As far as bilateral relations between the United Kingdom and Croatia are concerned, one should concentrate on the present and on the future. Indeed, the history of relations between the United Kingdom and Croatia casts quite a long shadow over our endeavours to understand each other better today.

As for the past, it is not very useful to discuss the UK’s role in the creation of the first Yugoslavia. Two events should be mentioned which, still cast a shadow on bilateral relationship. The first is the British role in the repatriation of Croats, Slovenes and Serbs from Carinthia in 1945. And the second is the circumstances of the recognition of Croatia when Yugoslavia disintegrated. The main point is that there is absolutely no truth whatsoever in the claim that the British authorities, civil and military, deliberately sent people back to Yugoslavia, soldiers and civilians alike, in the knowledge that they would be massacred by Tito’s partisan forces. There was no conspiracy between British and Tito’s forces to this effect. There were no attacks by British soldiers at Bleiburg on defenceless Croatians. It is very important for a new nation such as Croatia not to build up a national identity based on a misunderstanding of history, perceived past injustice and discrimination. This is all the more important in the case of Croatia, where belief in British hostility to Croats is combined with belief in some sort of instinctive atavistic sympathy for Serbs.

Why then British caution over the recognition of Croatia? Was not this in accordance with the principle of self-determination? The key relevant principle in the Helsinki final act is that frontiers can be changed peacefully and by agreement. This is the principle on which the reunification of Germany was based.

In any event, British perspective was that the dissolution of Yugoslavia might not be achieved peacefully. Therefore some form of confederal reorganisation seemed to be a worthwhile goal. In the event that proved to be impossible and UK accepted that recognition was the right course. Two key points flow from this. The first is that British hesitation over recognition was in no sense animated by anti-Croatian conspiratorial motives designed to maintain some sort of British sphere of influence in South East Europe 19th century style. The second is that once UK had recognised Croatia, that became the sole basis of British policy. It is no part of British policy whatsoever to recreate the past. The basis of the relationship between the United Kingdom and Croatia now is one between two sovereign independent states. It is however very important that countries which aspire to join the European Union should live in peace and harmony with neighbours, who have the same legitimate aspiration. It is necessary to foster the development of liberal democracy, a social market economy, and society based on the rule of law throughout Europe. These are the essential preconditions of EU membership for any country.
British diplomacy is not in the least shy about acknowledging that British foreign policy is about the promotion of British interests. There is no British interest in creating in this part of the world a 19th century balance of power. British interests are the maintenance of the security and prosperity of the United Kingdom. Since 1949 the cornerstone of British security has been the NATO alliance. As far as prosperity and, increasingly, security are concerned, the key institution is the European Union. The greater proportion of UK trade is with EU partners. If one includes the associates and other European prospective members, the proportion is even greater still.

The fundamental lesson for British interests which was learned from two world wars is that the exclusion and isolation of defeated enemies, especially inherently powerful ones such as Germany, is a mistake. Exclusion, punitive reparations and the like lead to a desire for revenge, a widespread sense of injustice, and all the dangers of revisionism.

We believe profoundly that we made a mistake in 1919 but that we got it right after 1945. Including (initially of course West) Germany in the Council of Europe, the WEU, NATO and the European Union transformed the country which, from British point of view, had been a factor of instability in Europe since the late 19th century, into a major factor for stability. Soviet Union was initially opposed to the inclusion of the GDR in NATO. I vividly remember Soviet diplomats telling me that for their Generals this would mean that the Soviet Union had lost the Second World War after all. One of the factors which persuaded the Russians to change their minds was the strong representations made to them by countries, such as Poland and Hungary in particular, that leaving the security status of the GDR uncertain would create an unstable loose cannon on the deck of Central Europe, storing up trouble for the future. Inclusion of East Germany within NATO on the condition that East Germany was governed by the democratic state based on the rule of law established in the Federal Republic would be their best guarantee of future security. Experience since 1990 shows that this was the correct judgement. This was the reverse of the zero sum game mentality which sometimes prevails in this part of the world: bad for my neighbour equals good for me.

This is the background to Presidency of the EU which the UK exercised last in the second half of 1992. Let me set out briefly what our Presidency priorities now are. First of all the need, and this is important also in domestic political terms, to demonstrate a more positive attitude towards all aspects of EU business. We are attaching high priority to economic reform of the EU, to boosting employment prospects, growth and competitiveness. We have signed up to the social chapter and have developed a clear effective and positive approach to European Monetary Union. If and when it is in the British interests to do so, we shall join. Our objectives for the period ahead include a more effective Common Foreign and Security Policy in which the UK is recognised to be a leader. In particular, UK aims to pursue successful negotiations for the next stage of enlargement. In this context the agenda for internal reform is extremely important for the EU’s external relations. To take but the most obvious example. If a country such as Poland were to join the EU under the existing CAP, spending on agriculture would spiral out of control to politically unacceptable levels. Indeed, present levels of subsidy to inefficient agriculture are a matter of sharp domestic controversy in the UK. So when you think from time to time, as perhaps you do, that we are paying insufficiently urgent attention to enlargement, bear in mind this internal agenda.

What then are the problems as far as the UK is concerned? The first one is this. The European Union has been, since the beginning, a political project designed to bury conflict forever between the nations of Europe. It used, initially at least, economic means such as the coal and steel community. The economic means, it was foreseen by visionaries such as Jean Monnet, would make the project palatable in countries such as France and the Netherlands where bitter memories from the war would have sunk a purely political project. One can recall that the French
parliament rejected in 1954 proposals for a European defence community including Germany. In Britain which had not been occupied and where there was and is justified pride in its wartime role the political picture was different. UK kept the distance from the European Community with seriously adverse economic, political and social results. Then it was sold to the British people in the main as a matter of commercial self-interest. Edward Heath was one of the very few post-war leaders to explain honestly the political nature of the project. These problems persisted throughout the 1970s and 80s, resulting in the divisions in the Conservative Party. It seems that the new British Government is the first which has not taken office, burdened by an internal quarrel over the place of the UK in Europe. The UK has greater room for manoeuvre and greater authority in the EU than in its previous Presidencies in 1992 and 1986. It also helps a great deal of course that the economic outlook in the UK is good. Unemployment is lower than in France or Germany for example.

**European Union and Croatia**

This then is the background to the relationship between the European Union and Croatia from the British perspective. The British Government is committed to the UK's membership of the EU and is in agreement with partners about the priority to be attached to enlargement. We also agree with our partners that Croatia like other countries covered by the Regional Approach has a legitimate aspiration to membership, and, a key point about the Regional Approach: Croatia will itself determine the pace of its progress. In no sense will Croatia be held back by other countries, although if by its own actions, in relation to Bosnia Herzegovina, Croatia indicates, let us say that it is striving for a relationship with the Federation that is incompatible with Dayton, this in turn would hold up the development of Croatia's relationship with the EU.

What then is the problem? Is it international pressure? Why is Croatia not yet in the same position as Slovenia? There is no need to say too much about the economic aspects. Notwithstanding the economic difficulties, there is no doubt that if the political difficulties could be solved, Croatia could quickly have access to the PHARE programme restored, and a new mandate for negotiations on a trade and co-operation agreement could be agreed. Associate status would follow, as would then an invitation to begin negotiations for membership itself.

But Croatia accepted a number of obligations when it joined the Council of Europe in relation to human rights, democracy, the rule of law, the free media, and indeed the protection of members of national minorities. It also accepted a number of obligations when it signed the Erdut and Dayton peace agreements. These take precedence over domestic legislation. We have ample experience of this in Britain because many cases have gone to Strasbourg.

What the EU is essentially asking Croatia to do is to implement international agreements into which it entered freely. Editorial independence for the electronic media TV is particularly relevant. Establishing a framework for it would not be costly. Given the importance which politicians everywhere attach to the media, this is a step which could be taken quickly and which would immediately command favourable attention. Even if Croatia's arrangements are inspired by models elsewhere, e.g. in countries such as Austria, Germany and Belgium, the results are not the same in Croatia.

Particular attention should be paid to the question of the return of refugees and displaced persons. The international community will not accept the proposition that the Serbs who left during Operations Storm and Flash are all rebels who, on departure, renounced their citizenship. All of us recognise how difficult and painful this is, and how costly. But there is simply too much evidence that discrimination on ethnic grounds, and not cost, is the problem. It is relevant to quote the example of a Serb who wishes to return to his home who has confirmation from the Croatian authorities that he has every right to do so. All his paperwork is in order but his house is being occupied by a Croat who has recently returned after living in Switzerland since 1970. It has been made clear to this refugee that the only way through the logjam is to pay handsome bribes. There can be no lasting peace and security in this region unless and until there is a sincere serious
and effective effort to tackle the problem of refugees and displaced persons, and a genuine effort to banish corruption and discrimination. That is what the EU means by its calls on Croatia to make its own positive contribution.

Croatia and Bosnian Federation

The relationship between Croatia and the Bosnian Federation presents particular problems for Croatia’s aspirations for a closer relationship with the EU. On the one hand, we hear that Croatia is a Central European and Mediterranean country which is constitutionally committed not to entering into any Balkan associations. Where would ask does this leave Croatia’s relations with Greece, a Balkan country which is already a member of the EU? On the other hand, Croatia’s initial proposals for special relations with the Bosnian Federation would have involved a customs and even a monetary union with part of a sovereign state. The latest proposals are much better. But in any event, it has seemed as if Croatian policy is facing in mutually exclusive directions. On the one hand, the strategic goal of Euro-Atlantic integration; on the other hand a relationship with a neighbour which is incompatible with that goal; and again domestic arrangements which in terms of implementation fall short of obligations already entered into as a member of the Council of Europe. So this was what Foreign Ministers Kinkel and Vedrine meant when they said that Croatia had the key to European integration in its own hands. One might be added that the position as regards Croatia’s prospects for partnership for peace and NATO are basically the same as those in relation to the European Union.

To concluded with a word about leadership. After the Second World War, Monnet, Adenauer, de Gaulle, de Gasperi, Truman, Marshall and indeed Churchill all saw, far ahead of the embittered refugees and others who had suffered so much during the war, that even if they could neither forget nor yet forgive, the peoples of this small continent would have to live together as good neighbours. They took decisions that would not have been popular with the voters if they had been put to a referendum. That is why, for example, Milošević’s latest ploy of a referendum on 23 April on Kosovo is so hopelessly irresponsible. De Gaulle had to employ a number of strategies which might even have seemed unworthy to cut the gordian knot of France’s role in Algeria. Is there a parallel here between France and Algeria, and Croatia and Herzegovina? De Gaulle saw that France could not at one and the same time become a modern European democratic state and remain entangled in Algeria, with French domestic policy effectively determined by the French community in that territory.

More recently the leadership of O’Herne and Tony Blair - is it not striking that John Major has joined forces with Tony Blair to advocate support for the new agreement on Northern Ireland – may produce a settlement acceptable to a majority on both sides of the divide, albeit for fundamentally different reasons. We hoped both in Britain and in Ireland that our joint membership of the European Union would enable this historic division, every bit as acute and in some ways similar to the divisions which exist in this part of the world, to be overcome.

The question for Croatia therefore is whether “a nation forged in war” and a winner which has achieved very significant successes in terms of nation building and of the economy can now go further, implement a liberal democracy, and make a contribution to stability and reconciliation in this part of the world in line not only with its obligations but also with the aspirations of the overwhelming majority of its people.