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MR. HICKMAN:Now we're open for questions. Please state your name and affiliation. Yes? and the gentleman in the back.

Q:Stefan (Hamer ?) from the Swedish Broadcasting.
MR. BILDT:Yeah. Looks familiar.

Q:There, obviously, will be a change in the leadership in Serbia proper and in Croatia in the very near future. Is this for the better or for the worse for the Dayton process?

MR. BILDT:Difficult for me to say. I mean, I am hoping very much that we will see a democratization of both Serbia and of Croatia. And I think that is, of course of critical importance for the long-term development of the region.

What worries me of course is primarily what's going to happen in Serbia because I see a major Serbian crisis on the horizon. And that has to do with the economic situation, which is desperate; the social situation, which is beyond desperate, in Serbia; and with the national tensions that are there inside society. That has to do with the Albania and the Kosovo issue, but also with the extremely large number of refugees. There are 600,000 refugees in Serbia proper. So it is a combination of challenges and problems that have been assembled in Serbia during the Milosevic years that is going to be extremely difficult to handle.

And the fallout of the Serbian crisis might be a problem in itself. And that is why we have every reason to help and assist the democratic forces of Serbia; to try to help also on the economic front; to try to arrange political solutions, say, for the Kosovo problems and for the refugee problems because otherwise a Serbia that either explodes or implodes will, of course, have a negative impact on the stability in the region.

In terms of Croatia, we are facing now the situation in Eastern Slavonia where it is very important when the transition to full Croatian sovereignty takes place that it becomes a region in Eastern Slavonia where Serbs and Croats can live together in democracy. If they can, if that succeeds, it's a good sign for the future of the region. If it fails, it's a bad sign. And the jury's still out on that one. We'll know more about that at the end of the year.

## MR HICKMAN: Jim?

Q:Jim Anderson, DPA, the German Press Agency. About 10 days ago, the President of Bosnia-Herzegovina sent a letter to you and to the Contact Group members describing a situation which sounds like another country from the one that you've just described. He says that virtually nothing is working on the implementation except the military. Is he, do you think, doing this just for political effect, or is there something to his point of view, seen from where he is, that has validity?

MR. BILDT:Well, we've had - during the past 10 days, we've had three such letters, which of course has been a source of concern. And the international community has not been particularly enthusiastic about this process, where, first, President Izetbegovic, without consulting his colleagues in the presidency sent a letter to us. Then that, of course, led to one letter from President Zubak saying that President Izetbegovic wasn't talking for Bosnia but was only talking for himself, and saying that most of the things were wrong in the letter. Then, of course, a third letter from President Krajisnik, the Bosnia Serb representative, saying that everything was wrong in the preceding two letters and a third version of events.

And the reaction, I think - Nick Burns, State Department, said it was "unhelpful." And I would certainly go along with what Nick Burns said when he characterized those letters.

Of course, there are massive difficulties. And a large part of what President Izetbegovic is saying is of course correct. The same applies to what President Zubak is saying and part of what President Krajisnik is saying. But the essence of the process must be for the three of them to come together to discuss it and find joint solutions.

It is never a solution to just write letters to others blaming either the others or blaming the other members of the joint organs.

So the message back that has been given by the members of the Contact Group has been yes, we are aware, of course, of the challenges that are there. We are not naive. On the contrary. But it is extremely important for the three of you and for the common institutions to work together to try to talk and resolve the differences, not to go back in policies that are essentially a blame game between the three. We know the realities, but we also know that it's their obligation to work together to try to resolve it.

MR. HICKMAN:This gentlemen down here.
Q:(Name and affiliation inaudible.) How do you see the peace process being implemented and protected in the future without the American forces? As far as I have heard it's being stated here the American forces are meant to be out by June next year. Are the Europeans - (word inaudible) - without them?

MR. BILDT:Oh, I mean in purely military terms, yes. But that's beside the point. It's a question of the political commitment to the security and stability of Europe. And as I said, you can't treat Bosnia as something that is divorced from the wider issues of European security and stability. It is an integral part of it.

I said in much the same way as during the past 40, 50 years, the challenges were really Berlin, Germany, the war, the barbed wire, the 19 Soviet divisions - whatever. All of that is gone, but a lot of the challenges and tensions that we have are now down in south eastern Europe. And in much the same way as we need an American commitment to European security in the Central part, we need it in that other part of Europe.

And I don't think there will be a need for American forces in Europe in excess of American forces in Europe that are planned to be there anyhow. What I would see is that we will have to look at regional arrangements and that one perhaps would have to look at the geographical deployment of those forces. They are not deployed to counter a Soviet threat that is no longer there, there are other threats and other tensions and other uncertainties that must be dealt with. And then, of course, the deployment pattern of those forces could be changed accordingly.

And thus often I hear when I hear part of the American debate, there's a question of taking the boys home. I mean, that's not the case. The American boys in Bosnia are not from America, they are from Germany, in the sense that that's their main basing areas, all of them. There are very, very few continental U.S. forces involved in the peacekeeping. So it's a question of where in Europe do you base and deploy and train the forces that you have committed to European security and stability, and part of that problem is going to be Bosnia and south eastern Europe. So I think we should approach it from this angle after the departure of SFOR, because the SFOR force, as it is now, is not going to be needed after next year.

MR. HICKMAN:Tom?
Q:Tom Gilden, NPR. Defense Secretary Bill Cohen, on his recent trip, echoed a line we've heard often from military people in Bosnia, and that is that the military side of implementation is going very well and the civilian side is not. And there's always a certain amount of blaming the civilian agencies and those responsible for them for being behind the progress on the military side. When you hear that, how do you feel?

MR. BILDT:Well, it's somewhat naive, as I said in the beginning. I mean, there's a fundamental difference between to divide - you take two tanks and you say, "You go there, and you go there, otherwise l'll bomb you." which is the essential military task, and then make certain that the tanks remain there, or take their ammunition off, or something like that.

And to take a society that has been utterly destroyed - I mean, the destruction in Bosnia - 60 percent of their houses are destroyed. Society is torn apart. I would say the physical destruction, that is massive, is the least of the problems. It's the psychological destruction, the political destruction of society, families, human beings. And to treat that in parallel with deadlines that you can have when you just separate tanks is, of course, to somewhat underestimate the difficulties associated with rebuilding a society that's had - there have been 42 months of year;
so far, 17 months of peace.
I sometimes make the comparison - you can discuss it; lots of arguments against it - May 1945 when Europe was in ruins. It took quite some time to come back for Europe. If we say that that's the case in Bosnia, then we are in our September of 1946, if we take the corresponding time schedule. The time factor is very important when it comes to healing a society.

And societies don't heal and come together according to military time scales. I wish they would, but they don't.
MR. HICKMAN:Yes, right here.
Q:Joanna Allison from Voice of America. How would you assess the situation in Brcko, which seems to remain the most problematic point in Bosnia, especially in the light of the oncoming local elections? Even today we had some problems there, demonstrations and -

MR. BILDT:Even today, well, yes. Yesterday and today, yes. True - I mean, it's certainly true that that is a very it's a complex area. We have started the process of supervision. We had the supervisor, Ambassador Bill Farrand, Deputy Representative, coming in on the 11th of April. We announced the procedures for the refugees and the displaced person to be able to come back to their homes, their places, on April the 23rd. This hasn't really been challenged so far by either side. That will come, and I think we are at the beginning

Q:What about yesterday?
MR. BILDT:Yes, quite. I mean, I think we see the beginning of that process on both the political level and on the ground right now. It's coming, it's hardly surprising. We will stay firm on the principles that we have announced under the arbitration award. And we have the political and other powers that are necessary in order to stay the course. And then it's up, to the authorities, of course, to demonstrate whether they respect the arbitration award and the supervision or not. If they do, fine. If they don't, they will have to take the consequences for that.

MR. HICKMAN:Yes, ma’ am?
Q:Florence Parrish, freelance. What is the plan for the Bosnians to register to vote scheduled for May 5th? Will this take place, and what is the plan - what's the strategy for allowing them to go back to their home areas, or will they be allowed to vote elsewhere - to register elsewhere?

MR. BILDT:Well, they can do both. They can go back and register if they so want, or if they so can. I mean, there's a million people that are well away from Bosnia. And we can't really say that everyone must go back. We must provide the possibility for them to register in other places. They're scattered all over Europe - to a certain extent, all over the world. So that possibility will be there. But they can also register in place.

But this is a very important part of the entire process. Because as you remember, the September elections were conducted on the basis of the 1991 census, and that was not a perfect thing to do. And there was a margin of error in that. That wasn't that important, because it didn't impact on the election result when it's a national thing. But on the local election, where three votes, 10 votes, or 30 votes might make the difference, then we must have very much higher standards of quality, and accordingly, the registration process. And that will now go on for at least four weeks, to establish a proper voters' register, in order to be able to have that local election with quality.

So that when the election result is so defined, we can say that this is the result, down to single votes, which you couldn't do in September of last year. We didn't need it in September of last year, but now it's going to be necessary.

Q:Will they register next week?
MR. BILDT:They will start to register.
Q:Start registering?
MR. BILDT:Yes.

MR. HICKMAN:Do you have a follow-up?

Q:Yes. If there's nobody else to ask, I have another question.
MR. HICKMAN:Go ahead. Go ahead.
Q:How would you comment on the failure of the parliament in Bosnia to adopt laws which actually was followed by the donors' conference?

MR. BILDT:Well, failure in one sense. They have not rejected them, but they decided to call another session next Thursday in order to consider them at that session yesterday. Yeah, I would have wished them to go forward somewhat faster on it, but I have also said that if it's delayed until next week, well, parliaments are like that. I know several others. But -

Q:Is there a possibility that the donors' conference -
MR. BILDT:Yes.
Q:- will be completely cancelled?
MR. BILDT:No. Well, there's always that possibility, but, I mean, we are not working on that assumption. We are working on the assumption that they will - most of the laws, in terms of numbers, have been signed and passed over to the parliamentary assembly. Then it's up to the parliamentary assembly to say yes or no. But I would expect the parliamentary assembly to say yes. It's essentially a parliamentary system. The party representatives have agreed. So one would hope that there would be the sort of discipline that we expect in a parliamentary system also in the Bosnian context.

Then there are some remaining issues. Some of them have to do with the central bank. Some of them have to do with the budgets. And we're organizing a meeting of the Council of Ministers, a retreat for them over the weekend, to try to sort out those remaining issues in order to be able to bring the complete quick-start package to approval by the parliamentary assembly on Thursday of next week.

I hope that succeeds. It is certainly possible. There are no technical obstacles to it. It can be done. It's a question of the political will. And if that happens, then - I'm not speaking for the International Monetary Fund - but then I expect the Monetary Fund to be able to move forward fairly quickly with the arrangements. And then we could go for the full donors' conference and then (set?) the Paris Club and then the London Club, and that would be very substantial progress if that happens.

MR. HICKMAN:The gentleman standing in the rear, and then this gentleman here.
Q:-(Name inaudible), reporting for Scandinavian Life and - (inaudible) - Communications. Mr. Bildt, as far as you know, to what level is Iran currently involved in arming and training of would-be terrorist organizations based (off mike.)

MR. BILDT:Well, I'm not involved in that, so I don't know. But I don't expect that to be the case. My organization doesn't really monitor those things. I mean, we can only note that those that monitor, and that say what they think is going on, say that there is no such thing. There is an Iranian Embassy. I meet the Iranian Ambassador now and then. That's wholly normal. We even have an Iranian Embassy in Stockholm. And there is an amount of Iranian assistance in terms of humanitarian, cultural rebuilding, although we don't see very much of that. It's less than I think most people, also in the civilian field, than I think most people tend to think. It is a somewhat overexaggerated phenomenon. But, of course, there's a link, there's an old-standing cultural link within that part of the world and it shouldn't be judged primarily in the context of modern terrorism or whatever could be.

Q:How can you pursue what often seems to be the illusion of a unified state of Bosnia? Anyone who has been there has been able to experience that this is a state consisting of three nationalities or three groups of people, and the state as a unified state is against the national aspirations of two of those national groups.

And one knows that the Serbs and probably most of the Croats, they would leave this state if they had the chance to. How can you really see a life in the future for such a state - (off mike)?

MR. BILDT:Well, it's a good question and it's a question that we must ask ourselves over and over again because it goes to the heart of the whole problem.

I mean, if I'm allowed to be somewhat philosophical in answering, during the past - I mean, this is a region of Europe that is to a certain extent in its history different from most other regions. There's no other part of Europe which has been dominated for so long by multinational, multiethnic empires - the Romans, Byzantines, the Ottomans, to a certain extent, the Hapsburgs. And this has produced in that part of Europe a pattern, a demographic pattern, an ethnic mosaic that we don't have anywhere else. That's been part of the richness of the region.

But during the past 100 years, they have been involved in something that we have been doing in the rest of Europe as well, and that is setting up national states. And the organizational form of national states is particularly suited to the ethnic and demographic and cultural realities of that part of Europe.

And in my opinion - and that goes to the core of my beliefs in Europe integration as well - we must break that development. It is not the setting up of national state that could be the ultimate aspirations of peoples, because if that is the case, then I think - I fear you are right. And that will have profound implications (for whatever the borders ?) because then we'll go for one partition after the other, and one ethnic purification after the other, and one ethnicity after the other with their own flags and whatever. And there will be brutal violence all over the place.

So we must break that circle and say that we must be able to live together in a way that is more reminiscent of perhaps a somewhat more distant past than of the reality of nation-state building that has been the dominate feature in Europe during the past 100 years. And that's a necessity not only there, there are other parts of Europe and the world as well.

But there's a particular necessity there.
I mean, and the living together - it has profound implications for all of the region. It has profound implications also for the rest of Europe. I mean, if we say that ethnic tension, or whatever it is, clash of civilizations, or clash of cultures, can't be handled in Bosnia, is there any guarantee that we can handle it in the suburbs of Paris, or Berlin, or Stockholm, or Oslo, in the next 20 or 30 years?

So we must be able to handle all of the challenges there. It's exceedingly difficult. But if we fail there, it has implications for the region, it has implications for Europe, it has far and wide implications that I think most people generally recognize when they discuss the reality that you see, which is, to a certain extent, the reality on the ground, yes.

Q:Why wouldn't it be a minimum condition, that at least the majority of the population felt - (off mike)?
MR. BILDT:Well, I think the majority of them do, yes, if you take the majority. But that's not enough. Because to just say that a majority decides, is not enough. And that goes to the heart of the entire question of minority rights that we have in other European countries and other countries across the world. It must be more than just the majority. It must have the consent or the acceptance of the substantial segments of all of the separate ethnic or cultural or really just communities. Otherwise, the state is not going to - to survive.

And I don't think that will happen, unless, first, the common state is seen as truly representative of all of them, which is different than power-sharing, but also that they are seen as part of the wider framework. I discussed these special parallel agreements that are there between the Republic of Srpska and the FRY and the Bosnia Croats, and the Republic of Croatia. These are highly unique. We don't have that sort of arrangement in any other part of Europe.

And they are the subject of debate sometimes. I think that's perfectly fine to have such, because it sends the message that well, you can be a Serb in Bosnia, part of the Bosnian state. But you have the cultural links with Serbia as well, or the - whatever links. And the Croats the same. Borders should be increasingly less important. And this is a way to try to achieve that. But these agreements must not, in the way that is the case now to a certain extent, infringe on the sovereignty and unity of the Bosnian state.

MR. HICKMAN:Yes, sir.
Q:Yes, I'm Kurt Malarstedt, Dagens Nyheter. There seems to be some difficulty in finding a successor to you. Have you been able to start planning your eventual return to domestic - domestic -(inaudible) ?

MR. BILDT:You see, the Swedes are not interested in Bosnia.
(Laughter.)
Q:They are always like that.
MR. HICKMAN:Open news conference.
MR. BILDT:I mean, they're the most parochial tribe l've met at press conferences.
(Laughter.)
Q:(Off mike.)
MR. BILDT:Yes. No, true, true, true. Of course, there?s an element of discussion on that subject. And when it will happen, remains to be seen. When it happens, I'm quite certain it will be announced.
(Laughter.)
Audio break

Q:- despite the fact that support for the War Crimes Tribunal seems to have disappeared. Is there concern in the European Union?

MR. BILDT:No. It's never - that's never been part of the ATM conditionality. so it's not disappeared. Full trade has not really been there. What is there, is a document, apart from the ATM - ATM was, really, the Autonomous Trade Measures. That decision was nearly taken mid-November, should have been taken November.

I think it is more a technical issue, really. But then came the local elections, and then it was - that was somewhat inappropriate at the time. And then the - (inaudible) - implementation of the result of the local elections. That happened. And then we have - or the European Union has been the subject of large pressure from the opposition in Serbia. I mean, there have been opinions from the opposition in Serbia to go forward with this. And that's one of the reasons that was also referred to in the public statement.

But then another document, which I think is of far greater long-term significance, was adopted, and that's what we call a letter of conditional for different further steps on the way towards, if I take my wider goals of a single market solution or a customs union or whatever, but there are a number of steps along the road for assistance, with quite a lot of money. And there these questions come in. And the question of arranging the treaties between Bosnia and respect for the Dayton peace agreement.

The further you go in the development of relations between them and the European Union, the more demanding is the political conditionality. That's been spelled out in this two-page paper, which has been the subject of not inconsiderable debate, which I think is a very constructive approach towards the region.

MR. HICKMAN:Any more questions? Anybody else.
Thank you very much, Mr. Bildt.
MR. BILDT:Thank you.
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