

# **Interview: Carlos Westendorp, High Representative in BiH" If Croatia wants its products freed of custom duties in the BiH Federation, it will have to sign a similar agreement with the RS"**

Carlos Westendorp, the High Representative of the IC in BiH, in the past few days, with his decisions on sending SFOR to Martin Brod and the introduction of customs duties to goods coming from Croatia, caused numerous reactions from the Croat(ian) public. We spoke about this and about the possible termination of HRT in BiH in his office in Sarajevo.

**Your decision on the introduction of customs duties to goods coming from Croatia has not been implemented on the ground. How do you comment on this?**

It is completely in compliance with the law that BiH must have customs tariffs, but today we have a situation where no customs duties are paid for goods coming from Croatia and Yugoslavia, which is against the law. The BiH state thus loses a large income on a daily basis. For this reason I requested that customs duties start being paid.

## **Everybody will pay taxes**

**According to the estimate of your Office, how high is the loss?**

I cannot reply to you accurately in numbers, but customs duties and accompanying taxes should amount to around 15%, which means that the BiH budget loses 15% of the value of the total import from the FR Yugoslavia and Croatia, and we know that the major part of the needs of the BiH citizens is fulfilled from both neighbouring countries.. Therefore, the loss is 15% of the total import, and that is millions of dollars each month. BiH has no income and a state without a budget is not a state. For this reason I addressed the memos on the need to calculate customs duties and I hope that they will be implemented.

**However, this decision of yours has been boycotted. Federal Customs Director Stipe Vukovic claims that customs duties cannot be calculated at least temporarily?**

Custom duties can be calculated just like anywhere else in the world. Despite the opposition, I am sure that this procedure will soon start being implemented. If this is not abided by, there are measures to accelerate the process, although I am not inclined towards coercive measures. In any case, I must establish who is responsible for the boycott, I will approve a one-month deadline, and if there are no results after a month's time one of the solutions is to place customs monitors on the borders and the engagement of the CAFAO which, as we know, not long ago stopped several hundreds of trucks on the border crossings due to non-payment of taxes. You can be sure that the CAFAO can ensure abidance of the law on the borders. All those who do not pay taxes will be blocked.

### **Certain aspects of Yugoslavia**

**Your intention to introduce customs duties initiated, as it seems, the new proposal of a trade agreement between Croatia and BiH. Do you know its contents? Do you think that it is possible, in the spirit of the recently signed agreement between Croatia and BiH, to organise a duty-free regime on the borders?**

I have not been acquainted with this new proposal, but it is always possible that the two states reach agreement and it is a good idea for connection between the two neighbouring states. However, according to this, for goods imported to Croatia customs duties would be paid which would later be divided to both states, like it will be done in the EU. Taxes would not be paid for goods produced in Croatia or BiH. An agreement is possible, but in any case Croatia cannot sign it with the Federation only, but with the entire state, i.e. the Federation and the RS. Customs duties are not under the jurisdiction of the entities but of the BiH state. Having in mind that the first Croatian proposal failed for this very reason, I do not believe that Croatia will agree to an agreement on, for example, a duty-free regime with the entire BiH, although the OHR and I personally would support that.

**Why do you think that the Croatian authorities will not agree to it?**

When we were talking about the first proposal of the Agreement on Special Relations, we proposed an agreement on a duty-free circulation of goods between Croatia and BiH, i.e. Croatia, BiH Federation and the RS, but Croatian negotiators did not agree with it. They said then that in that way certain aspects of Yugoslavia would be renewed. I replied that it was not about Yugoslavia but about two sovereign states interested in something that is good for them. In any case, the Croatian reply was 'no', but I do not know whether their opinion has changed during this last year. But I repeat – myself and the entire IC will welcome a Croatian-BiH agreement which does not interfere with the sovereignty of BiH.

**Politicians, soldiers, mafia**

**During the past several days there has been talk about an agreement on free trade among all the five states which proceeded from the former Yugoslavia, from Slovenia to Macedonia. What is your view of this?**

That is a very good idea. A larger area is formed which would, economically speaking, be much more efficient than small, separate units. Thus the life of businessmen, as well as of citizens, would be made easier. I would like to hear what the Croatian authorities think about this, because I doubt that they will accept this.

**What do you, as the politician with the greatest powers in BiH, expect in this year?**

I want the peoples in these areas finally start to live better and more harmoniously. There has been much talk about my powers, that they are too wide, but I would be the happiest to be something like Santa Claus, who could help the IC procure money for the financing of jointly passed programmes. Since there is still no real agreement, unfortunately, I have to meddle and make decisions. The situation in BiH is not good. Only politicians, soldiers and mafia live well in this state today. This is so on all three sides, in all three peoples. This should be changed, people must start supporting political options which will, with the help of the IC, enable them to have a better living standard and a better life. I am therefore very happy with the recent merging of the social-democratic parties of Zlatko Lagumdžija and Selim Beslagić because it will influence democratisation.

**Croatia should not apply the tactics of the FR Yugoslavia towards The Hague**

**How do you comment on the statement of Ivić Pašalić, President Tudjman's Advisor for Internal Politics, that Croatia will suspend co-operation with the Hague Tribunal due to its partiality? Namely, no one has been accused of crimes against Croats in BiH yet.**

I do not believe that The Hague is exerting pressure on Croatia in any way. I think that bills of indictments issued so far are the result of co-operation with The Hague and there

is no doubt that Sarajevo has co-operated the most so far and sent the largest amount of material. Croatia has not always co-operated, the FR Yugoslavia does not co-operate at all. However, Croatia will not choose a good path if it starts applying the tactics of the FR Yugoslavia in its relations with The Hague.

### **Martin Brod is not the only disputable borderline issue**

**The decision to send SFOR troops to the borderline between BiH and Croatia near Martin Broad caused a lot of turmoil in Croatia. Why, in your opinion, did such a disagreement occur?**

There are several places along the borderline which are disputable in the relations between the two states. In Martin Brod there are Bosniac refugees who complained of the presence of Croatian police in the area which we believe belongs to BiH, and this is also proven by maps from 1945. I requested that a commission be formed which would define the borderline and by then the borderline must be where it is. I asked that Croatia refrains from sending the police to this area and after several talks we reached the conclusion that the IPTF must do the monitoring of the border. I requested SFOR to perform patrols along the borderline by then, which is, I think, a much better solution than to have the Croatian and Federal BiH police finding themselves in conflict in this undefined area. As I have been informed, the situation there is completely calm and there are no problems.

**Have you talked to President Tudjman about the problem of Martin Brod?**

We have not had personal contacts. I addressed a letter on this to President Tudjman and later I spoke with Croatian Foreign Minister Mate Granic and his Deputy Mr Paro. The conclusion was that the border must be supervised by the IPTF. Along with Martin Brod, there are several other disputable issues along the borderline, such as the Kostajnica area and

the areas around the former military airport near Bihac.

**It is a pity to terminate the good programme of the HRT**

**In mid January, according to a decision of your Office, the re-airing of the 3rd channel will be terminated on BiH territory, while in February the re-airing of the 2nd programme of HRT will be terminated as well. The deadline for the 1st programme has not been set precisely yet. Will you really abide by these deadlines? Croats in BiH will not be pleased with such a decision.**

First of all, Croatian Television has a very good programme and high ratings in BiH. It would be a pity to simply terminate the re-broadcast. But it must be known that HRT cannot, as it has been so far, illegally re-air the programme via terrestrial network of transmitters on the BiH territory without an agreement with the BiH state. The same thing applies to the re-broadcast of the programme of the Yugoslav TV in the RS. The OHR, via the IMC, has the powers to define the exact regulations and ensure their implementation, but I sincerely hope that we will not have to terminate forcibly the good-quality programme of HRT. I believe that the problem will be solved through negotiations which, as far as I know, have already started. Croatian TV and its programme must find their place within the framework of the Federal TV which is being prepared with the purpose of offering a quality programme to the citizens of the Federation, although I must admit that so far there has not been enough goodwill either in HRT or in TV BiH. However, they will have to reach agreement.

**If agreement is not reached, will you, just as in the RS at one time, send SFOR to take over the transmitters?**

That is the ultimate measure if no agreement is reached even after the set deadlines. But I repeat, I will apply it very reluctantly and I will not be the one to blame for the consequences, nor will my Office, but the sides which reach

agreements slowly and with difficulty.