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24 October 1995

**MEMORANDUM FOR:** The Principal**FROM:** Deputy Chief, DCI Interagency Balkan Task Force**SUBJECT:** Principals' Committee Meeting, 25 October, Time: 1530?

1. **PURPOSE OF MEETING.** This will follow on some of the issues raised at yesterday's Deputies' Committee meeting concerning the implementation force (IFOR). If Admiral Blair is not the Principal, he can brief you on the key issues raised at that meeting. Another issue that could come up is the idea of suspending sanctions on Serbia during the proximity talks.

2. **BACKGROUND.** Ambassador Holbrooke has suggested suspending sanctions on Serbia during the proximity talks. He argued that this would give Milosevic greater leverage over Karadzic and the other Bosnian Serb leaders—a link we find tenuous. Needless to say Leon Fuerth disagrees with this proposal and asked us to write a paper on how Serbia could benefit from such a temporary suspension. [See **SANCTIONS ON SERBIA** tab.] These papers were distributed around town this evening at the request of Leon Fuerth, who considered them excellent.

3. **POSSIBLE HANDOUTS** Barring technical difficulties, we should have the latest areas of control map and also a revised refugees map as you requested today.

**4. WHAT IS NEW IN THIS BOOK?**

- Why is Milosevic Pressing for Sanctions Relief?** [See **SANCTIONS ON SERBIA** tab.] While sanctions are causing economic pain, Milosevic seeks relief to keep his domestic opponents at bay, especially given the series of stinging reverses the Serbs have suffered this year.
- Impact of Suspending UN Sanctions on Belgrade** [See **SANCTIONS ON SERBIA** tab.] Suspending sanctions for even a three-week period would give an opportunity to import a year's worth of oil and several months of other strategic commodities as well as to earn hard currency from exports.

  
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- Pre-IFOR Deployment Problems [See IFOR/UNPROFOR tab.]** After a settlement, violent incidents, such as sniping, small-scale attacks, and mortar attacks, are likely by elements that consider the agreement unsatisfactory. The extent of such incidents will depend on the degree of commitment by the warring party's leadership to the agreement.
- Status of War Crimes Indictments [See WAR CRIMES tab.]** This lists those already indicted--mostly Serbs--and pending indictments.

## 5. POSSIBLE POINTS TO MAKE

### ON SANCTIONS SUSPENSION

- We don't see the connection between suspension of sanctions on Serbia and Milosevic being able to pressure the Bosnian Serbs although that is what Milosevic would like the West to believe. Milosevic's main clout over them is through his ability to control the flow of material support.
- Clearly Milosevic wants an end to sanctions, but Serbia can manage to cope although at a continued low-level of economic performance. By suspending sanctions for even three weeks, he could seize this window of opportunity to import substantial oil and other strategic commodities, which would weaken Western leverage against him.
- The Serbs have suffered a string of defeats this year. A temporary suspension of sanctions would give him a victory to use against his internal opposition. Moreover, this victory might allow him to offset domestic pressure to intervene *when the Croats attack Sector East.*

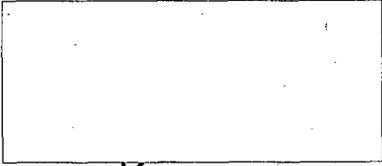
### ON IFOR

- The prevalence of incidents hinges on the commitment of the leaderships to the agreement. C&C has improved enough that the leaderships would have to approve large-scale attacks.
- Local incidents, such as sniping, small-arms clashes, and mortar attacks, are likely regardless of the agreement by parties who do not approve of the agreement and are trying to sabotage implementation.

  
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- Both the Bosnian Serbs and Bosnian Muslims are likely to cause trouble. Bosnian Serbs might attack to reject an unsatisfactory agreement reached by Milosevic. The Bosnian government has the most tenuous control over its troops, some of whom have vowed to recapture territory from which they have been cleansed or to prevent partition.
- The most troublesome areas will be in northwest Bosnia, Sarajevo, and in the Posavina corridor.

  
Ray Converse~~SECRET~~