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## THE WHITE HOUSE

WASHINGTON

November 27, 1994

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE

SUBJECT: Bosnia Policy after the Fall of Bihac

Bihac's Fall: Despite our efforts over the past two weeks to halt the Serb offensive through establishment of an exclusion zone around Bihac, the city has effectively fallen. The UN and our key allies, after accusing us of exaggerating the situation, now claim there is nothing the UN can do to protect the safe area without additional ground forces. The UN and our allies remain unwilling to use NATO air power more aggressively out of a fear of Serb retaliation against their troops; indeed, the Serbs have placed several hundred UNPROFOR troops under house arrest throughout Bosnia and threatened "total war" if the UN and NATO escalate attacks against them. The Serbs are openly boasting of their success in standing up to NATO and are demanding the surrender of the Bosnian Fifth Corps.

In these grim circumstances, the focus of diplomatic efforts has shifted toward negotiation of a country-wide ceasefire as the only means of staving off a humanitarian disaster in Bihac and a widening of the war. A call for a ceasefire was the central theme in a strongly worded -- but largely rhetorical -- UNSC Presidential statement issued Saturday night. The Serbs are trying to link this to new international talks on an "end to the war" that would not be based on the Contact Group plan. The Bosnian Government, in desperate straits after its defeat at Bihac, has said it will agree to a three-month ceasefire (and perhaps longer), but is understandably wary of codifying the status quo and seeing the Contact Group plan abandoned. While we are assuring the Bosnians we will uphold the Contact Group plan in any new talks, it is doubtful mutually acceptable terms for a ceasefire will be found.

Implications: Bihac's fall has exposed the inherent contradictions in trying to use NATO air power coercively against the Bosnian Serbs when our Allies have troops on the ground attempting to maintain impartiality in performing a humanitarian mission. This has been exacerbated by our fundamentally different views of the parties: we see the Bosnians as victims of aggression; the Allies (despite having been the first to recognize Bosnia-Herzegovina as a sovereign state) regard all the parties as morally equivalent; they have been quick to blame the

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cc: Vice President  
Chief of Staff

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Bosnians' recent offensive as the cause of Bihac's demise. Against this backdrop, our efforts to use NATO air strikes to prevent the fall of Bihac have only intensified transatlantic frictions. The absence of U.S. troops on the ground is cited as disqualifying us from the right to tell our allies what to do.

Allied Views: As John Major's November 23 letter to you indicates (Tab A), the British are worried about the permanent damage Bosnia could inflict on NATO and U.S.-European relations. British diplomats are telling us London is concerned (however belatedly) about the appearance of UN and NATO impotence that has been conveyed by the weak response to Bihac. They are asking whether UNPROFOR's continued presence is becoming untenable -- both because escalating hostilities threaten its safety, and because it is blocking tougher action by NATO. The British want to make one last all-out effort at a political settlement, with UNPROFOR withdrawing by mid-1995 if this effort fails.

The French, for their part, have been exploiting recent events to promote their traditional agenda: the development of an independent European defense identity at the expense of NATO. They cite our non-enforcement of the arms embargo under Nunn-Mitchell, together with our refusal to send ground forces to Bosnia, as evidence that Europe can no longer rely on the U.S. One side-effect has been French efforts to water down our initiative to have this week's NAC Ministerial launch a formal process of deliberations on NATO expansion. (Between now and the French elections in May, we can expect Balladur and Juppé -- the latter on behalf of Chirac -- competing over who can be more Gaullist.)

Where do we go from here? Principals will be meeting Monday afternoon to consider how to contain the damage from Bihac and what our longer-term strategy should be, looking to Chris's discussions at the NAC on Thursday and the Contact Group Ministerial on Friday. As usual, there are very few attractive options. In Bihac, there is no prospect of action to compel the Serbs to withdraw. Our main goals are to halt the fighting and negotiate measures to permit humanitarian aid to reach the besieged population.

Restoring momentum to the diplomatic process will be even harder. Our strategy since the beginning of the year, when we decided to take a more active part in international peace efforts, was premised on two key points:

- Insistence on a territorial solution that would preserve Bosnia as a single state and provide a better deal for the Bosnian Government than previous peace plans; and

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- Using military pressure to achieve Serb acceptance (as reflected in NATO's February ultimatum on Sarajevo and what we hoped would be a more aggressive use of NATO close air support by UNPROFOR).

While this strategy achieved important results (an end to the shelling of Sarajevo; the Muslim-Croat Federation; creation of the Contact Group and the crafting of a 51:49 territorial solution), the "stick" of military pressure seems no longer viable. The threat of tighter economic sanctions prompted Milosevic to endorse the Contact Group plan and cut off of support for the Bosnian Serbs. But this has not been effective enough to persuade the Bosnian Serbs to reconsider their defiant rejection of the Contact Group proposal.

Unless we can come up with other forms of leverage, the chances of a political settlement will remain slim, and Congressional pressures to lift the arms embargo will grow even stronger. Yet it is not clear that Congressional proponents are prepared to provide the political and financial support that would be required for an effective lift-and-strike strategy -- even assuming that we can persuade the Allies and the Russians to go along with multilateral lift in the spring.

In the short term, we may have no choice but to go along with Allied and Russian efforts to use the carrot of additional sanctions relief for Milosevic to induce him to increase the isolation of the Bosnian Serbs. After Bihac, however, we will need to demand that Milosevic produce immediate and tangible changes in Bosnian Serb behavior if we are to defend the further easing of sanctions against Belgrade.

We will consult with you immediately following the Principals discussion Monday afternoon on the recommendations reached and the strategy Chris proposes to adopt at this week's NATO and Contact Group meetings. We have attached a draft reply to John Major's letter, which we plan to revise based on the conclusions reached at the Principals Committee meeting and your further guidance.

Attachments:

- Tab A John Major's Letter of November 23
- Tab B Draft Reply to Major

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