other States participating in the Partnership for Peace regarding the Status of their Forces. Done at Brussels June 19, 1995. Entered into force January 13, 1996.

*Ratification:* United Kingdom, June 22, 1999<sup>1</sup>

*Entry into force for the United Kingdom:* July 22, 1999

Further Additional Protocol to the Agreement among the States Parties to the North Atlantic Treaty and the other States Participating in the Partnership for Peace regarding the Status of their Forces. Done at Brussels December 19, 1997. Entered into force April 15, 1999.

*Signature:* Czech Republic, March 18, 1999; Romania, June 25, 1999

# BILATERAL

#### Anguilla

Express mail agreement, with detailed regulations. Signed at Anguilla and Washington May 28, 1998 and January 8, 1999. Entered into force April 15, 1999.

# China

Implementing accord under the cultural agreement of January 31, 1979 for cultural exchange for the period 1999 through 2002. Signed at Washington May 5, 1999. Entered into force May 5, 1999.

# Italy

Agreement relating to the employment of dependents of diplomatic agents, consular personnel and administrative and technical staff. Effected by exchange of notes at Rome June 9, 1997. Entered into force April 30, 1999.

#### Japan

Protocol extending the agreement of June 20, 1988, as extended, on cooperation in research and development in science and technology. Signed at Washington March 19, 1999. Entered into force March 20, 1999.

# Kenya

Investment incentive agreement. Signed at Nairobi December 3, 1998. Entered into force December 3, 1998.

# Korea

Memorandum of agreement concerning construction, operation and maintenance of a munitions demilitarization facility (DEFAC) in the Republic of Korea. Signed at Seoul April 21, 1999. Entered into force April 21, 1999.

# Malawi

Agreement concerning the employment of dependents of official government employees. Effected by exchange of notes at Washington October 29, 1998 and April 16, 1999. Entered into force April 16, 1999.

# Netherlands

Agreement concerning the use of facilities in the Netherlands Antilles and Aruba for the purpose of conducting counternarcotics detection and monitoring and interdiction missions. Effected by exchange of notes at The Hague April 9 and 13, 1999. Entered into force April 13, 1999.

# Norway

Agreement regarding the exchange of engineers and scientists, with annexes. Signed at Washington January 11 and April 15, 1999. Entered into force April 15, 1999.

# Pakistan

Agreement amending the air transport agreement of April 10, 1997. Effected by exchange of notes at Islamabad April 12 and 29, 1999. Entered into force April 29, 1999.

# Turkey

Memorandum of understanding concerning scientific and technical cooperation in the earth sciences. Signed at Reston and Istanbul February 22 and April 2, 1999. Entered into force April 2, 1999.

# United Kingdom

Agreement on behalf of the Turks and Caicos Islands relating to investment guaranties. Signed at Washington April 20, 1999. Entered into force April 20, 1999.

<sup>1</sup>With reservation.

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