

happened not only in Kosovo but, earlier, his pivotal role in the peace process coming in Bosnia. So I don't think anyone should have any doubt about that.

So I'm disturbed about the way it became public. I don't know that—because I think it opens the way to an inference that is absolutely false on my part. I have the highest regard for him, but I want to make sure that when he's gone we have the highest quality successor, and that's why I wanted Joe Ralston in there.

That's all there is to this. It's just a question of working out the transition within the rules of military retirements and reassignments. That's all there is. There is nothing else.

NOTE: The President spoke at 9:42 a.m. in Room A 103 at Zetra Stadium. In his remarks, he referred to Presidency Member (Croat) Ante Jelavic, Presidency Member (Muslim) Alija Izetbegovic, and Presidency Chairman (Serb) Zivko Radisic of Bosnia-Herzegovina; and Gen. Joseph W. Ralston, USAF, Vice chairman, Joint Chiefs of Staff. A tape was not available for verification of the content of these remarks.

Statement to the Stability Pact Summit in Sarajevo

July 30, 1999

We are meeting in Sarajevo conscious that we have come to the end of the most turbulent decade in Europe since the 1940s. I am grateful to our Bosnian hosts and to President Ahtisaari for making this important Summit possible.

Ten years ago, more than 300 million people who lived to the east of the old Iron Curtain won the right to shape their destiny. And together we set out to build a Europe that would be, for the first time in its history, undivided, democratic and at peace. We knew the opportunity was there, and that from St. Petersburg to Sofia, millions of courageous people wanted to seize it. But we also knew that the collapse of the old order could just as easily give rise to bloodshed and chaos if a new community based on democracy, tolerance and law did not rapidly take its place.

Ten years later, Germany is united. Poland, Hungary and the Czech Republic are in NATO. The Baltic nations are models of

free market and democratic reform. Most of the nations of southeast Europe have chosen democracy and integration and supported, at great risk and cost, our effort to bring stability to the Balkans. Russia has faced perhaps the most difficult legacy of all with great resilience, and a determination to keep building a normal, prosperous and open society.

Across most of central and southeastern Europe, the progress of open societies and open markets has exceeded our most optimistic hopes. But what has happened here in the former Yugoslavia has confirmed our most terrible fears. A decade long campaign by Mr. Milosevic to carve out a greater Serbia has left more than a quarter of a million people dead, uprooted millions more, and undermined the stability of this entire region. It has shocked our conscience, tested our resolve, threatened the region's progress and the values on which we want a new Europe to be built.

That is why NATO and its partners acted, first in Bosnia, now in Kosovo. But stopping the destruction is not enough. We cannot say our job is finished when refugees are returning to shattered lives. We cannot pretend our work is done when Serbia is still ruled by leaders who maintain power by manipulating ethnic differences, living off corruption, and threatening their neighbors. We cannot pretend our victory is complete when the people of a vast region of Europe are still suffering from the disruption brought about by a decade of violence.

At the NATO summit in Washington, when the outcome of the conflict was not yet clear, many of us came together to begin discussing these challenges. It is far more significant that we are meeting now when the immediate danger is over. The unity that helped us win the war has endured to help us win the peace.

We are here today with two basic principles in mind.

First, Sarajevo cannot be like the Balkan conferences of Europe's past, where great powers met to carve up the map and decide the fate of weaker nations. The nations of southeast Europe are taking the lead, telling us their needs and determining their destiny. And none of us have any interest in redrawing borders. On the contrary, our goal is the

full integration of this region into a Europe where borders unite rather than divide. That is how we solved the problem of aggressive nationalism in western Europe after World War II. That is how we can solve it here. Our answer to calls for a "greater Serbia" and a "greater Albania" must be a greater Europe.

Second, the transformation and integration of this region cannot be achieved piecemeal, one province, one country, one crisis at a time. Nor is it a race, in which the most prosperous countries compete to "escape" from the Balkans at the expense of their neighbors. The pace will certainly vary, but we have to move forward together. And we all have responsibilities to meet.

The countries of southeast Europe have a responsibility to work and plan together for a future of shared security and prosperity, just as the nations of western Europe did after World War II, and the nations of central Europe did after the Cold War. I am gratified that the leaders of the region have taken the initiative, coming to Sarajevo with plans to improve regional cooperation, from the advancement of democracy and human rights, to the development of their infrastructure, to the cooperation in border areas, to the fight against narcotics, corruption and crime. I am pleased that neighbors such as Ukraine and Moldova, who are still struggling with the challenges of transition themselves, are here with us as well, demonstrating their commitment to integration with a united, secure, and prosperous Europe. And it is gratifying to have representatives here from central Europe, whose experience in the transition from dictatorship to democracy can benefit their neighbors in southeast Europe.

The countries of the region also have a responsibility to accelerate their economic reforms and to improve their investment climate. The region's economies will not grow unless its markets are open, its laws are fairly enforced, and investors are willing to bank on its future. This is very hard work. But change must come from the inside out before it can come from the outside in.

In turn, the region's partners in Europe and North America must do our part to help the nations of this region to stand on their

feet, to remove obstacles to trade, and to encourage investment.

On Wednesday in Brussels, we held a donors conference to meet the immediate humanitarian needs caused by the conflict in Kosovo. Today, we are focused on the economic future of the region as a whole.

We are making a commitment to take generous, immediate, and unilateral steps to improve market access for products made in southeast Europe. I will work with the United States Congress to establish a trade preference program similar to our Andean initiative, which will offer duty-free treatment for most of the region's exports.

All of us will work to bring the nations of the region into the World Trade Organization on commercially acceptable terms—and provide the technical assistance they need to meet those terms. We will encourage the participation of private companies in the region in the reconstruction of Kosovo and eventually Serbia as part of a fair procurement process.

We will also work to mobilize private investment in the region's economies, and to support the development of its private sector. To that end, America's Overseas Private Investment Corporation will establish a \$150 million investment fund for the region and a \$200 million credit line. In addition, in consultation with Congress we will work with the European Bank for Reconstruction and Development on the creation of a trust fund that would be used to help businesses in the region become more competitive and viable and provide project finance. We would be willing to contribute \$15 million in the first year, and to consider up to \$50 million overall, as long as the EBRD targets an additional \$80 million for the region. In addition, we will support the creation of a regional equity fund of up to \$300 million, with financing from the international financial institution, to make equity investments in private enterprises in the region. Our Commerce Secretary William Daley will also sponsor a mission to the region to showcase trade and investment opportunities and build new business partnerships.

I expect that our EU partners will take similar steps. This effort can only succeed if you do. While access to America's markets