

SRB - DRAFT

Good news travels slowly - and not particularly well. Over the past several months, a remarkable story has been unfolding in Bosnia. Step by steady step, its people - assisted, encouraged and pressured by the United States and the international community -- have been moving toward the future imagined at Dayton. But the story has come in bits and pieces, buried beneath the headlines, unwelcome on the evening news. For peace, unlike war, is a quiet occurrence. My goal is to tell this story and speak about the the next steps we must take on the path to a self-sustaining peace in Bosnia.

But today, one cannot talk about Bosnia without talking about Kosovo - because one cannot think about Kosovo without thinking about the next Bosnia. The events of the last few days are all too familiar: the crass manipulation of the media to incite . hatred; the brutal suppression of an ethnic group; the indiscriminate and massive execution of civilians - including children, women and elderly people. And behind them, once again, lies a Serbian regime displaying its preference for repression over dialogue. We know from bitter experience that this is a sure recipe for more bloodshed, more violence and more regional instability - with potential repercussions in Greece, Turkey, Albania and Macedonia.

That is why in the days immediately following Serbia's onslaught, the United States re-imposed sanctions against the FRY, suspending landing rights for the national airline and denying Belgrade permission to open a consulate in New York. That is why we mobilized our European allies in the Contact Group, increasing our pressure on Milosevic and his isolation. We will deny visas to senior FRY and Serbian representatives . . . declare a moratorium on government financed export credit support . . . and cease the supply of any equipment that could be used as instruments of repression or of terror. And it must not have escaped Milosevic's attention that the War Crimes Tribunal has confirmed that it had jurisdiction over any crimes committed in Kosovo.

Our message to President Milosevic is clear: end the violence, allow international observers and humanitarian groups full access to Kosovo, begin a genuine dialogue and satisfy the legitimate aspirations of the Kosovar Albanians - or face the consequences. Should he fail to meet these conditions we will further ratchet up the pressure. [NEED TO SAY SOMETHING ABOUT USE OF FORCE]

The events in Kosovo are omens of a tragedy waiting to happen - if we do nothing to stop it. In dealing with Kosovo, we must remember Bosnia - what we did right, what we did wrong, what we did too late. Bosnia teaches us the price of delay and indecision. It teaches us that the international community must step in early, and it must step in hard. As Secretary Albright has said, "each small act of aggression that we did not oppose led to larger acts of aggression that we could not oppose without great risk to ourselves. Only when those responsible paid for their actions with isolation and hardship did the war end."

But Bosnia also teaches us that ethnic hatred is not a genetic curse, that ethnic conflicts can be resolved -- and that the international community can play a crucial role in ending them. And that brings us to the story of Bosnia since the signing of the Dayton accords.

The prologue is year I of the Dayton process, a time of deep skepticism regarding the wisdom and viability of Dayton and its central proposition: that two entities can co-exist in a single multi-ethnic state. The skepticism grew out of the slow pace of visible progress on the ground. Refugees remained locked out of their homes . . . radio and television stations continued to spew the poisoned appeals of hard-line nationalists . . . and indicted war criminals continued to call the shots. With Bosnians showing too much appetite for revenge and too little stomach for co-existence, many jumped to the conclusion that ethnic partition was the only realistic outcome - and the only alternative to renewed hostilities.

The slow pace was, in large part, an illusion. The first priority of IFOR, the international force mandated by Dayton, was military: to impose a cease-fire, create a secure environment and disarm a society whose principal vocation had become warfare. Building peace takes a back seat when one is busy separating armed forces, demobilizing troops, de-mining roads, and destroying heavy weapons. But these first steps were critical and laid the foundation for civil implementation - and on that score, the record of the international force was truly extraordinary: over 300,000 troops demobilized and returned to civilian life; some 6,600 heavy weapons destroyed; more than 1,600 minefields cleared.

But, in fairness, the slow pace also reflected the fact that the United States and the international community were learning on the job. We were not doing it by the book - but writing one as

they went along. The process set in motion at Dayton was unprecedented - an international effort to rebuild a multi-ethnic state from its war-ravaged and ethnically-cleansed debris. Deterring a renewal of hostilities was familiar ground; creating the conditions for a lasting peace was not. We knew how to enforce zones of military separation - but how do you impose objective media reporting, joint governance or acceptance of returning refugees? Dayton, then, raised a fundamental question: could you in fact make a single nation out of two ethnically-based entities? In the minds of most observers, by the end of 1996, the jury was still out.

Off to a quick military but stalled civilian start, the United States and its allies concluded that both tracks could not afford to proceed in parallel, but in tandem. Four years of carnage and violence in the heart of Europe had left more than a militarized society in its wake. Its legacy included an atmosphere of ethnic intolerance as well as cynical leaders who fomented it to perpetuate their hold on power. They had no interest in the multi-ethnic solution previewed by Dayton - for their power depended entirely on the ethnic division they had incited to provoke the war. For them, in short, ethnic separatism simply was the pursuit of ethnic warfare by other means.

On the Serb side in particular, virtually all levers of power remained in the hands of the Pale-based leaders who cloaked themselves in the mantle of extreme nationalism and revanchism - the media, which fanned the flames of intolerance; the police force, private thugs more often than public servants; the economy, dilapidated both by the war and by a narrow group of profiteers; separate political institutions, serving as constant reminders of the entrenched divisions wrought by the war. This continuing role of hard-line Serb leaders prevented Srpska residents from sharing in the economic benefits of peace. Worse, so long as these conditions endured, Bosnia risked reverting to the past from which it had been barely rescued. To win the peace meant to break this choke-hold - and that would require the international community's determined, sustained and coordinated application of political and military pressure.

The untold story begins here. In 1997, year II of the Dayton process, the United States re-energized the civil implementation effort, driven by the conviction that, given enough time and a real opportunity to make a choice, the Bosnian people would opt for reconciliation over revenge. Endorsed by our allies at Sintra in [TK], the strategy was to use all available means -

military force; economic incentives; political pressure in Bosnia and on its immediate neighbors - to create a level playing field in which the media, the police, the economy and political institutions ceased being instruments in the hands of warlords. And it was to throw the full weight of our effort behind those who supported Dayton. This in turn would enable the Bosnians to break loose both from the grip of nationalist demagogues and from the acquired habits of ethnic hatred.

One by one, SFOR and the international community took on the sources of Pale's power. We shut down media outlets that incited ethnic enmity and violence; dismantled Pale's so-called "special police" that continued to act as thugs; took the first forcible action in July to apprehend indicted war criminals in Prijedor; provided economic assistance to localities that complied with Dayton on issues such as refugee resettlement.

We also sided decisively with President Plavsic - not because of who she was but because of what she represented: the first Bosnian Serb political leader who saw the future through Dayton's lens and was willing to confront Karadzic and his henchmen. Her story is instructive: handpicked by Karadzic in the expectation that she would be manipulated, she grew concerned that the RS was unable to garner for itself any of the benefits of Dayton. By the summer, confident of strong international backing, Plavsic intensified her anti-Pale campaign -- publicly exposing their Pale's corruption; dissolving the RS parliament which they controlled; replacing police officials in Banja Luka's with her supporters. Throughout, a growing number of police and army officials in the Republika Srpska were moving over to her side. Clearly, the tide was turning.

At the same time, the United States and its allies focused on the broader regional context, stepping up political and economic pressure on Serbia and Croatia. As a result, Belgrade gradually loosened its ties to Pale; Zagreb helped achieve the surrender of ten Bosnian Croat indicted war criminals.

Civil implementation picked up additional speed in the fall of 1997 when the United States began to suggest the need for a continuing international presence in Bosnia once SFOR withdrew. On December 18, President Clinton announced our agreement in principle to participate in a follow-on military force dedicated to creating a self-sustaining peace. Four days later, in Sarajevo, he met with the people and leaders of Bosnia to deliver a simple, forceful message: if they would stand up for

peace, we would stand with them. Together, these steps re-invigorated Dayton, emboldening those Bosnians who counted on us to help keep their country together while dashing the hopes of those who awaited our departure to break it apart. Add to this the decision by the Contact Group to provide the High Representative with new, far-reaching powers, and the stage was set for a vigorous year III.

What we have witnessed since then is powerful evidence that our strategy is working. And that evidence comes from the only source that counts - the Bosnian people. In January of this year, the Republika Srpska's newly elected Parliament selected as Prime Minister Milorad Dodik - a 38-year old Serb who opposed the war and supports Dayton. His appointment already has led to an impressive series of decisions: firing hard-line ministers . . . transferring the capital of the RS from Pale - strong-hold of the extremists - to Banja Luka - the moderates' base . . . ridding the ranks of the police of Karadzic loyalists . . . working with the International Police Task Force to create professional units that keep order and respect the rule of law . . . reforming state radio and television services to give voice to more pluralistic, tolerant views . . . supporting the return of refugees to their pre-war homes . . . privatizing the economy . . . putting an end to a corrupt system that channeled tax revenues, custom duties and jobs to Karadzic and his followers.

On the highly sensitive matter of war criminals, the new government has adopted a completely new approach. It is actively encouraging indicted war criminals to surrender to the International War Crimes Tribunal. In the past few weeks, four Bosnian Serbs have turned themselves in - an act that would have been unthinkable a mere six months ago. It also has asked the Tribunal to open an office in Banja Luka. And it has vowed not to interfere with NATO operations to arrest war criminals - asserting that it would not oppose military or police action to arrest Karadzic or Mladic.

With these steps, the new government has qualified for an infusion of foreign economic assistance - finally permitting residents of the RS to share in the tangible rewards of peace and giving them reason to buy into the peace process.

The bottom line is this: by voting Karadzic's clique out of office, Bosnian Serbs expressed their impatience with the destructive policies of the past and their rejection of partition as a recipe for the future.

The election and the High Representative's ability to force decisions when the parties cannot agree is shaking up Bosnia's political landscape in countless other ways. The parties in Bosnia, aided by the international community, at long last are developing not only joint institutions but also the joint tools and symbols of everyday life.

Bosnians of all ethnic groups will be able to trade in the same currency, drive with the same license plates, salute the same flag and cheer for the same Olympic team. Bosnian authorities have established agreements to permit mail delivery between entities and to create unified citizenship and passport laws. Commercial trains are running across the inter-entity boundary line. The first such train carried 600 tons of coal from the Moslem-Croat Federation to Croatia, traveling a route that passes through Moslem, Serb and Croat-majority areas -- yet another sign of the gradual tearing down of ethnic walls and an engine that will spur further economic growth.

Unheard and unseen, Bosnia is moving forward. In President Clinton's words, it is "turn[ing] the document signed in Dayton into a living reality."

So, where do we go from here? Our experience over the past two years carries several important lessons:

First, that Dayton is working and that its vision -- one country; two multi-ethnic parts -- was right. The skeptics, partitionists and so-called realists rejected out of pessimism what the Bosnian people are embracing out of hope.

Second, that we should be under no illusions: our job is not over yet. Ethnic violence may have ended, but not the conditions that make it possible -- refugees from all ethnic groups barred from their homes; economic hardship; extremists and war criminals waiting in the wings, hoping to outlast our patience; and a land that remains ripped and scarred along ethnic lines. Nor is there a shortage of potential flash spots: the future status of Brcko, which Serbs and Bosniaks claim as their own with equal fervor; municipalities that are resisting implementation of election results; renewed obstructionism from Bosnian Croats; and the question of leadership transition that is arising throughout the region.

Third, that an international security presence is needed if we are to create the conditions for a lasting peace. Progress will come through the use of diplomatic and economic leverage to push

the civilian side with the same vigor as the military - but the security presence is Bosnia's ultimate safety net, deterring a resumption of hostilities while creating an environment in which peace efforts can continue unimpeded.

Fourth, that U.S. leadership remains essential. This has been shown to be true every step of the way - from the inception of the Dayton process to its re-invigoration over the past year.

And fifth, that our efforts should be tied to concrete results, not artificial deadlines. By letting it be known that we will leave by a date certain, we send a self-defeating message - disheartening those who support Dayton while encouraging those who oppose it.

That is why, last week, the Administration submitted to the Congress a proposed supplemental to fund the costs of extending the U.S. participation in an international peacekeeping mission. The U.S. intends to lead the follow-on force decided by NATO - but with a 20% reduction in numbers. There will be no fixed end-date - but no open-ended commitment either. Instead, the duration of the force's presence will be tied to concrete and achievable benchmarks - reforming the police, the media and the justice system; eliminating illegal pre-Dayton institutions; conducting elections according to democratic norms; instituting free-market reforms; tearing down cross-entity barriers to commerce; ensuring the parties' cooperation with the War Crimes Tribunal; and establishing a framework for the phased and orderly return of refugees. We are counting on the Congress to support the efforts of our men and women in uniform to bring a lasting peace to Bosnia.

You may not have heard much about it - but our investment in Bosnia's peace and in our own security is paying off, many times over. The number of U.S. and NATO troops stationed in Bosnia is declining - while the dividends of peace are on the rise. The war in Bosnia was a powder keg in the heart of Europe -- inflicting terrible destruction on Bosnia's people, threatening its neighbors and challenging the Alliance and our role on the European continent. By ending it, we stopped the bloodshed, prevented a spill-over, strengthened NATO and our position within it.

Now is not the time to pull out. Now is the time to finish the job . . . create the conditions under which Dayton implementation can continue without the support of a major NATO-