

~~TOP SECRET~~

23 August 1995

**PRINCIPLES' COMMITTEE MEETING ON BOSNIA
22 AUGUST 1530**

1. Purpose of the meeting was to hear interim report from Assistant Secretary Holbrooke and to validate his negotiating instructions for the completion of his trip.

2. Meeting was primarily a discussion between Holbrooke and Lake with occasional interjection from others.

3. Controversial topics:

a. Gorazde - Secretary Perry stated that Gorazde could not be included in Bosnian territory - too expensive and difficult to defend. Holbrooke stated the issue had to be worked jointly with the Bosnians who had publicly stated they would insist on inclusion of Gorazde. Lake straddled the issue.

b. Economic Reconstruction - Holbrooke asked for authority to mention a \$500M figure to the Bosnians as our initial contribution to economic reconstruction of the region. Rivlin and Christopher refused, saying more planning and consultation with Congress was required before any figure could be quoted.

4. Results of Meeting:

a. Reconstitution of delegation: OSD, State and NSC all nominated replacements for the negotiation killed on Mount Ignan. NSC member is BGEN Don Kerrick who has been recalled from DHS.

b. Follow-on Work: DC tasked to work both the peace enforcement and training plans (JCS lead) and the economic reconstruction plan (State lead). No taskings for DCI. Papers already prepared will support the planning efforts.

5. Observation: Holbrooke presents the Bosnian Serbs as the tough sell, and downplays the difficulties of bringing the Bosnian government into the agreement. Balkan Task Force analysis is the reverse - Bosnian Serbs are ready to deal and Bosnian government will be the problem. BTF will continue to track and report.


D. C. BLAIR
RADM USN

Secret

Warring Parties' Views on US Peace Initiative

| | Territorial Adjustments | Constitutional Issues | Three-Way Recognition | Sector East/Miscellaneous |
|-----------------|--|---|--|---|
| Belgrade | Milosevic's acceptance of Vance-Owen and Contact Group plan suggests he is prepared to accept latest territorial proposals, mostly because they include Serb control of eastern Bosnia and widening of Posavina corridor--long-time Serb objectives. | Milosevic amenable to right of Bosnian Serbs to confederate with Serbia after referendum. | Serbian President Milosevic claims no way regime could recognize Croatia after Zagreb's takeover of Sectors North and South...other reporting suggests, however, Milosevic's opposition could soften if recognition occurred as part of settlement. Milosevic probably more prepared to move toward recognizing Bosnia as territorial entity, but not government of President Izetbegovic. | Milosevic cannot publicly agree to Sector East's reintegration into Croatia for domestic political purposes...has, however, told US diplomats, he is willing to enter into negotiations on status of Krajina Serbs in Sector East on basis of Z-4 plan. |
| Pale | Possibly willing to accept less territory than it currently controls in exchange for keeping Srebrenica, Zepa and gaining Gorazde, expanding area around Brcko...wants divided Sarajevo and outlet to sea. | Minimum demands are right to near-term confederation with Serbia, dual citizenship. | Against recognition of any Bosnian entity but Pale views not likely to have much impact if Belgrade decides to agree to this provision...may not be satisfied with being represented by Milosevic at negotiating table. | Opposed to Z-4 plan for Sector East since it implies loss of Serb sovereignty. |
| Sarajevo | Bosnian Government adamant that no deals possible on Gorazde ...strongly favors link between Bihac and core area...wants expanded area around Brcko...will continue to demand minimum of 51/49 percent split, with offsets for loss of Srebrenica and Zepa...rejects divided Sarajevo. | Willing to agree to provision for Bosnian Serb confederation with Serbia some years after signing of agreement, but demanding that Bosnian Serbs remain integral part of Bosnia...EU officials report Sacirbey exploring greater autonomy for Bosnian Serbs in exchange for smaller piece of Bosnian reconstruction pie for Pale...may be willing to compromise on unitary state in exchange for better/more territory. | Doubtful until Belgrade comprehensively seals border... has stated willingness to enter 3-way talks--with Pale included in Belgrade delegation--after thorough preparations are completed. | Sector East not issue of concern for Sarajevo...will want commitment that "lift and strike" will kick in if Pale or Belgrade reject peace plan...will want strong international guarantees to assure implementation. |
| Zagreb | Wary of wider Serb-controlled Posavina corridor... like Sarajevo, would prefer additional Croatian-Bosnian Government military operations to gain additional territory before agreement ...prepared to enter negotiations on current US initiative. | Zagreb willing to permit Bosnian Serb referendum for confederation with Serbia after one-two year interim...Tudjman may support federation as interim to partition. | Tudjman insisting Belgrade recognize Croatia within internationally recognized borders, including Sector East--before sanctions on Serbia lifted...Granic stated Zagreb could accept 2-step recognition...probably prepared to recognize FRY in current borders as part of overall settlement. | Prepared to use military force to regain territory if negotiations fail...Tudjman told US diplomats region's status must be resolved within months, not years...Granic, however, stated Zagreb prepared to accept two-year transition for Sector East to reintegrate into Croatia under Z-4 guidelines. |

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