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ER 94-3635/1

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Division AR 70-14 10CT2013

6 June 1994

MEMORANDUM FOR THE RECORD

SUBJECT: Principals' Committee Meeting on Bosnia 31 May 1994

1. National Security Advisor Lake chaired the brief session on Bosnia. In addition to the DDCI, other attendees included Secretary Christopher, Secretary Perry, Ambassador Albright, JCS Chairman Shalikashvili, Deputy National Security Advisor Berger, Vice Presidential National Security Advisor Fuerth, and Presidential Special Envoy Redman.

- The meeting reviewed the status of negotiations aimed at achieving a cease-fire in Bosnia and a 51/49-percent territorial settlement. On the former, there was concern that progress toward a cease-fire was being hindered by the Bosnian Serbs' refusal to withdraw their remaining forces from the area immediately around Gorazde, which, in turn, was leading the Muslims to refuse to attend the talks. The DDCI noted that the UN had just announced that the Muslims were holding hundreds of Serbs hostage in Gorazde, and that such reports would make the Serbs reluctant to withdraw their remaining forces. Participants nonetheless agreed that the US would press the Serbs to withdraw, and that the Muslims would not be forced to attend the cease-fire talks in the absence of a Serb withdrawal. Participants disagreed over whether a cease-fire would prove effective, with some noting voluminous intelligence reports that the Muslims -- at least for the moment -- want to fight on.
- 3. Participants also considered what additional measures could be taken to advance the territorial negotiations. There was general agreement that the Muslims would be reluctant to accept a 51 percent settlement without specific implementation guarantees and a plan of action for dealing with the Serbs if they do not agree to accept

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SUBJECT: MFR on the Principals' Committee on Bosnia 31 May 1994

49 percent. Participants ultimately agreed that sanctions against the Serbs should be strengthened if they did not cooperate, and that US negotiators could reaffirm US willingness to participate in an implementation force, pending Congressional concurrence.

- 4. There was a brief discussion of the existing sanctions regime against Serbia/Montenegro. One participant noted a New York Times article suggesting that the sanctions were not working. C/Balkan Task Force rebutted a statement by another participant claiming that the Intelligence Community was providing assurances that the Serbian economic program would collapse within a few months. Participants asked Leon Fuerth to prepare an assessment of the Serbian economy and the effectiveness of sanctions.
- 5. PC Follow-Up. The meeting did not result in any direct tasking for CIA. Leon Fuerth, however, requested that the Balkan Task Force take an initial cut on an assessment of the Serbian economy, with a draft due on 2 June. The Task Force also prepared a short assessment of prospects for a Bosnian cease-fire that was disseminated on 1 June, and it is working on a paper detailing realities on the ground around Gorazde. Finally, the meeting also made clear the need for additional work on assessing the impact of sanctions—a project the Task Force will complete within the next few weeks.

A. Norman Schindler Chief, Balkan Task Force