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26 July 1994

MEMORANDUM FOR: Director of Central Intelligence

FROM: Chief, DCI Interagency Balkan Task Force

SUBJECT: Principals' Committee Meeting on Bosnia
27 July 1994

1. Wednesday's Principals' Committee meeting will focus on prospects for the Contact Group process as Secretary Christopher prepares to meet in Geneva this weekend with his Russian, German, French, and UK counterparts. Indeed, the US and the international community probably are approaching another watershed in the Bosnian crisis:

- If the Serbs can be persuaded to accept the Contact Group plan, the UN and NATO will need to get serious about preparing an implementation force.
- In the more likely event that the Serbs refuse to accept the plan, Contact Group members will need to decide whether to follow through on their threats to tighten sanctions, expand exclusion zones, and ultimately lift the arms embargo. More fighting is likely with or without Contact Group action.

2. The meeting is likely to be a frustrating experience. None of the options is without problems. It will be very difficult to win Contact Group agreement for truly robust options--options that will really punish the Serbs and appear to the outside world as decisive action. Indeed, the Administration senses a public relations disaster in the making as it tries to stave off Congressional pressure for stronger action.

- Today's NSC-chaired Bosnia IWG concluded that we could claim a successful ministerial if it includes a reaffirmation of the Contact Group process and at least some of the "sticks" are selected for implementation.

3. You will be asked to present an assessment of the consequences of extension and strict enforcement of exclusion zones. The NSC asked us to prepare a paper on this subject (see TAB A), which was circulated to other agencies Monday evening. At today's Bosnia IWG, Sandy Vershbow indicated that the paper "filled the bill" and no one responded when he asked whether there was any disagreement with its pessimistic assessment. Talking

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points for your use in briefing the paper are located immediately following this memorandum. []

4. You will not be required to do a formal intelligence update. Nonetheless, we will provide you with a series of one-page talking points on issues likely to come up at the meeting, including military developments, Serb and Muslim views of the Contact Group, the extent of Yugoslav support for the Bosnian Serbs, and the latest on arms transfers to the Muslims.

-- I would recommend in particular that you flag our revised (upward) assessment of Yugoslav support for the Bosnian Serbs. See TAB YUGOSLAV SUPPORT for a paper laying out available intelligence on this issue, as well as one suggesting that Milosevic would find it difficult politically to cut off all support to the Bosnian Serbs. []

5. Lifting the arms embargo could also come up, as the House and Senate are wrestling with language on this subject as part of deliberations on the 1995 defense appropriation bill. The Administration favors a multilateral lifting of the arms embargo against Bosnia. The TAB ARMS EMBARGO includes the NIC Memorandum providing our assessment. I joined Sandy Vershbow, Joe Kruzell, and State EUR DAS Tom Weston for an appearance before a joint meeting of the House and Senate Armed Services Committees on Monday. I tactfully presented the Intelligence Community's view that a multilateral lifting of the embargo would present less problems than unilateral action in terms of relations with Russia and the Allies, but that there were strong risks, particularly if our assumptions of an UNPROFOR withdrawal and Yugoslav Army intervention prove true.

-- Senator Nunn later paraphrased my remarks for the group and noted that he thought it important that no one had disputed the Intelligence Community's bottom line, despite considerable enthusiasm in the room for lifting the arms embargo. []

6. A series of papers--TABS B thru F--were prepared by other agencies for this meeting. The most significant are the papers prepared by State (TAB B and C) on diplomatic strategy and extension of exclusion zones. The Task Force has prepared short summaries of each paper. []

7. I will accompany you to the meeting and serve as notetaker. (U)

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A. Norman Schindler

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