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INTERNATIONAL  
SECURITY AFFAIRS

**ASSISTANT SECRETARY OF DEFENSE**

2400 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-2400

I-95/41815



**MEMORANDUM FOR** SECRETARY OF DEFENSE  
DEPUTY SECRETARY OF DEFENSE

**THROUGH** UNDER SECRETARY OF DEFENSE (POLICY)

**FROM:** ASSISTANT SECRETARY OF DEFENSE/  
INTERNATIONAL SECURITY AFFAIRS  
Prepared by Bosnia Task Force/z40661

**SUBJECT:** Bosnia--Principals' Committee Meeting (U)  
INFORMATION MEMORANDUM

You are scheduled to meet with the Principals in the White House Situation Room at 1430 on Tuesday, August 22, 1995, to discuss Bosnia. Meeting will include a debriefing by Ambassador Holbrooke on his recently concluded trip to the Balkans and discussion of where we go from here.

The talking points at Tab A cover a range of topics likely to come up in the meeting. They include involving the Bosnian Serbs in the Peace talks, the economic assistance package, UNPROFOR's future, the Croatian situation and the British withdrawal from Gorazde.

If the PC gets to it, Leon Fuerth has submitted a paper (Tab D) on sanctions to bring the Contact Group process in line with the US peace initiative. The paper provides near-total sanctions suspension to Belgrade in return for an early settlement and a country-wide cease-fire, free access for relief supplies, and continued closure of the FRY-Bosnia border. Full lift is tied to final implementation of the settlement. To this point, Milosevic has shown no indication he can provide the necessary guarantees to get to this level of sanctions relief.

Office of the Secretary of Defense  
Chief, RDD, ESD, WHS

Date: 30 May 2019 Authority: EO 13526 + 5 U.S.C. § 552

Declassify: \_\_\_\_\_ Deny in Full: \_\_\_\_\_

Declassify in Part: X

Reason: 14(C) + 5.3(b)(1)(4) + 3.5(C) + 5 U.S.C. § 552(b)(6)

MDR: 14 -M- 4804

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~~Reviewed by DABD/ENT~~  
~~Classified by OASD~~  
~~Declassify on OADR~~



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NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20505

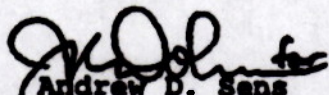
August 21, 1995

## MEMORANDUM FOR

MR. LEON FUERTH  
Assistant to the Vice  
President for National  
Security AffairsMR. KENNETH C. BRILL  
Executive Secretary  
Department of StateCOL. ROBERT P. MCALEER  
Executive Secretary  
Department of DefenseAMB. RICK INDERFURTH  
Office of the Representative  
of the U.S. to the  
United NationsDR. GORDON M. ADAMS  
Associate Director for  
National Security &  
International Affairs  
Office of Management and  
BudgetMR. DOUGLAS GARTHOFF  
Executive Secretary  
Central Intelligence Agency[REDACTED]  
Secretary, Joint Staff  
Joint Chiefs of Staff

SUBJECT: Principals Committee Meeting on Bosnia (S)

There will be a Principals Committee meeting on Bosnia August 22, 1995 from 3:30 p.m. - 5:00 p.m.. Attendance is principals plus one. An agenda for the meeting is attached at Tab A. (S)

  
Andrew D. Sens  
Executive SecretaryAttachment  
Tab A AgendaDECLASSIFIED IN FULL  
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JS FOIA S U.S.C. § 552 (b)(6)

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NSC PRINCIPALS COMMITTEE MEETING ON BOSNIA

DATE: August 22, 1995

LOCATION: WHITE HOUSE SITUATION ROOM

TIME: 3:30 - 5:00 p.m.

Agenda

- I. Diplomatic Read-out of Holbrooke Mission .....State
- II. Next Steps .....State/NSC

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## TALKING POINTS

### PRINCIPALS COMMITTEE MEETING ON THE FORMER YUGOSLAVIA August 22, 1995

#### *Involving the Bosnian Serbs in the Peace talks.*

-Identifying a third party to provide Bosnian Serb input on the periphery of the talks in Belgrade is the best solution. Milosevic will not engage Karadzic and Mladic is not suitable. We should make this a negotiating issue with Belgrade. [REDACTED] but Milosevic needs to help with this issue.

#### *Economic Assistance Package.*

-Recommend starting a campaign for contributions now beginning with the Contact Group meeting this week. A serious effort in Europe, Asia and the Middle East parallel with the peace talks will also be an incentive to negotiate.

-Congress can be brought around to support peace. A significant US contribution is far cheaper than continued war and a hostile withdrawal of UNPROFOR.

#### *UNPROFOR and the Peace Talks.*

-We should not commit to actively promoting UNPROFOR's retention or withdrawal at this time. Right now, we should keep our options open and focus attention on the peace talks. The consequences of promoting one decision over the other at this time are significant (Tab C) and potentially divert attention from the talks.

#### *Croatia and US Signals.*

-The current build-up of forces by Croatia and Serbia can easily and quickly spiral out of control into a war that ends the peace initiative and spreads the conflict.

-Croatia should understand that we absolutely oppose further Croatian military operations.

#### *Croatian Atrocities.*

-Croatian ultranationalism is becoming a major problem. We should be even handed in dealing with the behavior of the sides in this conflict. If we don't confront this problem now, our relationship with Allies, and ultimately Croatia, will sour.

-Recommend we go public with what we know about Croatian behavior.

#### *British Withdrawal From Gorazde.*

-UK begins withdrawal tomorrow and is completely out in a week.

-Their withdrawal seriously undermines the London Agreement on protection of Gorazde, but has the advantages of showing the Bosnians the limitations of defending the safe area and reducing the UN presence there should we withdraw.

OSD 3.3(b)(1)



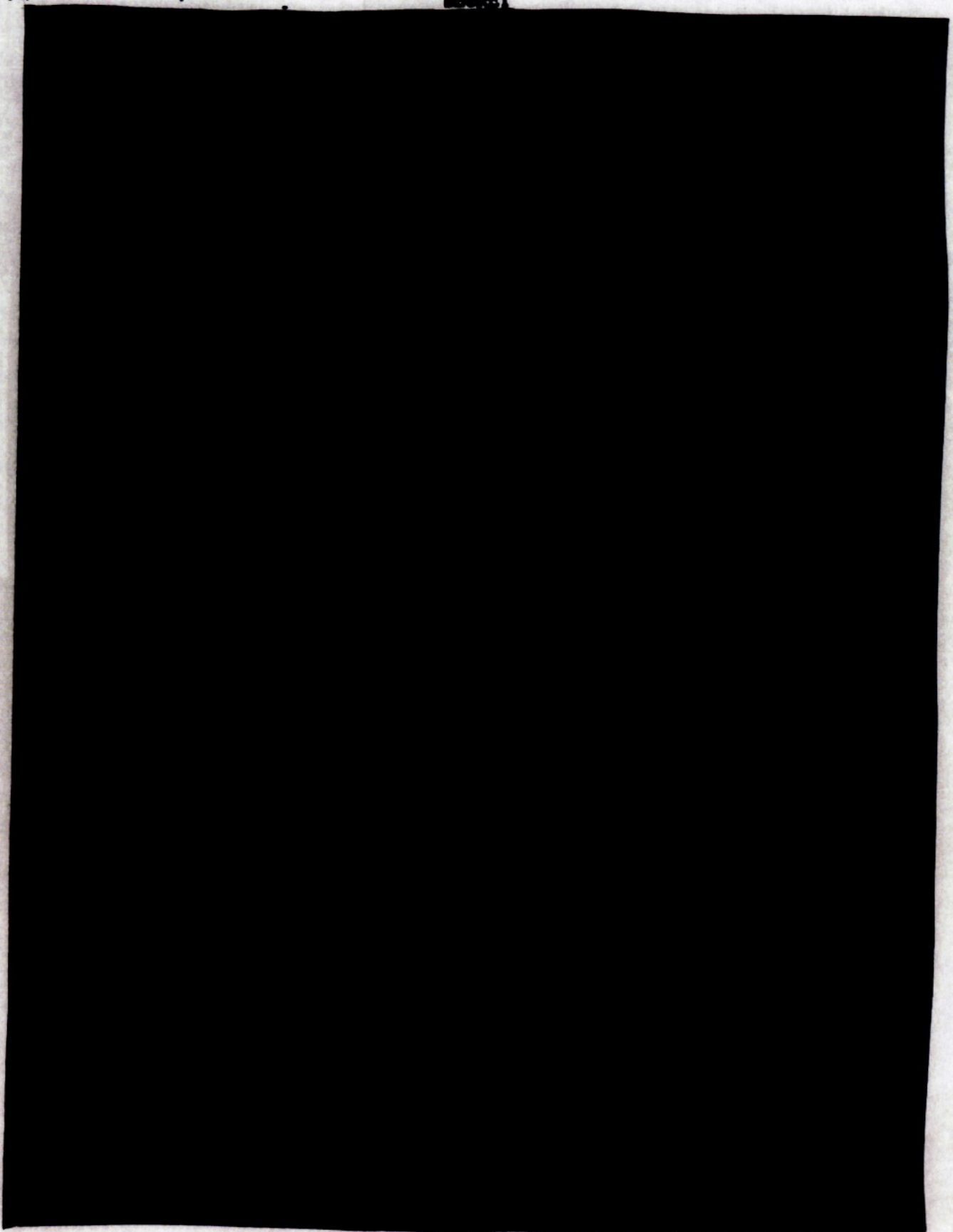
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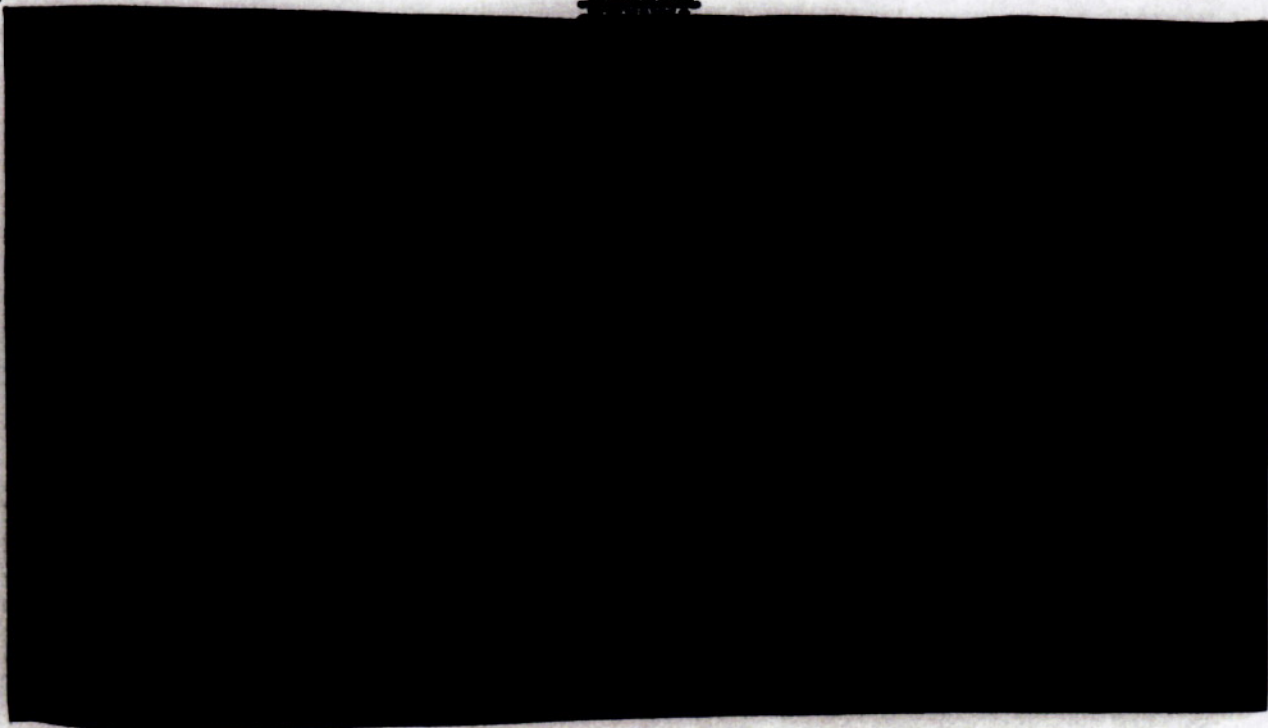
OSD 3.3(b)(1)(6) + 3.5(c)



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DTA 1.4(c)  
OSD 3.3(b)(1)(6)+3.5(c)



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## **UNPROFOR Policy Options If Negotiations Fail**

### **US Promotes UNPROFOR Retention**

- No requirement for OPLAN 40104
- Continued fighting
- Humanitarian Relief: UNPROFOR cannot now carry out primary mission (secure relief supply)
- Congress: Pressure increases for withdrawal and lifting arms embargo (and veto override)
- Air power: Status quo
- UN vulnerable to hostage-taking (Could be redeployed)
- European leadership: London and Paris make key decisions, including withdrawal
- US enduring post-withdrawal security commitment to GOBH remains unresolved
- NATO: Perception of ineffectiveness may continue
- Russian involvement in multilateral diplomacy continues
- Federation: Status quo
- Ineffective UNPROFOR undermines UN peacekeeping credibility

### **US Promotes UNPROFOR Withdrawal**

- NATO implements OPLAN 40104
- Fighting at higher levels
- Relief less secure; international agencies may pull out
- End of embargo:
  - Congressional pressure for US arms and training
  - US diplomatic effort for multilateral lift
- Air strikes to deter or punish Serb attacks during arming and training period; and possibly for some period after hand off
- Partially removes hostage threat (NGO problem remains)
- US takes the lead; and greater responsibility
- US will be under pressure to act strongly if eventual hand off to GOBH is unsuccessful
- NATO cohesion threatened by US unilateral action
- Russia more likely to take unilateral action to help Belgrade
- Federation put at risk, especially if EC and OSCE pull out too
- US willingness to act may discourage troublemakers



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August 21, 1995

**SUBJECT:****Sanctions Issues for 8/22 Principals Committee Meeting**

The USG-Contact Group sanctions relief proposal made in May and Blot's subsequent ad ref agreement with Milosevic in July were both intended to get Belgrade to bring long-term pressure on the Bosnian Serbs to come to the negotiating table. These proposals were outgrowths of our long-standing approach to sanctions relief which held that sanctions should be divided into as many pieces as possible and doled out as slowly as possible to retain leverage for later phases of a peace process that could stretch over months, if not years. Such an approach does not match the tempo of the current U.S. diplomatic strategy, which is intended to get a signed agreement quickly and move into actual implementation this fall.

We need speed and decisiveness out of the Serbs in order to get a settlement in the next few weeks. We should be willing to offer substantial sanctions relief in return for decisive action. Even in a radically compressed time-frame, however, we can design a relief package that gets bankable actions up front from the Serbs and retains sufficient leverage to ensure follow-through. Thus, it is possible to move away from the principle of holding back extensive sanctions relief for leverage later in the process -- sanctions are worth giving away to achieve decisive results.

The "Framework Agreement" Milosevic gave A/S Holbrooke's party in Belgrade last week (Tab 1) is a maximalist bargaining position. He wants full and irrevocable sanctions suspension up front for recognition of Bosnia. We should talk to him about full sanctions suspension, but set the bar much higher by demanding a signed settlement in Bosnia as the condition for initial relief followed by speedy implementation. To ensure speedy implementation, sanctions relief must be credibly reversible if implementation lags. Indeed, the more we are willing to give away in return for decisive action by Milosevic, the more we have to insist on credible reimposition. The worst position to be in would be to give away sanctions for a promise that Milosevic may or may not intend to fulfill.

**The Proposal:**

The proposed new sanctions relief strategy diagrammed and explained in Tab 2 provides near-total sanctions suspension to Belgrade in return for an early settlement and a country-wide cease-fire, free access for relief supplies, and continued closure of the FRY-Bosnia border. Full lift is tied to final implementation of the settlement.

Pale is held on a shorter leash than Belgrade with sanctions suspension coming only after implementation is clearly underway. The UNSC would vote to extend sanctions relief to Pale not sooner than 60 days after the settlement is signed, and only after the commander of the implementation force asserts that he has been able to deploy sufficient forces to begin his implementation mission.

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Reimposition provisions allow the USG to block periodic extension of sanctions relief if the Serbs backslide. The plan also contains options for rewarding the Serbs with limited sanctions relief if they support the peace process but the Bosnian Government does not.

**Other Issues:**

As outlined in Tab 2, the proposed sanctions relief strategy includes recognition of Croatia as a condition for lifting sanctions against the FRY. The President asserted to Izetbegovic and Tudjman that U.S. sanctions relief packages would contain a Croatia linkage, and Tudjman has continued to seek linkage in subsequent discussions. In practical terms, we would probably try to have some sort of accommodation between Belgrade and Zagreb in place before we acquiesced to releasing frozen assets to ensure that successor state issues were adequately resolved. Indeed, Zagreb and the other former Yugoslav states will probably insist on accommodations as a prerequisite to release of assets.

Finally, cooperation with the War Crimes Tribunal could be reintroduced into the sanctions relief package as an additional condition for lifting FRY sanctions, as an issue to be considered by the UNSC when it votes to renew sanctions relief, or as an element of the peace settlement itself. USG-proposed references to the Tribunal in earlier sanctions relief packages were rejected by other members of the Contact Group as beyond the original purpose of the sanctions regime and impossible to enforce. Adding such conditionality at this time risks Contact Group and FRY rejection and dilutes the relief package's focus, but may offer a way to get at least minimal Serb cooperation with the Tribunal.

**A Limited-Time Offer:**

The sanctions relief package outlined here should lapse if a settlement has not been reached in October. There may be circumstances in which we would want to offer Milosevic sanctions relief even if no settlement has been reached by then — if negotiations are going along well, but not yet finished; or the Serbs are negotiating in good faith, but the Bosnians are stonewalling. In these cases, we could offer a modified version of the Bildt plan (i.e.: limited sanctions relief in return for recognition, cease-fire, humanitarian access, border closure, etc.) as outlined in the explanation at Tab 2. If the U.S. initiative has failed because of intransigence in Pale, we may want to offer Milosevic additional incentives to strengthen the border closure. If both Pale and Belgrade are at fault, we may want to consider measures to strengthen current sanctions. In any event, the offer presented in this memo should be withdrawn. It is intended to bring about a specific outcome. If we do not obtain that outcome the intended time, Principals should consider how sanctions leverage might be used under new conditions.

**Attachments:**

Tab 1: Milosevic's Framework Agreement

Tab 2: Proposed Sanctions Relief Strategy

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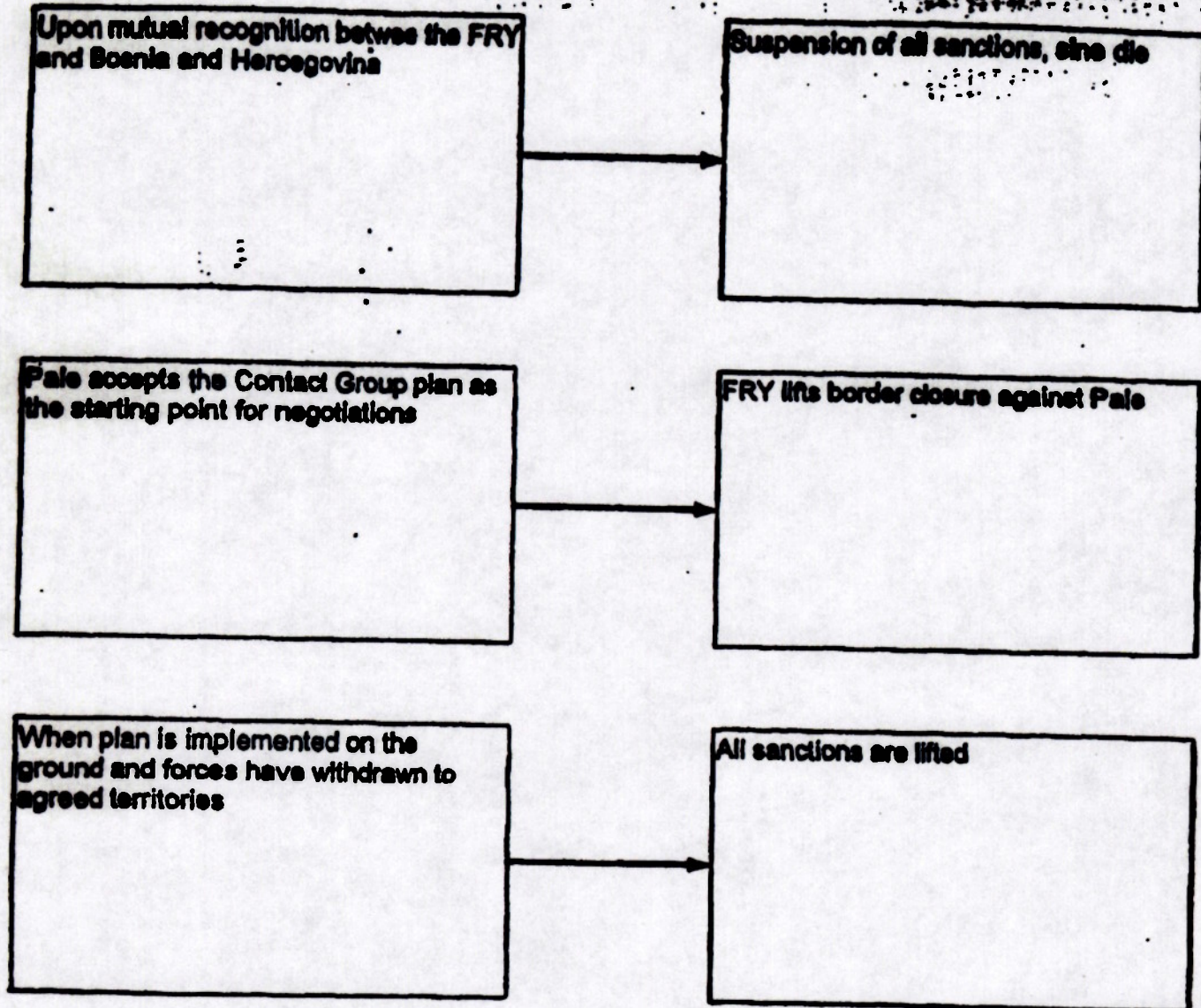


Tab 1

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### Milosevic's "Framework Agreement"



**Frozen assets:** Not mentioned, but probably released in first step.

**Reimposition mechanism:** None.

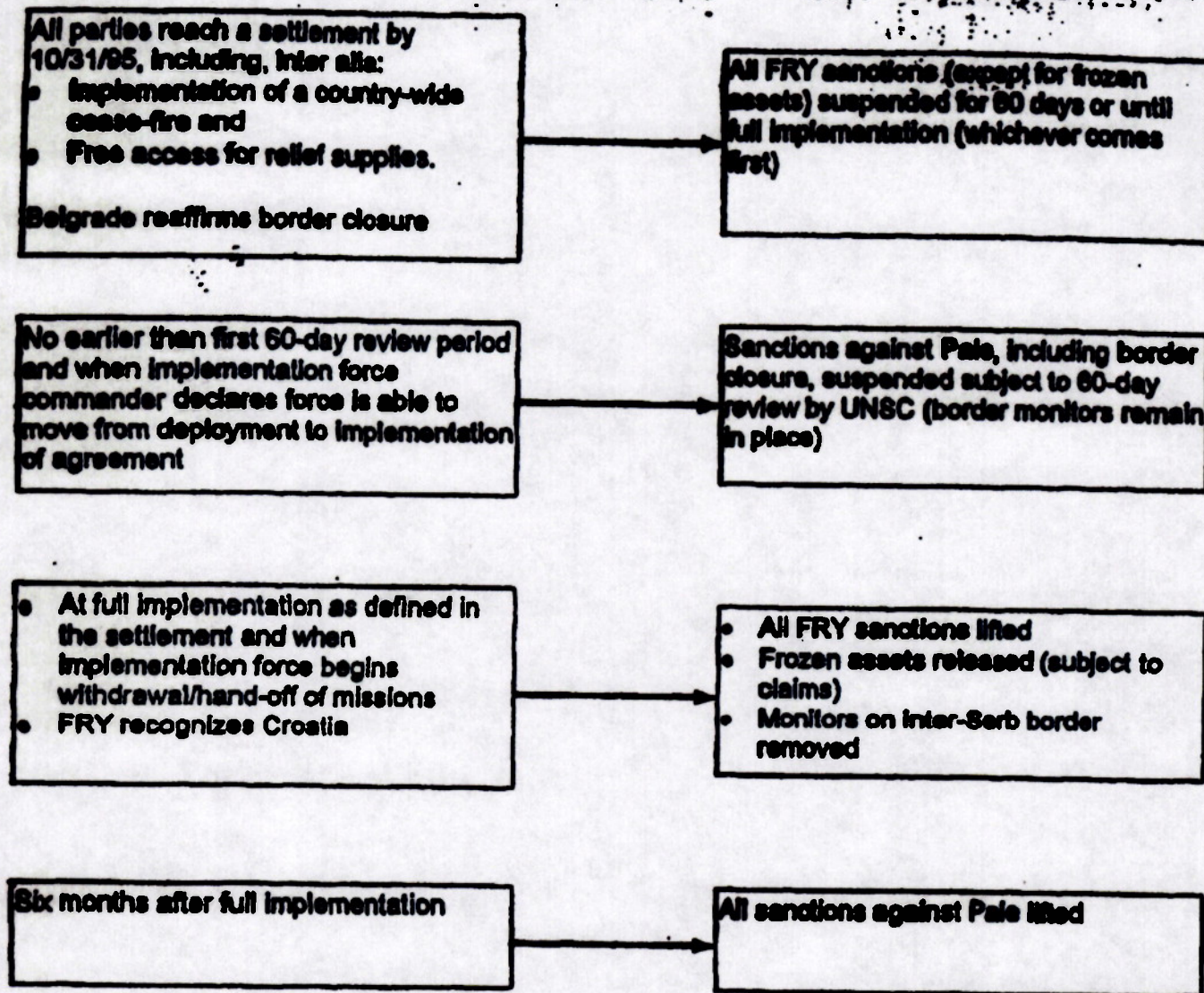
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Tab 2

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**Proposed Sanctions Strategy - 8/21/95****Reimposition mechanisms:**

- Automatic if settlement not implemented by date specified in the settlement.
- Automatic upon report by implementation force commander that Pale and/or Belgrade is impeding implementation or otherwise failing to fulfill obligations
- UNSC must vote to extend sanctions suspensions every 60 days during the implementation period.



**Proposed Sanctions Strategy - 8/21/95****Suspension**

- If the parties reach a settlement by October 31, the Contact Group will recommend that the UNSC suspend all sanctions against Belgrade (except the freeze on assets). Settlement must include, inter alia:
  - Country-wide cease-fire.
  - Full access for relief supplies.
  - FRY commitment to maintain border closure.
- Sanctions against Pale -- including the FRY's closure of its border with Bosnia -- will remain in place until at least 60 days after the settlement is signed and until the implementation force commander reports that sufficient forces have deployed for the force to begin its implementation mission.

**Reimposition**

- The settlement should define what constitutes full implementation and establish a date certain to accomplish those goals. Sanctions against Belgrade and Pale will be automatically reimposed if the agreement was not implemented by that date -- unless the UNSC votes to extend sanctions relief on the grounds that Belgrade and Pale has made good-faith efforts to fulfill the settlement and delays are the result of GOBH actions.
- Sanctions against Belgrade and Pale will be automatically reimposed if at any time during the implementation period ICFY reports that Belgrade is no longer enforcing the border closure and/or the Commander of the Peace Implementation Force reports that the Bosnian Serbs have
  - impeded deployment of the PIF or otherwise prevented it from accomplishing its mission,
  - stalled implementation through refusal to re-deploy forces or failure to abide by the final map,
  - violated the country-wide cessation of hostilities, and/or
  - interfered with humanitarian deliveries.
- During the implementation period, the UNSC must vote every 60 days to extend sanctions relief based on Pale's efforts to implement the peace settlement as outlined in the preceding paragraph and Belgrade's continued closure of the border and support for the peace process.



**Lift**

- Upon full implementation of the peace settlement and FRY recognition of Croatia, the Contact Group will recommend that all sanctions against Belgrade be lifted (including frozen assets except for those subject to claims).
- Six months after full implementation, the UNSC will vote to lift all sanctions against Pale, provided the Bosnian Serbs continue to live up to the terms of the settlement.

**Flexibility**

- If there is no settlement by October 31, the Contact Group retains the option of recommending more limited sanctions relief (e.g.: oil import quota, non-strategic trade, etc.), subject to periodic renewal by the UNSC, if Belgrade has
  - recognized Croatia and Bosnia,
  - tightened its border closure with Bosnia, and
  - induced Pale to enter into a country-wide cease-fire and allow free passage of humanitarian supplies.

(This approach is similar to the Bildt approach, as modified and limited in the USG's August 2 internal paper.)

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