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6 February 1995

MEMORANDUM FOR: Acting Director of Central Intelligence

FROM: Chief. DCT Inter

Chief, DCI Interagency Balkan Task Force

SUBJECT:

Principals' Committee Meeting on Bosnia

7 February 1995

1. Tuesday's <u>Principals-only meeting</u> will focus on 1) a strategy to persuade Serbian President Milosevic to recognize Croatia and Bosnia, 2) a possible recommendation to the President to commit in principle to the deployment of US ground forces to assist an UNPROFOR withdrawal from Croatia, and 3) a diplomatic strategy to convince Croatian President Tudjman to retain some kind of international presence in Croatia. You will not be required to do an intelligence update or to take the lead on any issue.

 Leon Fuerth indicated	this
morning that he may recommend that CIA's	Posavina
Corridor video, based on "Image Perspect:	
Transformation" (IPT), be shown at the me	
You may be asked to introduce the video-	
IPT TAB for background on this project.	We will
preview it for you at the pre-brief.	

- 2. Now that <u>US officials</u> have largely given up on efforts to achieve a negotiated settlement in Bosnia and Croatia, they have decided to focus on securing Serbian recognition of Bosnia and Croatia in an effort to prevent an outbreak of fighting in Croatia. Other Contact Group members agree with this strategy, which all recognize would require an offer of significant sanctions relief for Milosevic. Leon Fuerth will present his proposal for sanctions relief to the Principals -- see TAB E behind MEETING PAPERS. The European Contact Group members favor more significant relief.
  - There was an incident over the weekend in which Dutch UNPROFOR personnel initially reported having seen 15-20 helicopters--probably from Serbia--in the vicinity of Srebrenica. This could represent a significant violation of inter-Serbian sanctions, and the NSC may want to play this up in an effort to gain leverage over Washington's Contact Group partners. We are still trying to sort the helicopter issue out--there may be less to it than originally thought--and will provide you with the latest information at the pre-brief.
- 3. You may be called on to assess the likelihood that Milosevic will recognize Croatia and/or Bosnia. The

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RECOGNITION TAB includes a background paper on this issue. We believe it unlikely that Milosevic will extend meaningful recognition to Croatia, and there have not even been any hints that he would recognize Bosnia. At the same time, Milosevic will not want to appear obstinate to the international community and—as was the case in his agreement to close the inter-Serbian border—may seek to manipulate the recognition issue to his advantage. You may want to reiterate the following points, which the DDI made to the Deputies on Thursday:

- -- Milosevic could let "Yugoslav" federal officials take the lead in talks with Croatia on recognition. He tried this in late 1992, leading Cy Vance to conclude that Federal President Cosic could be used to circumvent Milosevic. Milosevic instead used Cosic's "treasonous" dealings as an excuse to oust him when the time was right.
- -- Recognition of Croatia would not preclude new Croat-Serb fighting. Recognition would do nothing to resolve the Krajina issue, and Zagreb's ultimate failure to achieve an agreement with the Krajina Serbs on autonomy could be used by Belgrade as an excuse to intervene if fighting breaks out.
- 4. Three other issues have arisen at recent Deputies' meetings where we believe our analysis of the situation differs from the views or assumptions held by some--possibly a majority--of senior participants.
  - -- Misconception #1--The likelihood that renewed fighting in Croatia inevitably would spill over into Kosovo and Macedonia. We do not believe that conflict in Kosovo and Macedonia is necessarily related to fighting in Croatia and Bosnia unless the Yugoslav Army is forced to intervene in a big way, or the international community intervenes militarily against the Serbs. See the SPILLOVER TAB for a discussion of this issue.
  - -- Misconception #2--The likelihood that fighting will begin in Croatia before the cease-fire collapses in Bosnia. The DDI conveyed our concern at Thursday's Deputies' meeting that fighting in Bosnia could resume long before trouble in Croatia, leading to a situation in which US and NATO forces might be evacuating UNPROFOR from both countries. See the MILITARY DEVELOPMENTS TAB for an assessment of the relationship between fighting in Bosnia and Croatia.

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Misconception #3--Macedonia is a "tinderbox" and deployment of additional NATO troops is necessary to ensure stability. We agree that Macedonia has problems, but they are economic and ethnic--not the sort that NATO troops can help with. Serbia recently has been behaving itself vis-a-vis Macedonia. Under these circumstances, deployment of additional NATO troops--a pet project of Secretary Perry--would not help anything and could actually create problems by raising concerns among Serb ultranationalists in Serbia at a time when Milosevic is trying to appear more forthcoming on recognition issues. The MACEDONIA TAB includes additional background on this issue.

The Intelligence Community assesses that the Krajina Serbs will attempt to resist UNPROFOR's withdrawal, and UNPROFOR units probably will get caught up in skirmishing as both sides attempt to occupy the buffer zone UNPROFOR is evacuating.

A. Norman Schindler

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