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THE WHITE HOUSE

WASHINGTON

INFORMATION

January 13, 1995

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE

SUBJECT:

Update on Bosnia and Croatia

Deputies met on Wednesday to review diplomatic efforts in Bosnia and to formulate an initial response to President Tudiman's and to formulate an initial response to President Tudjman's decision to terminate the mandate for UNPROFOR in Croatia.

Here's the state of play.

Contact Group Strategy

At Tuesday's Contact Group meeting in Paris, agreement was reached to dispatch Contact Group representatives to Belgrade, Sarajevo, Pale and Zagreb in an effort to get negotiations started. In Pale, the group will be authorized only to discuss "acceptance" of the Contact Group plan as the basis for talks, not to renegotiate the plan. This reflects the Bosnian Government's view that the deal Karadzic struck with President Carter was insufficient. It is not yet clear whether either side is really interested in negotiating, as opposed to using the cessation of hostilities to rest and rearm. Nevertheless, State remains hopeful that a formula can be found in the next few weeks that will permit serious shuttle diplomacy by the Contact Group to begin between Sarajevo and Pale.

We will be reviewing the constitutional and territorial issues in detail in preparation for renewed bargaining, although the U.S. will need to stay close to the Bosnian Government to avoid creating any impression we are twisting their arms.

Tudjman's Decision to Eject UNPROFOR

The shaky peace process in Bosnia is now in danger of being overwhelmed by renewed tensions -- and perhaps a new war -- in Croatia. President Tudjman today informed Boutros-Ghali that Croatia will terminate the mandate for UNPROFOR in Croatia when it expires on March 31. In so doing, he rebuffed a letter sent in your name urging that he reconsider this move, as well as strong pressure from the Germans. (Your letter and his reply are Tudjman claimed that, in two years, UNPROFOR has attached.) failed to produce any progress toward reintegration of the Serboccupied lands, and that UNPROFOR's withdrawal is the only way to

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shock the Serbs into negotiating seriously. His one concession was to allow an additional three months for a "dignified and orderly" withdrawal.

Before publicizing the decision, Tudjman sent two high-level envoys to Washington to explain his rationale. We urged the Croatians to pull back from demanding UNPROFOR's complete pullout, since this was almost certain to trigger a new war. offered to lead a reinvigorated diplomatic effort and to work with Zagreb on a new UNPROFOR mandate that would retain only those elements that were performing important functions -policing the ceasefire, keeping the forces separated, and implementing the recent accord opening the Zagreb-Belgrade highway (Tab C).

In a two-hour meeting with Peter Tarnoff last night, however, the Croatian envoys showed little interest in this proposal. It was clear that they had been sent to inform, rather than consult, with us (and Peter strongly criticized them for this). Tudjman's letter to Boutros-Ghali, while ostensibly revised in response to our ideas, contained little new flexibility. Our Ambassador believes Tudjman has consciously opted for retaking the Krajina by force. The intelligence community, however, believes the chances of success are low -- particularly if Milosevic's forces intervene in support of the Krajina Serbs, as they are likely to

We will continue to press the Croatians to reverse course, and we will need to consider rolling back aspects of our bilateral relationship to signal our opposition to Tudjman's high-risk gambit. Tudjman needs to know that his brinksmanship will not be cost-free and that his integration into the West is in jeopardy. This said, we need to be careful not to drive Tudjman into an unholy alliance with Milosevic to carve up Bosnia. Thus we will proceed with ongoing plans to accelerate diplomatic efforts aimed at a settlement that reintegrates the Krajina while providing substantial autonomy for the Serbs.

Attachments

Tab A Letter to Tudjman of January 9

Tab B Tudjman's reply of January 10

U.S. proposal to Croatian envoys of January 11 Tab C

