Thank you very much, Mr. Chairman. I

would, with your agreement, like to submit my entire statement for

the record and give an abbreviated version of it.

Thank you, Mr. Chairman.

I am very pleased to have this opportunity to appear before the

subcommittee again. A great deal of progress has been made in

Bosnia since I appeared last July, which I would like to outline

briefly for you before I conclude my remarks today.

However, we also now are faced with the outbreak of violence in

Kosovo which has the potential, if allowed to spiral out of control,

as you said, to threaten stability not just in the Federal Republic

of Yugoslavia but in the region as a whole.

Therefore, I will focus the bulk of my remarks this afternoon on

developments in Kosovo and our efforts to stop the violence and get

dialog on a political solution for Kosovo started.

Our interests in dialog are based not only on our concern for the

people of Kosovo, but also on the impact on the surrounding regions

and the need to ensure that our substantial investment in

Bosnia is secure.

We remain deeply concerned about the situation in Kosovo and

the potential for further violence. The escalating conflict threatens

wider regional stability. Albania, which only recently returned from

the brink of anarchy, and the former Yugoslav Republic of Macedonia,

are particularly vulnerable.

A parenthetical phrase here. I realize it is a subject still in dispute,

but for brevity’s sake in the course of my statement I would

like to refer to the former Yugoslav Republic of Macedonia as Macedonia.

It does not imply any political decision on our part.

The United States and other members of the international community

have made a significant investment in the stability of

South Central Europe. We are determined to see that these efforts

succeed. Securing a political solution to the problem of Kosovo is

a fundamental objective of U.S. policy toward the region.

Since the outbreak of serious violence in late February, the level

of tension, interethnic hostility and arms in the province of Kosovo

have continued to rise. In late February, in retaliation for an ambush

of Serb police, an attack which left a number of the police

dead, by individuals believed to belong to the so-called Kosovo Liberation

Army, or UCK, Serb special police, paramilitaries, were

sent in to reinforce the local police in very large numbers and conduct

a cleanup operation, as they called it.

Supported by attack helicopters and heavy weapons, the operation

lasted for a day. The total number killed by regular and special

police was some 80 people, mostly noncombatants, including

large numbers of children and women.

Though the Serb and FRY Governments described this as a police

action, no democratic country in the world would allow this

kind of behavior by police to go unpunished.

Since that time, the Belgrade Government has tripled the number

of special police, essentially paramilitary units, or internal

troops, as communist countries have called them in the past, deployed

to Kosovo, and have recently deployed Yugoslav Army, VJ,

infantry and armor and artillery units on the borders and to key

hot spots in the interior.

This represents a substantial escalation, and the deployments on

the border with Albania are particularly troubling. Nations do have

a right to protect their borders. However, Belgrade’s stated desire

to prevent or stop cross-border weapons smuggling carried out by

small groups of people through remote mountain passes, does not

track with the large-scale deployment of tanks and artillery to the border.

Moreover, Belgrade has issued a threatening public statement

accusing the Government of Albania of conspiring to undermine the

territorial integrity of the FRY.

We in the Contact Group have warned the FRY against staging

any cross-border operations into Albania or Macedonia. In response

to Belgrade’s use of excessive force and the lack of movement toward

unconditional dialog, the U.N. Security Council adopted on

March 31 an arms embargo against the FRY, blocking planned

arms purchases by Belgrade.

This embargo also prohibits the sale or provision of weapons or

other equipment or training for groups engaged in terrorist activities.

Introduction of further weapons into the region, either to Belgrade

or to extremist groups, will only increase the violence and

make it more difficult to bring about negotiations and a political

solution to the already bitter dispute over Kosovo’s status.

Even in the face of provocation, however, Governments have a

greater responsibility for ensuring that the rule of law is respected

and the rights of its citizens protected than any armed extremist

groups. Belgrade’s failure and refusal to uphold that responsibility

has made Kosovo an international problem. They are the ones who

have internationalized Kosovo, and we and our allies have no intention

of standing by and ignoring continued repression and escalation

of violence into war.

Despite repeated warnings, Belgrade so far has blocked unconditional

dialog. Instead, internal security forces have been reinforced

in ways that compound the sense of intimidation and insecurity on

the part of the local Kosovar Albanian community. The violent activities

of the Kosovo Liberation Army have heightened insecurity

among Serbs and Belgrade’s heavy handed use of force and atrocities

is producing increased radicalization.

This will only weaken the moderate Kosovar Albanian leadership,

led by Dr. Ibrahim Rugova, which has advocated nonviolent

political solutions. Meanwhile, the UCK has continued to carry out

attacks against police and clearly is trying to arm itself and improve

its capabilities.

Belgrade’s brutal tactics also have helped this formerly unknown

group gain worldwide notoriety and find an increasingly sympathetic

audience in Kosovo among the Albanian diaspora in Europe

and the United States, and among radical groups ranging from

Iran to Chechnya looking to make inroads into Europe.

I want to be very clear. Extremists on both sides are the only

ones who will gain by a delay in getting dialog started. The violence

will increase, and the chances for finding a peaceful solution

will slip away. The biggest losers will be the citizens of Kosovo and

the FRY in general. Support for radicals will increase the likelihood

for an even more violent crackdown by Belgrade, and the

UCK eventually will transform itself into a full-fledged insurgent

group.

Those who argue, the worse the better, are profoundly mistaken.

Neither the Kosovo Albanians, the Serb people, nor the international

community can afford another war in the Balkans. The

problems of the region can only be resolved through unconditional

dialog. We have taken steps to increase the pressure on Belgrade

to engage the Kosovo Albanian leadership in negotiations.

Starting with the Contact Group ministerial meeting on March

9 in London we, under Secretary Albright’s leadership, have led

international action to impose new punitive measures against Belgrade,

already under the outer wall of sanctions, as a means of creating

greater pressure on the FRY Government to negotiate.

These sanctions, including a ban on Government financing for investment

or privatization, a financial asset freeze, denial of visas

for Government officials responsible for the violence, and the arms

embargo, have moved Belgrade in the right direction. If Belgrade

continues to block negotiations, Contact Group countries other than

Russia will take action as soon as this Saturday to ban all new investment

in Serbia.

The position of the United States has not changed. We oppose

independence for Kosovo. Further atomization will not contribute

to regional peace and security. Neither can we accept a continuation

of the status quo. The Kosovar Albanians are denied the

basic human rights and political freedoms that are the foundations

of a stable democracy.

Between these two extremes, however, we believe there is a wide

range of possibilities which can only be developed and articulated

through dialog. We firmly support an enhanced status for Kosovo

within the FRY that would provide for meaningful self-administration.

How this is accomplished is for the parties to decide in the

course of negotiations.

There is a significant role for the international community to

play, however, in bringing the parties together. The gap between

the two sides is both side and deep. The trail is littered with shattered

promises and broken commitments. In Rome last week, the

United States and the other Contact Group countries urged the two

sides to adopt a framework for dialog and endorsed a stabilization

package that we believe could help jump start negotiations if and

when the parties agree to participate.

The framework we have proposed is based on fundamental principles

that the parties must accept, including the rejection of violence

as a tool for achieving political goals, and international involvement

in talks to overcome mistrust and ensure realistic prospects

for success.

The stabilization package must include, at a minimum, first the

return of the OSCE, the three OSCE missions of long duration to

the FRY, including in Kosovo, Sanjak and Voivodina, the cessation

of repression by the authorities in Belgrade, and a strong condemnation

of violence and terrorism by the Kosovar Albanian leadership.

If President Milosevic begins this process, we are prepared to

work closely with him to begin the process of reintegrating the FRY

into international organizations and institutions. The agreement to

begin talking and concrete progress on key stabilization measures

are the only clear evidence we can accept that Belgrade is serious

about reaching a political outcome.

A continued stalemate will only ensure continued isolation for

the FRY, as a result of which, together with extremely bad economic

policies, the Serbian economy is already in rapid decline.

The dinar has been devalued about 80 percent, GDP has fallen precipitously,

and the FRY’s balance of payments debt has skyrocketed.

The FRY’s international status, and unfortunately the economic

woes of the Serbian people, will not change until Belgrade has

made significant progress in addressing the legitimate grievances

of the Kosovar Albanian community.

The situation in Kosovo is, for the United States, a central element

of the outer wall of sanctions against the FRY. We have been

careful to exempt Montenegro from these new restrictions.

Reform-minded President Milo Djukanovic’s election is one of the

most encouraging developments in the FRY scene. He recently conducted

a very successful visit to Washington and New York, and

is demonstrating his commitment to democratic and economic reforms

that could serve as a model for the FRY. President

Djukanovic currently faces extreme political pressure from President

Milosevic’s Government, however, to try to fall in line with

Belgrade’s policies.

Elsewhere within the FRY and the region, Belgrade has adopted

a hard nationalist line. The recent alliance between President

Milosevic’s party and the ultranationalist radical Vojislave Seselj

within Serbia, has already produced increased intimidation of independent media.

At the same time, in contrast to his earlier support for moderates

in Republika Srpska and Bosnia, President Milosevic has made

moves in recent weeks to try to undermine the Republika Srpska

Government, led by Prime Minister Milorad Dodik, a blatant attempt,

in our view, to distract the international community from

the Kosovo situation.

We and our allies have made extremely clear that the situation

in Kosovo must be resolved, and that meddling in Bosnia is unacceptable.

We are determined not just to maintain the substantial

progress made in Bosnia, but to expand on it.

We will also hold Croatia to its obligations, including for return

of refugees and displaced persons.

Now for the good news, Bosnia. You never thought you would

hear me say that.

We continue to see good progress on Dayton peace implementation

in Bosnia. The election of Prime Minister Dodik in the

Republika Srpska and the more active use of the High Representative’s

powers are paying dividends. Recently, there have been a

number of breakthroughs.

These include, freedom of movement has dramatically expanded,

with routine travel between the entities and the issuance of new

nondescript common license plates.

An inter-entity agreement to reintegrate Bosnia’s rail system, a

step which will bring substantial benefits to the Bosnian economy.

Political changes in the Republika Srpska, which should allow its

economy to begin to recover.

Both entities, and the Central Government, have met the requirements

for an IMF stand-by agreement as well as a World

Bank structural adjustment loan, the first step to reintegrate Bosnia

into international financial markets. In fact, there will be a

Bosnia donor’s conference beginning tomorrow, which I will be

leaving for this afternoon.

Since the beginning of the year, five indictees have voluntarily

surrendered, and three have been captured by S4 and brought to

The Hague Tribunal.

This brings the total indictees brought to justice to 33, about 40

percent of the known indictees, including a number on The Hague

Tribunal’s most wanted list.

As I have said, Milosevic is putting pressure on Dodik specifically

to bring in hard line radicals and members of Karadzic’s party into

his Government to form a nationalist all-Serb coalition. So far,

Prime Minister Dodik has resisted.

Our response is to continue to support legitimate freely elected

leaders like Dodik, and Republika Srpska President Plavsic, and

help them maintain independence from Belgrade. The assistance

that the international community has provided for Plavsic and

Dodik has created political space to follow pragmatic pro-Dayton policies.

Progress in the Republika Srpska highlights some of the shortcomings

on Dayton implementation in the Federation. The Bosniak

leaders have been too hesitant to genuinely share power, and there

continues to exist a strong hard line faction among the Bosnian

Croats who oppose reintegration and actively undercut joint institutions.

We continue to press both sides, and there is a consensus behind

strong action by the High Representative against obstructionists.

As I said, I am leaving tonight for the annual Bosnian donor’s

conference in Brussels. We expect new pledges of up to $1.1 billion

for continuing the economic restructuring and reform of Bosnia.

The United States will pledge $250 million in additional assistance

for a whole range of economic democratization and police reform programs.

Despite all that we have accomplished in Bosnia, there continues

to be a strong need for donor assistance. We have made a tremendous

amount of progress in Bosnia over the last year, but the gains

we have made these past 2 years are unfortunately still reversible.

On the refugee return front, we expect a major acceleration of

minority returns this year. We are working with S4, the United

Nations, international police task force, the U.N. High Commissioner

for Refugees, and the High Representative, to foster better

planning to prevent the type of violence we have seen in recent

weeks in Drvar and Derventa.

Perhaps most importantly, national elections will be conducted in

Bosnia September 12 and 13 for virtually all elected officials at the

national and entity levels. These elections provide the best opportunity

to promote pluralism in Bosnia and help bring new leaders to power.

While much progress has been made, there is still a great deal

of work ahead of us to ensure the gains are consolidated. The international

community will forge ahead with civilian implementation

efforts and will continue to support the active use of the High Representative’s

authority to impose decisions on key issues when the

parties cannot or will not agree.

Similarly, S4’s mandate will be extended by NATO to ensure

that implementation can continue to move ahead in a stable and

secure environment. S4 has provided critical support to all these

implementation efforts, and a precipitous withdrawal could well

threaten all of this positive momentum.

We are working with NATO to develop benchmarks and criteria

by which to measure the success and completion of S4’s mission,

and will conduct periodic reviews of progress designed to ensure

that troop levels continue to reflect the threat on the ground.

As you can see, we have come a long way in Bosnia since last

July. We cannot, therefore, allow the situation in Kosovo to unravel

further, jeopardizing not only what we have accomplished in Bosnia,

but the security of the entire region.

We are engaged in a vigorous diplomatic effort on the Kosovo

issue to get the two sides to the table, and we will continue to up

the pressure if Belgrade refuses to engage.

Thank you, Mr. Chairman.

The United States continues to work on

all possible options that are available regarding our desire to find

a peaceful solution in Kosovo. All options are on the table and

available. We have not ruled anything out. President Milosevic is

well aware of that.

Well, first, President Milosevic and his

Government I think are very well aware of U.S. Government policy

overall on all these issues and, as I said, we continue to be prepared

to exercise every avenue possible to try to find a way to get

a peaceful solution.

I fully agree with what you said in your opening statement, Mr.

Chairman, about the way this appalling situation has escalated. In

my frequent visits to Belgrade and to Preshyna over the last several

months I have been trying and representatives of other Governments

have been trying to make every effort to bring the two

sides together. We are continuing to do so, and we continue to try

to find every way possible to get this to happen.

There are some sensitive aspects to U.S. policy, and I would be

happy to talk with you and other Members of the Senate privately about some of these.

As I said in my statement, Mr. Chairman,

we feel that independence should not be an option. There has been

too much fragmentation already. We worry about further fragmentation

that could occur if this were to happen, and based on the

fundamental principles of the U.N. Charter, the OSCE Charter,

and other documents, we accept and support the territorial integrity of Yugoslavia.

We also expect Yugoslavia to support the territorial integrity of

their neighbors, including the former Yugoslav Republic of Macedonia and Albania.

What we feel has to be accomplished is, with real urgency, the

two sides have to drop any kind of preconditions, and they have to

be in a position where there are no conditions for dialog.

Obviously, in terms of any talks, they are free to state any positions

they have and, of course, Belgrade has stated repeatedly that

they feel a solution has to be inside of Serbia. Dr. Rugova has said

it has to be—he is talking about independence. That is part of a negotiation.

We do not have a position as to a final outcome, except to say,

as I mentioned in my statement, that we do not support the status

quo, and we do not support independence, and I cannot envision accepting

the idea of independence either.

Now, what is truly worrisome are the increasing stories we are

hearing that what Belgrade may have in mind is the idea of partition

of Kosovo. That is something we would oppose too. That has

a ring of ethnic cleansing to it, and this goes back to a story that

came up in the late eighties, when the Yugoslav Academy of

Sciences did a study in which they proposed such an outcome, and

there are increasingly people, both in Yugoslavia and outside Yugoslavia

who talk about this as something that Belgrade has in mind.

I think that would prove to be an absolute disaster.

I actually think it is a very good idea. We

have, of course, striven to try to support multiparty democracy inside

Bosnia between the entities inside the entities. The great irony

right now, as you know, Senator, is that in the Republika Srpska

we have a multiethnic coalition that is governing, led by Prime Minister Dodik.

When I last met with him in Banjaluka, in fact, in the face of

the threats that they have been receiving to try, as I mentioned in

my statement, because of Belgrade’s pressure to reform his coalition

into what they call a Government of Serb unity, he has maintained

firmness, and he has a significant group of Bosniak members

of his coalition as well as Croats.

We are continuing, through NGO’s, particularly the National

Democratic Institute, to help train political parties, and I have got

to say, of course, Prime Minister Dodik’s party was one of the ones,

as well as President Plavsic’s party, that have received campaign

help, and we are going to continue to do that among all the various groups.

One of the really interesting pieces of good news I have seen is

that there are multiethnic coalitions coalescing now in the Federation

as well as in Republika Srpska leading toward the September

election. We want to support that, and I have been very pleased

that High Representative Westendorp has been actively supporting this, too.

I was going to get to that.

Obviously, because this is today’s news, I

have not seen this, but I will be in Brussels tomorrow. I am sure

the OSCE people will be there. I am going to be seeing Carlos

Westendorp, and this is a subject I would like to raise with him.

Yes. As I thought, it is in Dayton they

would be elected that way, and I think it is built into the constitution

of Bosnia-Herzegovina, so it would, I think, require some kinds

of significant parliamentary reaction, but what I will do is research

this and get you an answer for the record.

Well, I think that is the essence of any

negotiation, but what there cannot be—what there has been so far

on the part of Belgrade has been preconditions established before

they are willing to sit down at the table. Once people sit down at

the table, obviously they can argue any position they want, but we

cannot accept, we reject totally the idea that there would be any

preconditions on either side before they sit down and start negotiating.

First, we do not accept the idea of Greater

Albania. We respect the territorial integrity, as I said earlier, of

Yugoslavia, just as we do Albania and Macedonia.

The elected leaders of Albania have said that they oppose independence

for Kosovo, too, and they support the territorial integrity

of Yugoslavia.

We work with Dr. Ibrahim Rugova, with other democratically oriented

Kosovar Albanian leaders, we have a wide range of contacts,

including me, with people in Kosovo. I go there frequently. We

have an embassy presence there through a USIA cultural center,

and have had for quite some time, and there are people from the

embassy who visit Pristina and other parts of Kosovo constantly,

and I mean constantly.

We feel that Dr. Rugova, as the person who has been elected by

about 85 percent of the Kosovar Albanian population, is the legitimate

representative of the Kosovar Albanian people. He has put together

an advisory group of 15 people who represent a wide range

of opinion. They do not necessarily—first they are not all part of

his party and, second, they do not necessarily share his ideological

beliefs, but they represent a good, strong cross-section of views

within Kosovo.

From that, he has formed a negotiating team which he says are

prepared to negotiate with a team that President Milosevic designates.

Not that I am aware of, unless there are

people who have affiliations other than those which I believe they have.

Well, he does——

Senator, what has happened is, this

group, which was very small and had a very small base of support,

has now achieved significantly greater status within Kosovo and

worldwide because the Yugoslav Government has handled this in

the worst way imaginable.

Everything we know about counterinsurgency theory, doctrine,

policy, goes 180 degrees in the opposite direction from the way they

have been handling this, whether it is militarily, politically economically,

socially. The Government has played right into the

hands of the UCK, and I have to wonder, in my pessimistic moods,

whether there is some kind of intrinsic alliance between the two

sides of wanting to polarize the situation and wanting to weaken

the moderate leadership of Dr. Rugova and others inside Kosovo.

But as a result of what has happened, particularly since February,

I do believe that the UCK has received dramatically greater

support both inside Kosovo and outside. We have seen a huge increase,

in terms of people, weapons, and money flowing in, and the

problem now is to create circumstances where we can have a serious,

legitimate negotiation between the two sides to try to resolve

this with urgency to achieve a serious political result.

If I could just add a point to that, we also

worry about the imitation effect this would have in Macedonia, too.

Twenty-three percent of the population in

the former Yugoslav Republic of Macedonia are also ethnic Alba-

nians, and there are some, including in the United States, who envision

the idea of cutting off part of Macedonia along with Kosovo

to create this kind of new country.

This is a recipe for real regional instability.