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SUPREME DEFENCE COUNCIL

MILITARY SECRET

STRICTLY CONFIDENTIAL

STENOGRAPHIC RECORD

Of the 25<sup>th</sup> Session of the  
SUPREME DEFENCE COUNCIL

- held on 30 August 1994 –

/stamp: FEDERAL REPUBLIC OF YUGOSLAVIA

Supreme Defence Council

SP /Strictly confidential/ No. 9-2

30 August 1994

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BELGRADE

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Of the 25<sup>th</sup> session of the  
SUPREME DEFENCE COUNCIL  
HELD ON 30 AUGUST 1994

The session began at 1230 hours.

Present: Zoran LILIĆ, President of the Federal Republic of Yugoslavia /FRY/  
– Council Chairman; Slobodan MILOŠEVIĆ, President of the Republic of Serbia,  
and Momir BULATOVIĆ, President of the Republic of Montenegro – Council  
members; Radoje KONTIĆ, Federal Prime Minister; Pavle BULATOVIĆ, Federal  
Defence Minister; Colonel-General Momčilo PERIŠIĆ, Chief of General Staff of the  
Yugoslav Army; Lieutenant-General Blagoje KOVAČEVIĆ, Deputy Chief of General  
Staff of the Yugoslav Army; and Major-General Slavko KRIVOŠIJA, Chief of  
Military Staff of the President of the SR /Federal Republic/ of Yugoslavia.

(The session was recorded by Jordan ŽIVANOVIĆ, senior conference  
stenographer and editor on the Staff of the President of the FRY).

The session was chaired by Zoran LILIĆ, President of the FRY.

Zoran LILIĆ:

I suggest that we begin.

I hereby open the 25<sup>th</sup> session of the Supreme Defence Council.

The following agenda has been proposed:

A g e n d a

1. REVIEW OF THE CURRENT MILITARY, POLITICAL AND  
SECURITY SITUATION

2. CURRENT ISSUES.

There are no specific current issues to be discussed, but if any questions are raised, they will be dealt with under Item 2.

Let us proceed with Item 1:

1. REVIEW OF THE CURRENT MILITARY, POLITICAL AND  
SECURITY SITUATION

I propose that we hear an introductory note prepared by the Chief of General Staff and his personnel. In keeping with our customary practice, we shall then address the issues within the competence of the Supreme Council.

General, the floor is yours!

Momčilo PERIŠIĆ:

Gentlemen, certain changes emerged in the period between this and our last meeting, which we intend to highlight in our today's analysis in order to establish a comparison with the other alternative.

Therefore, apart from the other alternative presented at our last meeting, we shall focus in today's analysis on three crucial aspects:

- Position of the Government of FR Yugoslavia regarding the crisis in Republika Srpska,
- Constant threat of deployment of observers in the territory of FRY,
- A third development, which was uncertain then, but is certain now, is Republika Srpska's rejection on a referendum of the Peace Plan for solving the Bosnian crisis.

Here is our plan for today: Colonel KRGA will brief us about the conclusions from the assessment of the level of external threat to the FRY; General DIMITRIJEVIĆ will brief us about the conclusions from the assessment of the level of internal threat; and finally, General SIMIĆ will describe the measures that we propose to be undertaken by the Supreme Defence Council and the Federal Government, as well as the measures that we believe should be undertaken by the General Staff if the threat to security of the FRY remains at its present level.

If you agree, I would now give floor to Colonel KRGA.

Branko KRGA:

Mr. Chairman, gentlemen,

I would like to inform you about the conclusions contained in the assessment of new aspects of foreign influence on the solving of the crisis in the former Bosnia and Herzegovina, with particular stress on the effects of these processes on the international status and security of the FR Yugoslavia.

Three new critical facts have emerged in the process of solving the crisis in the former Bosnia and Herzegovina:

Firstly, the FR Yugoslavia has clearly expressed its commitment to accepting the Peace Plan,

Secondly, relations have been severed with the leadership of Republika Srpska, which brought back on the table the issue of observers,

Thirdly, a referendum has just been held in Republika Srpska.

The international community is now comprehensively analysing these developments, drawing conclusions, planning measures and taking steps. No conclusive or coordinated position has yet been taken with respect to these issues, however, some new elements are becoming discernible.

Since the FR Yugoslavia has made a clear and firm decision to accept the Peace Plan of the Contact Group, it is already evident that all international factors fully support this decision.

After a long period of isolation and accusations, a profoundly new attitude of the international community towards the Federal Republic of Yugoslavia is becoming apparent, giving the country an opportunity to improve its international image. These changes are reflected in the visits paid by KOZIRYEV and the French parliamentary delegation, as well as in a more favourable coverage of the FRY by foreign media, including those from Germany and America.

In addition, it is evident that FRY's commitment to Peace Plan has, at least for now, eased tensions in the approach of the international community towards solving the crisis in the former BH /Bosnia and Herzegovina/, and mitigated more stringent measures announced earlier. This primarily refers to a temporary suspension of deployment of substantial NATO peace-imposing forces. As far as we know, a number of Balkan countries, notably Romania, Bulgaria and Greece, contributed to the making of this decision by suggesting to the US Defence Minister Perry, when he visited these countries, that an escalation of war should not be an option. At the same time, an agreement was reached to redeploy part of the American troops from the Central European to the South European theatre of operations.

Since the USA seems to be satisfied with this solution, it has lost interest in bringing forces to Bosnia and Herzegovina.

We think that the response of the Federal Republic of Yugoslavia, welcomed by the international community, has considerably diluted bellicose intentions of the Republic of Croatia towards the Republic of Serbian Krajina. This has been confirmed in the recent statements by KINKEL, and even TUĐMAN.

The international community also supported the severance of relations between the FRY and Republika Srpska. However, some countries are still suspicious and want to see the proof, which they think could be obtained, among other things, by installing observers on the river Drina. There are even speculations that the sanctions were justified because they have allegedly forced the FRY leadership to make this move. Some countries persistently claim that the FRY has not done enough to persuade the Bosnian Serbs to accept peace.

It seems that the West has realised that instigating divisions among the Serbs and the sanctions are a more efficient tool for achieving its own interests than a risky use of armed forces that it has been threatening to resort to for months. The US, who has been the strongest proponent of those demands, sees the control of the announced measures as a matter of principle and is unlikely to give it up easily.

Should the pressure continue towards accepting the observers, we are of the opinion that this problem needs to be considered from political, military, security, psychological, economic and other aspects, and that we need to adopt a crystal clear position so as not to lose initiative to the international community.



In our view, the possible effects of accepting the observers are as follows:

Firstly, the majority of opposition parties would accuse the Yugoslav leadership of neglecting national interests and jeopardising the country's sovereignty.

Secondly, the observers on our borders would become institutionalised, whereby the Yugoslav state would in a way recognise the integrity of Bosnia and Herzegovina, and admit that it is not capable of monitoring the implementation of the measures that it has adopted itself.

Thirdly, the possibilities of providing assistance to Republika Srpska would be narrowed down. If the West continues to support the Muslims, it would all lead to the Serbs suffering enormous losses and will produce other negative effects.

Fourthly, a permanent presence of foreign observers on the borders could instigate deliberate incidents, etc.

The positive effects of accepting the observers would be as follows:

Firstly, there would be no new sanctions, and the existing ones would gradually be lifted.

Secondly, the readiness of the Yugoslav leadership to cooperate would be affirmed, and the FRY would be re-admitted to at least some of the international fora.

A rejection of the observers would generally produce opposite effects to those produced by acceptance, the most serious one being the remaining of the existing sanctions and possibly an introduction of new ones, with all the adverse consequences that they may cause.

In this context, we think that we should bear in mind the following when considering this issue:

In our contacts with international representatives, we must insist that this issue be never put on the agenda of the Security Council, and that the lifting of sanctions be linked to an unequivocal support of Peace Plan by the FRY, and not to the acceptance of observers. Should this issue be forced upon us, then we should try to prevent the adoption of the decision on their introduction by presenting the following arguments:

Firstly, the FRY has decided on its own to sever relations with the leadership of Republika Srpska without any external pressure, and is capable to keep it under control.

Secondly, we should underline that it is possible for the international community to monitor the traffic across the border between the FRY and Republika Srpska by surveillance from the air and from diplomatic reports.

Thirdly, we should point out that the monitoring carried out so far with the participation of the international community has not revealed any infringements of the existing measures, and that any suspicions in this respect are unwarranted.

If it turns out to be impossible to avoid the deployment of observers, we should try to minimise the effects and demand that it be conditioned by the lifting of sanctions, ensuring respect of truce, suspending arms and equipment deliveries to the Army of the Muslim-Croat Federation, reducing the number of observers to a minimum, imposing a time limit on their deployment, etc. We should particularly emphasise that the FRY reserves the right to reconsider its decision to break up ties with Republika Srpska and to choose how to respond to a possible breach of the agreement by the international community.

We do not believe that the increasing insistence by the USA and other countries on the issue of observers is not an objective per se. It is actually meant to achieve much more: to exert additional pressure on Republika Srpska, to test the cooperativeness of the FRY, to divert attention from the failure of peace initiatives launches so far, to perfect sanctions as a tool in crisis management, and finally the most difficult one – an intention on the part of certain players to instigate a rift in the Serbian national structure, which may have numerous adverse effects on the Serbs living on this and the opposite bank of the river Drina.

There are several facts which indicate that, even if we are to accept the observers, it would not be conducive to an automatic lifting of the sanction and peace in the region. New conditions are already being mentioned, such as: finding a solution to the status of Republika Srpska, potential raising of the issue of autonomy for Kosmet /Kosovo and Metohija/ and Vojvodina, the issue of human rights, readiness to cooperate with the International War Crimes Tribunal, etc.

Although we have recently analysed a possible scenario in the event of the Peace Plan being rejected by Republika Srpska, there are some new elements indicating that the scenario devised by the international community may be amended to a certain extent. In other words, following the announcement of the referendum results, the course of events and the response of the international community may take three basic turns:

Option A – the international community recognises that the Contact Group's Peace Plan has failed, accepts it as a fact verified on a referendum as the supreme form of expressing a people's will in a democratic way, and at the same time continues to explore new avenues for finding a solution to the crisis. This new approach could be realised either through amending the existing Peace Plan or working out a completely new one.

That this development is possible is confirmed by the fact that, after a referendum had been called, the USA gave Republika Srpska until 15 October to come up with a definitive position on the Peace Plan, even though the USA had predicted that the people would vote negatively on the referendum.

The latest statements made by KOZIRYEV testify to the fact that there is still an interest in the continuation of the peace process.

There is also a possibility that a solution to the crisis will be sought in a complete, and even forcible disarmament of the Army of the Muslim-Croat

Federation and the Army of Republika Srpska, followed by a peaceful solution being imposed under the international protectorate.

Option B – the international community decides to withdraw and leave the conflicting parties to exhaust each other in a war, and then impose a solution. This may begin at any given stage of the process of resolving the crisis. Under this scenario, UNPROFOR forces would withdraw, the territory of the former Bosnia and Herzegovina would become totally isolated, there would be an uncontrolled influx of mercenaries, weapons and military equipment, and combat operations would flare up all over the territory. The Army of Republika Srpska could take advantage of the situation and even improve its strategic position. However, it would be next to impossible to predict the course of events at a later stage.

Should the international community opt for this scenario, its objective will be to see as many Serbs and Muslims killed, thus creating a space for the Croats, consistent with the plans of the German-Vatican bloc.

The course of events under this scenario may produce a series of unforeseeable repercussions on security of the FRY, including the possibility of a spillover of combat operations onto its territory, involving the Army of the Muslim-Croat Federation and the Army of Republika Srpska.

Option C – the international community acknowledges the fact that the Contact Group's Peace Plan has been rejected by Republika Srpska, and then resorts

to imposing /the Plan/ through the implementation of the announced punitive measures. These measures may be implemented in three phases:

The first phase could see a heightened activity in the post 15 October period, provided no solution was found before that date for a subsequent acceptance of the Peace Plan by Republika Srpska. It would be characterised by the following: the international community would continue, as it has done so far, to supply weapons and military equipment to Muslims and Croats, and to exert an overwhelming pressure on Republika Srpska; safe areas would be expanded and new exclusive areas established; and the Army of Republika Srpska would be given an ultimatum to abandon the surplus territory, and any failure to comply would be punished by selective air strikes.

The goal of the measures undertaken in this phase would be to squeeze the Serbs into the territory defined by the Contact Group's plan, and to force them to accept the Plan, but under less favourable conditions.

We think that in this phase the Army of Republika Srpska would be capable of putting up a successful resistance for months in a row, given the present balance of power among the warring parties.

The developments in this phase would badly affect security of the FRY. It would be reflected in incursions by armed groups, provocations involving the use of firearms, tightened border control on the Drina by the international community with a view to establishing whether the FRY is consistently implementing its decision to impose blockade on Republika Srpska, etc.

The second phase would commence after it has been established that Republika Srpska is still unwilling to accept the peace settlement. It would have the following characteristics: the embargo on firearms and military equipment for Muslims and Croats would be lifted, resulting in their launching major offensives; the majority of UNPROFOR forces would withdraw; and air strikes targeting the positions of the Army of Republika Srpska would gain momentum, etc. The objective in this phase would be to mercilessly punish the Serbs and eventually force them to accept the Contact Group's Peace Plan. Under these conditions, the Army of Republika Srpska could hold on for two or three months, after which period the Muslim-Croat coalition would begin to gradually gain advantage. The international community would seek to secure control over combat operations and establish an approximate balance of power.

This scenario would further exacerbate the negative effects on our security.

The third phase would be launched if it turned out that the previous measures failed to force the Serbs to accept the Peace Plan. It would be characterised by the following: the Muslims and the Croats would be supplied with huge amounts of weapons and military equipment; a large number of mercenaries would arrive; UNPROFOR would withdraw for good; NATO and the Army of the Republic of Croatia would unreservedly side with the Muslim-Croat Federation. Thus, the Army of the Muslim-Croat Federation would become superior and capable of mounting extensive attacks, particularly focusing on the Olovo – Nišići – Sarajevo, Tuzla – Brčko, and Bihać – Slunj – Ogulin axes. At the same time, the Army of the Republic

of Croatia would most probably launch an offensive against the Republic of Serbian Krajina.

In this phase, the goal of the international community would be to crush the Army of Republika Srpska, to eradicate Republika Srpska as a state, and to establish a unified Bosnia and Herzegovina. In this situation, time would not be on the side of the Army of Republika Srpska. In the long run, it would not be able to withstand attacks by the Muslim-Croat forces without assistance, and would possibly suffer endless defeats.

These events would be extremely detrimental to security of the FRY, and would be reflected in the following: fierce accusations by the opposition parties of the state and military leaderships for neglecting national interests; an attempt to organise paramilitary units and send them to help Republika Srpska; various incidents, including armed provocations, instigated in the territory of the FRY by mounting attacks on military facilities, public figures, ideological opponents, etc., which could turn into civil war; an influx of a large number of refugees; fomenting social unrests and deliberately obstructing the implementation of the programme of economic recovery of the country; potential insurgence of secessionist forces in Kosmet, Raška District, Vojvodina, etc.

Having analysed the reaction of the international community, we arrived at the conclusion that, at this point in time, the option of further seeking a political solution in the former Bosnia and Herzegovina, subject to various modifications, seems to be the most plausible one. Having said that, it is obvious that the most important



international players have agreed, despite their differences in how to approach the issue, that they would not allow any party to achieve a compelling victory, or establish Muslim or Serbian ethnically pure states.

Conclusions:

Firstly, the FRY's pledge to render support to the Contact Group's Plan has only laid foundation for a more active influence on the peace process and for winning a better treatment of Yugoslavia by the international community. Since the main international players have different views of how to solve the crisis – the USA favours a more rigorous approach, while European countries and Russia in particular favour a more lenient approach – we think that we should make use of the situation to promote our views and interests.

Secondly, an irrevocable rejection of the Peace Plan by Republika Srpska will give an opportunity to the international community to employ various methods of crisis management and resolution, primarily for pursuing its own agenda. A successful completion of one phase will make the next phase unnecessary. Practice has proven that all sorts of dramatic turns are possible.

The interests of the FRY would best be served if the international community continues to respond according Option A, and that is to continue peace efforts.

Thirdly, for that purpose and for the sake of neutralising the negative influence of foreign elements on the international position and security of the FRY, we must

continue our efforts aimed at persuading the international community to remain focused on its quest for a peaceful solution to the crisis. In that context, we should wield influence on Republika Srpska, because peace is our common and most important national and state interest.

Fourthly, if the situation in the region remains volatile, we do not believe that, at this moment and as far as the foreign elements are concerned, there is an imminent danger of an armed aggression against the FRY. For that reason, it is not necessary to take steps towards raising the level of combat readiness of the Yugoslav Army, but rather proceed with the implementation of the existing measures. Without irritating the international community, we should demonstrate our patriotic feelings and commitment to peace, but also our resoluteness to firmly stand up to anyone who may try to threaten our security.

Fifthly, the focus of our activities in this period should be in the domain of political, diplomatic, information, propaganda, intelligence and security concerns, which will enable us to get a clear picture, assess the influence of all relevant foreign elements, and evaluate initial improvement of the international standing of the FRY, and thus consolidate our security.

I have finished, Mr. Chairman.

Zoran LILIĆ: Now I give floor to General DIMITRIJEVIĆ.

Aleksandar DIMITRIJEVIĆ:

Mr. Chairman, gentlemen,

Appreciating what we have heard here today, allow me to brief you on the conclusions from the assessment of security situation in the FRY, of course in the light of solving the crisis in the former Bosnia and Herzegovina.

The complex security situation in the FRY has largely been aggravated both internally and externally by the attitudes and actions of the leadership of Republika Srpska.

The attitude taken so far by the leadership of Republika Srpska towards the Contact Groups' Plan has opened up space for the West, and particularly the USA, for adjusting their options and attitudes towards the FRY as they see fit at a given moment in time.

By all standards, the only thing that one can expect from this leadership in the forthcoming period is unrealistic assessments and wrong moves. This kind of behaviour poses a dilemma – is it simply playing into the hands of the Americans and their plans? Certain elements indicate that this could be an accurate assumption, which means that the USA sees it as a way of spreading the crisis to the FRY and thus, relying on the support and collaboration from internal elements, attempt to destabilise the country from within.

The fact that the USA is publicly advocating peace does not mean that it is truly in favour of it and that it cherishes an idea of putting an end to this war.

In such circumstances, there is plenty of evidence indicating that the solution to the crisis in Bosnia and Herzegovina depends above all on the moves of the leadership of Republika Srpska, which will have direct ramifications for security of the FRY.

Recent events have already had an impact on the internal polarisation of forces. Certain political forces among opposition parties, most notably among the extreme right-wing parties and their leaders, have been taking advantage of the situation because they see it as an opportunity for gaining power, either through political extortion or by force.

At any rate, these forces are using the official policy of the FRY and its attitude towards Republika Srpska to divide the citizens in an attempt to destabilise the existing system and instil mistrust among the citizens of Serbia and Montenegro towards the state and military leaderships.

Side by side with these forces are the lobbies of war profiteers and criminalised groups from both sides of the Drina, a number of media outlets, part of the intelligentsia, certain forces among the diaspora, and extremists from the Serbian Orthodox Church who, by supporting the views of the leadership of Republika Srpska, have definitely entered the political arena with the thesis that "the time has come to topple the legitimate authorities."

There is no doubt that these forces have taken the issue of Republika Srpska just as an excuse for opposing the official policy, whereas the real reason is struggle for power. They have pursued their goals, and will continue to do so in concert with their supporters and like-minded individuals from Republika Srpska, Serbian Krajina and abroad.

It is obvious that the destructive activities of these forces are highly synchronised, which indicates that they are being coordinated from one centre. Knowing exactly in whose interest all this might be, an inescapable conclusion is that foreign elements, notably the USA, are deeply involved not only in terms of giving support, but of directly managing and steering the crisis.

In this context, militant factions of certain political parties deserve special attention, particularly those of the Serbian Radical Party, Party of Serbian Unity, Serbian National Renewal, Serbian Renewal Movement, SDS /Serbian Democratic Party/ of Republika Srpska and Serbian Krajina, and the SDS of the Serbian territories, because they have already established their paramilitary and military units in Republika Srpska and Serbian Krajina. In the forefront of all this is the Serbian Radical Party, which has already issued a directive to its membership respond to call-up without fail, join units of the Yugoslav Army, and take their arms and – wait.

The leadership of the Serbian Chetnik Movement has been given a task to keep the men assembled, to carry out preparations, and even to select and prepare caves where the men are going to stay. They are involved in other activities in

preparation for a possible armed conflict. This party has significantly increased the number of volunteers sent to Republika Srpska and Serbian Krajina. It is common knowledge that it has a few battalion-strong units deployed in Republika Srpska.

The other parties mentioned above have also sent volunteers to Republika Srpska and Serbian Krajina. In the event of a conflict breaking out in the region, these volunteers and their supporters would refuse to obey orders by using weapons, and move over to this territory /unclear/. At the same time, their disbanded paramilitary units in this region /unclear/ could relatively easily be gathered and reorganised.

In the area of psychological and propaganda activities, the Serbian Radical Party is already claiming that it has many members and supporters in the republican Ministries of the Interior and the Yugoslav Army. In this way, they are trying to compromise these institutions and arouse mistrust against them among government bodies and citizens.

The separatist forces in Kosovo and Metohija and Raška District are showing support, at least publicly, for the measures undertaken by the Federal Government to the extent that they suit their aspirations. A rift within the Democratic Alliance of Kosovo, as well as some indicators, suggest that it is highly unlikely that foreign elements will decide to encourage the *Šiptars* /derogatory term for Albanians/ to launch an armed rebellion, although the possibility of stirring up conflicts in Kosovo or Sandžak by Serbian and Montenegrin extremists should not be ruled out, just as one should not dismiss the possibility that the Albanian or Muslim extremists could do the same.

If, however, an armed conflict breaks out in another part of the FRY, then the probability that it will trigger events in Kosovo or Sandžak becomes much stronger.

Despite the fact that some of the top officials of the Party of Democratic Action for Sandžak have been replaced, which has split its membership, the party has been instructed not to attack or provoke in any way the leaderships of the Republics of Serbia and Montenegro and the FRY. They see the plan proposed by the Contact Group as acceptable for the Muslims of Raška District since it provides a corridor between them and their home country – the former Bosnia and Herzegovina. They reckon that, if the Bosnian Serbs reject the Plan, they will secure the corridor even by force if necessary and thus internationalise the issue of Muslims in the FRY, without giving up armed struggle as their last resort.

The separatists of Vojvodina are also working on strengthening their positions after the divisions in the Democratic Community of Vojvodina Hungarians, and they are seeking support in the process from the official authorities of Hungary, who have in fact initiated dialogue and cooperation between the Democratic Community of Vojvodina Hungarians, the Alliance of Vojvodina Hungarians, and the Democratic League of Croats in Vojvodina.

In addition to all this, one should not forget that there are a number of units in Republika Srpska whose commanders act under the influence of party leaders from this region.

In these circumstances, enemies of the FRY, and of the Serbian and Montenegrin peoples in general, will try to take advantage of the situation and deepen the gap between the citizens of the FRY who support the official policy of the government and the others. At the same time, the opposition parties may bring their points of view closer together, which are contrary to the official government policy. Concurrently, militants will also find new common ground in choosing methods for a violent change of regime.

An escalation of conflict may be caused by various incidents, but each one will certainly be preceded by a campaign to discredit the official policy of the FRY in the eyes of the West, and to depict it as inconsistent.

If we agree to allow observers to be deployed on the border with Republika Srpska, which at the moment is not unrealistic, at least in principle and with certain modalities and conditions, then the above-mentioned forces would try to use it as an instrument of generating dissatisfaction among citizens by portraying it as betrayal of national and state interests, and thereby potentially flaring up the conflict.

The militant forces of political parties would start planning actions closer to the border between the FRY and Republika Srpska, having two objectives in mind:

Firstly, to discredit the views and policies of the FRY by showing to the world that its attempts at sending concrete aid to Republika Srpska in manpower and equipment is a breach by our official bodies of obligations and agreements on restoring peace.



Secondly, the measures undertaken by the Ministries of the Interior and the Yugoslav Army to prevent the sending of aid will be used as a pretext for arousing discontent among some citizens and for provoking incidents. In order to induce dissatisfaction, they would call citizens to gather, attend rallies, and take part in demonstrations and similar events, counting on social problems encountered by a part of the population. In this context, endeavours by the opposition parties to create a united front and act in unison are becoming increasingly noticeable. They also take every single opportunity to discredit the official policy.

Rumours are being widely spread about the Yugoslav Army and members of the republican Ministries of the Interior. With respect to the Yugoslav Army, in absence of new wrongdoings, old transgressions are being dug up with the help of disgruntled individuals who are no longer in power. Alternatively, there are attempts to create scandals in the opposition media out of individual cases and qualify them as regular phenomena. Aware of the importance of achieving their goals related to the Yugoslav Army and MUP /Ministry of the Interior/, political parties will probably focus their activities in that direction. Therefore, it is realistic to expect that they will intensify their attacks on the Yugoslav Army, including attacks on military facilities and property, arousing mistrust against military personnel, and renewing requests for establishing a new army, etc.

At this moment, however, apart from individual critical statements and announced actions, there is no real threat to stability of the Yugoslav Army.

Counter-intelligence and other measures are being extensively applied in order to thwart any surprises. But if the conflict escalates, we cannot rule out the possibility that some military staff of the Yugoslav Army, particularly those in Republika Srpska and Serbian Krajina, will face a dilemma and consequently incline towards the views of certain political parties. We are working out measures aimed at reducing such trends to a minimum.

In conclusion, I would like to say the following:

In view of the above, a conclusion may be drawn that the situation in the FRY is extremely complex with the prospects of getting worse. In addition to the monitoring and assessing the situation on a daily basis, this imposes a need for undertaking vigorous measures in order to uproot all causes and forms of undermining the security of the FRY, because any delay may have adverse consequences.

Mr. Chairman, I have finished!

Zoran LILIĆ:

Will General SIMIĆ please take the floor.

Miodrag SIMIĆ:

Mr. Chairman, gentlemen,

Unofficial results of the referendum indicate that the people will say "No" to the Contact Group's Peace Plan, which may further complicate the situation and create new problems for the FRY. The General Staff of the Yugoslav Army estimates that, unless appropriate and timely measures are undertaken to find a solution, the following problems may have negative impact on combat readiness of the Yugoslav Army.

Problem No. 1: A further widening of the gap within the Serbian nation would disrupt the unity of the Yugoslav Army, particularly its wartime strength. Conflicting views of the governments of the FRY and Republika Srpska make it possible for a militant part of the opposition to become more influential. In their struggle for power they may even try to involve ordinary people in the conflict, which can badly affect the unity of the Yugoslav Army, substantially diminish its combat readiness, and threaten the mobilisation of wartime Army.

Problem No. 2: If the sanctions remain in place, or if they are only slightly eased, it can seriously damage the defensive capacities of the FRY. This can also endanger the implementation of the Economic Programme, which will result in civil discontent because of a further drop in the standard of living, as well as in social riots that could turn into violent protests and armed conflicts between political parties. It would obstruct the dispatch of humanitarian aid to the people of Republika Srpska and put at risk the aid intended for the Republic of Serbian Krajina.

Problem No. 3: There is an increased probability of the war spilling over into the territory of the FRY. This would considerably increase the risk of operations

launched by armed groups and individuals from the FRY and Republika Srpska. They would attack key facilities of the Yugoslav Army, top government officials, and national minorities in the FRY. A possibility of armed rebellions in the troubled regions striving for secession cannot be excluded.

Problem No. 4: The level of recruitment for the Yugoslav Army is still low. At the moment it is 63%, but after the September intake of recruits have been discharged, the level will drop to approximately 55%. 14,500 recruits will be discharged, and 10,000 new ones are planned to be recruited. This problem is further aggravated by the fact that the number of soldiers on contract is very low – 42%, and that the response of conscripts to extraordinary recruitment is also low – about 30%.

Problem No. 5: The consequence of insufficient and irregular financing is that a daily illiquidity of the Yugoslav Army is 60 million dinars. A continuing depletion of wartime material reserves, especially of the crucial wartime material reserves shown in the slide. /sentence unfinished/.

In addition to that, the tasks which are critical for combat readiness have been suspended; it is impossible to overhaul the most vital pieces of wartime equipment, the outflow of young qualified personnel which rose from 0.5% before the war to the present 2.2%, of which personnel under 40 years of age account for 67%, and those under 30 years of age 37%; the living standards of officers is deteriorating, especially of junior officers who are forced to take additional jobs. Due to that they neglect their functional duties. The housing construction projects have also been slowed down

because of the initial budget of 100 million dinars was reduced to 24 million dinars, leaving 76 million for the housing.

Problem No. 6: An overhaul of some weapons and military equipment belonging to the Yugoslav Army is being carried out in Republika Srpska. The Work Organisations *Kosmos*, *Rudi Čajavec*, *Famos*, *Pretis* and *Hadžići* still repair and manufacture some of the NVO / weapons and military equipment/ crucial for the combat readiness of the Yugoslav Army, particularly its Air Force and Anti-Aircraft Defence Systems, such as repairs of aircraft engines, radars, electronic optical devices and artillery, and the production of artillery ammunition.

Problem No. 7: The treatment of officers of the Army of Republika Srpska who do not support the policy of the leadership of Republika Srpska and who wish to return to the Yugoslav Army. There are a number of officers of the 30<sup>th</sup> Personnel Centre who support the peaceful policy of the FRY leadership and wish to return to the FRY, because they do not accept the war option advocated by the leadership of Republika Srpska.

Problem No. 8: Providing assistance to the Army of Republika Srpska in order to prevent its defeat and maintain the territorial integrity of Republika Srpska. The continuation of offensive operations carried out by the Muslim-Croat coalition, intensified weapons deliveries in support of the coalition and NATO's readiness to render air support, may put the Army of Republika Srpska in an inferior position, result in a considerable loss of territory and dangerously undermine the capability of the Army of Republika Srpska to prosecute the war successfully. It is only to be

expected that this is going to be coupled with a huge influx of refugees. Among them will be a number of men under arms who may plan to carry out actions in the territory of the FRY.

Secondly: measures aimed at increasing combat readiness.

You are well aware of the measures undertaken by the General Staff of the Yugoslav Army in order to maintain combat readiness commensurate with the current situation. I would like to take this opportunity to remind you that the General Staff of the Yugoslav Army is actively involved in monitoring and assessing the situation and undertaking appropriate measures relating to combat readiness. It also provides information for the military personnel about the situation in the country and neighbouring countries, and secures a uniform and consistent implementation by the military of decisions taken by the country's leadership. Its efforts are aimed at reinforcing an in-depth guarding of the borders and key facilities of the Yugoslav Army. It has taken other steps with a view to foiling possible surprises, and creating favourable conditions for drawing up operations and basic mobilisation plans of the Yugoslav Army.

Thirdly: proposed measures.

Measures within the responsibility of the Supreme Defence Council:

1. Defining the national interest of the Serbian and Montenegrin peoples, including the phases and methods of preventing further split in the single national entity.
  
2. Diplomatic activities in an effort to translate FRY's cooperativeness into the lifting or substantial easing of the sanctions, along with the request that the Contact Group stop the Croatian-Muslim offensive, which would in fact bring peace.
  
3. Declare null and void the decision according to which farmers and those who fought in the 1991/1992 war are exempt from being called for military exercise.
  
4. The Chief of General Staff should be authorised, if necessary, to reinforce "A" classification units to a full peacetime strength of the Novi Sad, Užice, Podgorica and Priština Corps, Drina Division, and the PVO /Anti-Aircraft Defence/ and Air Force Corps. Approximately 18,000 reservists would be required to complete this task.
  
5. A decision should be taken if and how to support the Army of Republika Srpska if the Serbian people and Republika Srpska as a whole come under threat, and especially how to help the Army of Serbian Krajina.

Depending on the level of peril and danger to security of the FRY, additional measures will be proposed with regard to combat readiness of the Yugoslav Army.

The Federal Government needs to do the following:

1. To make sure that organs of the Ministry of the Interior are ready to receive and disarm armed groups and individuals.

2. To comprehensively review the problems that a massive influx of refugees may cause and to work out adequate solutions.

3. To find a way of securing increased and regular funding.

As you can see from this slide, the total amount of 185,700,000 dinars would be used for weapons procurement, replenishment of ammunition, fuel, and spare parts reserves, equipment repairs, replenishment of the reserves of food, clothing and gear, and for medicines, medical treatment of the wounded, transportation, and salaries for the reservists.

If you decide that we should continue to support the Army of Republika Srpska and the Army of Serbian Krajina, then additional 62 million and 700 dinars /as printed/ needs to be provided for the procurement of ammunition, medical treatment of the wounded, and transportation services, which totals 248,400,000 dinars. These are just the basic needs.

4. To adopt a decision on the free of charge use of specific products from the federal commodity reserves.



5. To pool all information and propaganda resources and develop a plan of activities towards the international and domestic public.

Measures within the responsibility of the General Staff of the Yugoslav Army:

If you agree with the proposed measures, and the military and political situation in the country and the neighbouring countries becomes even worse, the General Staff plans, among other things, to undertake the following measures aimed at ensuring a proper level of combat readiness in keeping with the prevailing circumstances, so as to pre-empt any surprises:

1. Activate full duty teams at all command levels.

2. Recruit soldiers with specialised skills of critical importance and assign them to "A" classification units of the Novi Sad, Užice, Podgorica and Priština Corps, Drina Division, and the PVO /Anti-Aircraft Defence/ and Air Force Corps. Prepare these units for a 100% replenishment.

3. Accelerate the change of unit commands that are already in progress and have been ordered under the transformation plan. Suspend any changes that might disrupt combat readiness of the Yugoslav Army.

4. Inform the domestic and international public that the Yugoslav Army has been engaged to protect the integrity of the FRY.

5. Increase duty manpower of the Anti-Aircraft Defence System.

Any assistance by the General Staff to the Army of Republika Srpska and the Serbian Army of Krajina shall be rendered based upon your decision. Should you decide to engage the Yugoslav Army in the territory of Republika Srpska and the Republic of Serbian Krajina, the General Staff will act in accordance with the annexe to the rules of engagement.

The measures proposed and planned will become effective upon an order issued by the Chief of General staff, pursuant to your decision and in accordance with the development of the military and political situation in the country and the neighbouring countries.

That would be all, Mr. Chairman!

Momčilo PERIŠIĆ:

So, judging by the conclusions from the assessed and projected developments, this is merely a plan that, if approved by you, will be implemented as required by the situation without convening new meetings. My opinion is that, at this moment, we should not do anything more than has already been done. This is compatible with the need to prepare ourselves and perhaps secure funds that will be spent on additional measures.

I would suggest that we take a short break now, and then continue in a narrower circle.

Zoran LILIĆ:

All right, let's take a break.

(A five-minute break).

Let us proceed.

We have heard the assessments and proposals for security and intelligence measures.

I must admit that some of the measures from the scope of responsibility of the Supreme Defence Council are not quite clear to me, especially the one under No. 1? For if everything else is an unknown in this country, at least we know what our national interest is.

Momčilo PERIŠIĆ:

Mr. Chairman, this refers to our past commitment to give support to the Republic of Serbian Krajina and Republika Srpska. Now we are all unclear about this decision – are we to abort all together, or offer them help, but restrict it to specific situations only? That's the point.

Zoran LILIĆ:

We have the Supreme Council's decisions. The only question is whether we should amend them or not.

Let us debate these issues and state our viewpoints on the proposals put forward here.

I give the floor to President MILOŠEVIĆ.

Slobodan MILOŠEVIĆ:

If you allow me, I would like us to clarify a few points.

Let us begin with the question that you have raised (addresses President LILIĆ). It's an issue within the scope of responsibility of the Supreme Defence Council, and that is to define our national interests.

If there are any doubts about that, I think that our generals from the General Staff should clearly explain how big this dilemma is.

Regarding the interest of the country and the people as a whole, I see no dilemma there! Our interest is – peace. If there are any doubts about that, let's discuss it first? There is a question lingering in the background, and that is: what would happen, and how, if the war escalated?

By pursuing a unanimous policy, and quite successfully in my mind, we have managed to save the country from war, and at the same rendered as much support as possible to our people across the Drina in creating Republika Srpska, in creating the Republic of Srpska Krajina, and in winning them a normal status in the negotiations leading to an ultimate goal, which now even the international community has offered to recognise. And that is Republika Srpska stretching over a half of the territory of the former Bosnia and Herzegovina!

A new plan, or whatever, has been mentioned. It can be dubbed it in many ways: "a new plan", "the same plan", "modalities", etc. But my firm conviction – and let's test here together in a debate – is that it is absolutely impossible to expect that the international community will endorse any solution granting Republika Srpska more than half the territory of Bosnia and Herzegovina! The present solution offered by the international community allows even that, but on condition of an exchange based on the accepted Plan. It is no secret that there have been concrete talks on the giving up by Republika Srpska's of Vogošća and Ilijaš, and possibly Hadžići and parts of Sarajevo, which would disturb the "fifty-fifty" proportion. As LILIĆ has put it rightly in his interview, the first territory that IZEBEGOVIĆ would gladly get rid of is Ozren, for example. President BULATOVIĆ and I had talks with them on numerous occasions in Geneva and other place, and we know that, when he had been offered Ozren in the first division, he flatly refused to discuss it at all because he believed that Ozren, being one hundred percent populated by the Serbs, had no place in a Muslim state.

Therefore, any potential changes can be introduced solely on the basis of the existing Plan. After that, the international community, having acted as an arbiter instrumental to the "fifty-fifty" solution, would lose interest in preventing any kind of trade-off. On the contrary, as I have been told many times, that would not only be allowed, but welcomed as well, since in that case each side would have an opportunity to swap something that it doesn't care for with the other side, provided the latter agrees. And everyone involved has a winning hand – the Serbs need Ozren, Doboj, and perhaps Derventa and some other parts, which in my judgement could easily be acquired in negotiations between the two sides in exchange for some vital features that the Muslims need in order to secure access to Tuzla, Zenica, and Mostar; that means Vogošća, Ilijaš and Hadžići. Therefore, it is a possibility.

However, this possibility will remain closed until the Plan has been accepted. Because, quite simply, the Muslims are not motivated to enter these negotiations for as long as they hope that the Serbs will persist in their negative approach, which facilitates a full implementation of the Muslim strategy - to wage a legalised war against the Serbs with the support of the entire world!

Please, take this example: the three of you have a loaf of bread on the table – let's imagine that the bread is this ashtray. The bread is cut in half. PERIŠIĆ, i.e. the Serbs, gets one half, while the other half goes to our two colleagues here! And who's complaining that he has got the wrong portion – PERIŠIĆ! The other two are not complaining, because this is what they think: "While he goes on complaining, we shall get hold of the whole loaf!"

This is such a crystal clear logic that it is pointless to even assume that Alija IZETBEGOVIĆ now wishes to put Republika Srpska out of its misery by ceding anything before they say "Yes" to the Plan, which he thinks would be a very unfavourable outcome. He would simply cede nothing.

In this context, contemplating a new peace plan does not seem like a remote possibility. But, I think that an overall division in the ratio "fifty-fifty" is the best that the Serbs can expect. Indeed, we told them that over a year ago: "A half of the territory is a maximum that anyone can count on." And the question whether they are able to achieve that by military means is not an issue at all. Mind you, Saddam HUSSEIN occupied Kuwait militarily, there's no doubt about that! But, he then had to withdraw from the whole of Kuwait, and even had a half of Iraq destroyed. And now he is thankful whenever there is a pause in the destruction of Iraq, or when they begin any kind of dialogue with him.

Radoje KONTIĆ:

And he is requested to pay 200 million US dollars for the damage!

Slobodan MILOŠEVIĆ:

True! Therefore, war is an absolutely meaningless option. From the moral point of view, I don't think that we should blow our trumpets trying to prove who amongst us is a better Serb, or "a Serb by profession". We have had that over the past few years, but now you can find such people by the dozen.

The question is: are the Serbs of Bosnia and Herzegovina, who constitute a third of the population, entitled to more than a half of the territory, and do we believe that the international community will approve a militarily imposed solution affording them more than a half of the territory? And will it ever recognise anyone's goals achieved by military means?

I sincerely believe that, being exposed to pressure from the entire world in this very critical phase, we managed to achieve the maximum that many have never even dreamed of, and that is that we have on the table an offer by the international community to legalise Republika Srpska on a half of the territory. This emerged within the balance among five super powers. It is a complex issue that we tend to overlook. They do not represent a homogenous entity negotiating with the Serbs, but rather a very heterogeneous one. They have reached a consensus which is neither anti-Serbian nor detrimental to the Serbs in general, because it offers legalisation of a state stretching across half of the territory of Bosnia and Herzegovina, while the people account for one-third /of the population/. Be practical and look at the figures: one million of inhabitants are to be given a territory of 25,000 square kilometres; that makes 40 inhabitants per square kilometre; that's the population density! In 1945, when Yugoslavia emerged devastated from the war with the population of barely 15 million people and the population density of slightly over 60 inhabitants per square kilometre, it ranked among countries with the lowest population density in Europe! A state is made up of two basic elements: the territory and the population. In this particular case, the territory is a huge element – 25,000 square kilometres, which equals two states of Montenegro, whereas the population is a meagre element – one



million. The policy pursued is to totally diminish this meagre factor, make it negligible, and expose it to further suffering, so as to allegedly exert potential pressure and expand the territory which is already too big for a reasonable settling. If it were bigger, the problem of how to cover it with settlers becomes augmented, because it could be lost without a single bullet by bringing in other settlers in the years to come, due to the lack of own population, which would result in weak borders; borders in Europe are no longer an obstacle for normal movement of population, for immigration, markets, and for the flow of goods, capital, people, etc. It is absolutely unrealistic and not on anyone's mind that borders will remain intact in terms of potential immigration, demographic expansion, etc.

Therefore, a sound national policy must take all this into account. We have actually been offered to expand the territory by one-fourth, because Yugoslavia's territory is 102,000 square kilometres, and to increase the population by one-tenth! And to legalise it as well! And even to have a confederation right away! KOZIRYEV told me that quite clearly. The leadership of Republika Srpska knows that in that way we shall be given the right to legally defend those borders. This rules out the Iraqi syndrome of illegally entering a territory and then being exposed to strikes. In this manner, we shall be legally entitled to defend the borders. At the same time, there is an offer to create a military alliance with Russia, which would ensure supply of military and other equipment and set up a safe and solid defence system, a single strongest army in the Balkans, etc.

All this, however, is being put at risk by a fixation that "perhaps one- or two-hundredth of the territory could be acquired if the Plan is rejected." In my opinion,

this is not worth prolonging the agony of war, of sanctions against Yugoslavia, and all other difficulties that could be placed on the shoulders of the Serbian people.

When the president of *Sony*, Akio MORITA, came to visit me he gave me a book in which it is written: "In the Second World War, Japan followed nothing but its own views. It did not listen to anyone, and that is why it was completely destroyed!"

We are in a situation which obviously leads down this dangerous path. Seeing how things are going on with Republika Srpska, it is possible that the achievement represented by the offer from the international community for Republika Srpska to be constituted on one-half of the territory of Bosnia and Herzegovina, and immediately form a confederation with Yugoslavia, will simply be annihilated. This will lay the groundwork for the Serbs to practically remain living in one state, and incomparably increase the chances of a favourable future solution for the Republic of Serbian Krajina, whereby all our goals would have been achieved.

So, concerning item 1 – "The implementation and ways of preventing further rifts..." If peace is our national interest, then take this example which proves how correct the proportion is: If nine of ten brothers wish peace, and one is in fever and has a death wish, then the only appropriate thing would be for the one brother to join the other nine and hear to what they think and what interests they pursue, instead of the nine dashing after him into disaster and thereby jeopardising the survival of the whole family!

In my statement, I deliberately said "that this war could put the Serbs back for several decades." I intentionally avoided saying that we could lose the war, because we cannot lose a war in this region; we may be many things, but not the ones to lose a war! But this war would be so devastating, and would inflict such human losses, that it would truly put our people back for several decades. Therefore, the question is: which national interest would be achieved through such devastation?

In the moves that we have made, we faced three types of danger, albeit of different levels of gravity:

Firstly, there was the danger of drawing the Federal Republic of Yugoslavia into the armed conflict. It is no secret to us that in NATO plans it is stated that the Federal Republic of Yugoslavia and Republika Srpska share the same radar and communications systems, and that it is therefore necessary, at the beginning of any conflict, to demolish these systems in the territory of the FR Yugoslavia, including roads, bridges, power facilities, etc. by air strikes, in order to destroy its capability of waging a war.

If anyone's crazy enough to think that we should subject Serbia and Montenegro, that is Yugoslavia, to such strikes and the chaos of war so as to fight a war assisting Republika Srpska, without any getting any help ourselves, which would never end in the accepting of a single percentage of the territory being given to it /as written/; let's say, even we could win five percent of the territory – the question is whether a setback measured in decades and massive devastation of the population and economy is the price that should be paid, particularly at the time when we are offered

a closed deal: Republika Srpska taking one-half of the territory of Bosnia and Herzegovina?!

The answer to this question is: we must apply all possible forms of pressure towards acceptance of the Peace Plan. It is out of the question that any reasonable person would opt for a continuation of war and the drawing of Yugoslavia into the conflict. This was the major and most important danger – the drawing of Yugoslavia into the armed conflict – which we managed to escape! This has weakened their motivation to spread the war across Bosnia and Herzegovina, because they wanted to whack us, not those gorges and mountains! As soon as we managed to avoid being their primary target, no one is willing to strike secondary targets if it has no impact on the primary goal.

In that way, we have practically reduced the chances of them being exposed to major strikes. Of course, they will never admit it, just as they have never acknowledged the great sacrifice made by our people! They have simply refused to lift the sanctions on the people who "gave the shirt off their back" over the recent years in order to help them! This ruthless selfishness has proven that there can be no reasonable talks about taking reconciliatory positions. War and peace are irreconcilable! There can be no compromise between war and peace – it is either war or peace! There is no condition of "half war and half peace", or "a little bit of war, and a little bit of peace"!

As the most responsible military officers, you are well aware of what the outcome of our conflict with NATO and the whole world would be, given the present

condition, material stats, level of material replenishment, etc! And what goal could we say we want to achieve?

I have elaborated upon this issue on purpose so that we clarify once and for all whether we shall engage our brains and everything else in peace efforts, or whether we shall continue planning a war subconsciously?! Are we going to wage a war for Sanski Most or a bauxite mine – as they are telling us to do? Excuse me, but you can call upon a people to go to war only to defend their freedom and their country! There is not a single mother from Dragaš to Horgoš willing to send her son to fight for a bauxite mine near Prijedor! Consequently, all these petty concerns, such as: "What's their attitude?", "What will this or that political party and their leaders think?", which can only survive in the times of war, and which evaporate in peacetime just like a drop of water from a hot plate, their behaviour is only too logical. /unclear/ But I am one hundred percent sure that a huge majority, even more than a huge majority, that 99% of the people living in the FR Yugoslavia are for peace, not war!

Had we accepted the arguments put forward by the leadership of Republika Srpska, and made a decision in this very room to go for a general mobilisation and all that, I guarantee you that we would have had no response to the general call-up! Instead, we would have demonstrations in Belgrade, Kragujevac, Niš and elsewhere, since no one would want to send their children away, or have 500,000 armed men fighting for – Sanski Most! This is a completely insane assumption! They themselves have never been able to move a brigade from its area of deployment, because local people are keen on defending their own home and do not wish to go anywhere to help others. They, however, believe that they should draw the whole of Yugoslavia into the

chaos of war because they are afraid of peace and the consequences of peace, and because they don't know how to end the war!

We said to them, and you Momo know that very well: Let us be the ones to assume responsibility. Tell everybody: "These are Serbia's demands, therefore Serbia should be responsible"; we shall be your guarantor, explain that to your people. No way! They said: "We are aware of the fact that the war will escalate and that we are going to be attacked, but even that is better than to give our consent, because then we shall be forced"?! This means that they will risk many lives for the sake of political vanity; never mind that thousands upon thousands will be killed, they will be forced, and therefore blameless! But, who will take the responsibility for the thousands of lives lost for dubious reasons?!

They also said: "It is not a compact territory." Look at the map – when you draw the map of Bosnia and Herzegovina, of course it's not compact. But when you put together Serbia and Montenegro, then the whole eastern part is more than compact, because there is a territorial corridor – not the United Nations corridor – but a corridor with territorial sovereignty permitting the passage of military convoys and everything else needed for a very compact western part!

Therefore, all their stories and lies in which they claim "that this is the end of Republika Srpska, that it will become Alija's state" are totally groundless.

I heard when KOZIRYEV asked his aide laughingly: "What's his family?" – "family" meaning "last name" in their language. The aide replied: "It's NIKIFOROV".

Imagine, he didn't even know the last name of their ambassador to the Contact Group. Then KOZIRYEV said: "Mind you, they are requesting me to have NIKIFOROV sign that I told the truth on behalf of the Contact Group! If I, as Russia's Foreign Minister, after a ministerial meeting in Geneva, confirm that something is the case, that should be the end of it. But no, my man NIKIFOROV or Redman KRISTOFEROV will issue a written confirmation that I had told the truth just to satisfy their idiotic requirements. I make my statements in public, with full responsibility and the backing of Russia, as well as with the responsibility of the ministerial meeting attended by the ministers from the Contact Group member countries!" It would be the same as if PERIŠIĆ stated something, and then they would say: "No, General, unless Captain Pera confirms in writing that what you say is true, your statement is invalid!"

I really can't understand all this nonsense that we've been hearing from them, their logic behind it, and all this mystification of the paper work. If the whole world wants to double-cross the Serbs, then I don't see how on earth it can be avoided! This is ridiculous.

Secondly, they are utterly irresponsible. They know very well that they cannot survive without this country, yet they had put it at such a risk by their behaviour that it was forced to protect itself first. By comparison, a commander must first take care of security of his unit before he can proceed with the task at hand. If he decides to rush mindlessly into a mission, having no concern for security, he will destroy the unit and fail to accomplish the mission.

I have just read an assessment made by top German officials, in which they say: "Yugoslavia is pursuing a very cunning policy aimed at the lifting of sanctions. If the sanctions are lifted, a Greater Serbia will be created."

All this is being laid on the line by a few hotheads who do not know how to finish the war, who have their internal political problems, who are afraid of elections, and who fear that war profiteering and other issues, which have been endlessly proliferated in the media for months, will be raised. They have recently dismissed the Minister of the Interior for raising the issue of responsibility of KRAJIŠNIK and some others. And he was among the first who took up the gun. He divided Sarajevo and captured all those territories with a rifle in his hand, which have not been changed for an inch since. He was dismissed because he asked questions about the legality of operations of certain individuals from their leadership, the so-called "businessmen", and about some other things. He did not want to vote in favour of rejecting the Peace Plan by the Supreme Command. Now, he, too is probably a traitor.

We ought to clarify all this in our approach. If there is any doubt in the back of your mind, or reservations and dilemmas, please speak out. Let us not dwell any more on what is going to happen, or how we are to go to war on orders by the troika from Pale?!

This nation shall not be slaughtered because of the three hotheads from Pale! And our towns full of young people shall not be bombed because someone wishes to take more than a half of the territory of Bosnia and Herzegovina, since one-half is not sufficient, even though they don't have enough population to inhabit it!



As for our domestic public – it is for peace. ŠEŠELJ does not represent the domestic public! And mark my words: the opposition's paramilitary formations have gone down the drain a long time ago; they are just a small and pathetic bunch that doesn't have nickels to rub together!

The Army should not be concerned with their paramilitary formations! The police here are quite capable of dealing with them, wherever they dare to show their face!

The second great danger that we had faced was the introduction of more severe sanctions. As I said, the first danger was the drawing of Yugoslavia into the war.

According to the Draft Resolution that we have seen, more severe sanctions would mean putting up a barbed-wire fence around Yugoslavia. The border with Macedonia, which is now being crossed by several hundred trucks on a daily basis, would be closed, but not any longer by the Macedonian customs and police officers, but by an UNPROFOR contingent made up of the American contingent deployed in Macedonia. Therefore, the chances of crossing this border would be nil – not minimal, but totally non-existent.

This would completely ruin our economic programme. It would also suck us up into the whirlpool of a new economic crisis.

Our actions have saved us from this danger.

The third issue raised here was the issue of observers. PERIŠIĆ informed me about the British proposals, JOVANOVIĆ had briefly given me the details ahead of the meeting with KOZIRYEV, etc. I said to PERIŠIĆ then: We are not going to accept the observers, you may just as well go home!

We have reached an agreement with the Russians that there will be no observers. However, whether they will be exposed to pressure is still an open question. You heard him. Instead of putting us both in a situation where he would be making a proposal and I would be rejecting it, he said: "This is a minor issue that bears no relevance to the solving of the Yugoslav crisis." He dismissed this issue in a very honourable and friendly manner.

They cannot adopt any decision on tightening the sanctions without Russia, and we have clarified the issue between ourselves.

So, we managed to avoid the first danger of Yugoslavia being dragged into an armed conflict and devastation, we managed to avoid the danger of more severe sanctions, and we have put aside, for now, the grave and serious issue of observers.

However, it is now up to Russia, with the help of France and with the understanding, but not help, from Britain, to try and agree with the Germans and Americans a schedule of the lifting of sanctions. I hope that things would turn that way, but only provided we make it clear to the whole world that we are genuinely

pursuing the policy of peace designed by ourselves. We are a small country, and there are many people here – don't think that we can fool the world! I would not even allow any thoughts in that direction, or any acts contrary to our official policy that has been successfully implemented all this time.

We don't see any problem with helping our people out there; there are no restrictions to food either – a few million kilograms of food, clothes and medicines have been dispatched since the border was closed. After all, the Federal Government issued a statement to that effect. We must help our people, and we will continue to do so, but only for the sake of peace and a solution which is in our best national interest, and not for the sake of war and annihilation!

When MARTIĆ arrived here yesterday, I said to him: "Your visit Drvar and your meddling with the things there is disgraceful! You just went there to be photographed, to give support to the policy of bringing disaster upon the people, and jeopardise the Republic of Serbian Krajina!" As you all know, and Momir BULATOVIĆ knows it even better, KARADŽIĆ has always used the Republic of Bosnian Krajina as merchandise to bargain with: when territories are being negotiated, he offers Krajina for Posavina, and says: "Let's give Krajina to TUĐMAN, and he'll give us Posavina!" Nobody has authorised him to do that, but he's making offers nevertheless. When he wants to scare the world, he cries: ""Krajina and Republika Srpska will unite!"

Let me remind you that, after VANCE's Plan was adopted, the Republic of Serbian Krajina has decided to resolve its status through negotiations, and not by war.

Any unification would instantly trigger a war between Croatia and Krajina, with Croatia enjoying the support of the whole world. They would say: "That's an occupation, a new territory has been created. It is not an UNPA zone any longer", and that's it. I asked them if they were prepared to go that way. He says: "No, under no circumstances," to which I replied: "Well, if you are not prepared to go for it, then act in accordance with what is suitable for you! It's preposterous if you really believe that you can lie to us and play all kinds of tricks." I heard KARADŽIĆ being quoted to have said that we made no agreements as to the conclusions to be adopted by the Assembly of Republika Srpska. Excuse me, but PERIŠIĆ and BULATOVIĆ were present there, as were some other people, and I think we had an agreement; he closed his notebook and said: "We have agreed everything from A to Z."

Therefore, let us not be bothered here with the lies spread by an irresponsible leadership, which does not know how to end the war. We have placed ourselves at its disposal, taking a risk of being accused of ending the war with such results. We should be proud of what we have achieved in protecting our people and creating a state for them on one-half of the territory of Bosnia and Herzegovina! Another two peoples live there, and they have been given the other half of the territory. One-third has been given one-half, and I heard someone saying here "that the Serbs will be squeezed into a half of the territory." So, one-third of the population will have to squeeze into one-half of the territory, while the other two-thirds of the population, who have also been given a half of the territory, will not have to squeeze in?! They have qualified this plan as anti-Serbian – for cramming them into a half of the territory of Bosnia and Herzegovina! Let us be reasonable. They say that they will be crammed in a territory with the population density of 40 per square kilometre?!

Needless to say that this territory is double the territory of Montenegro. Look at Monaco – its territory is 1.5 square kilometres, it is 150 times smaller, and the whole world knows about it and its people living a good life there. Republika Srpska is twice the size of Montenegro, one-and-a-half the size of Slovenia, and it is being disputed as not big enough?!

Let me tell you my personal opinion: I think that it is immoral. The Serbs have never waged imperial wars. The slogan "We want only what is not ours" is correct. It's an honest slogan. One-half of the territory of Bosnia and Herzegovina to be allocated to the Serbs is a maximum. Asking for more would definitely be at par with an imperialistic war. You heard what their spokesman said at our Assembly session – "80% of the territory belongs to us." In other words, two-thirds of the population will get 20%, and one-third will get 80%! With all due respect, but that is out of the question.

In that context, I would like to ask whether our top military officials have any reservations with regard to this policy. If they have, let's discuss it and clarify things. These reservations may be benevolent, I don't mind at all. But, let's straighten this out once and for all, instead of repeatedly discussing the same thing, only in different forms.

Secondly, let's have a look at some of the specifics from the introductory note, such as: "the danger posed by members of the Yugoslav Army from Republika Srpska." Go ahead and tell us what measures have been taken to eliminate this danger.

That is your position; let us review it so that we all know in what way the danger can be eliminated.

Secondly, I have made a note of the problem highlighted by the General. I quote: " Problem No. 7: The treatment of officers of the Army of Republika Srpska who do not support the leadership of Republika Srpska and who wish to return to the Yugoslav Army." I beg to differ because this country has already taken a position on this matter: of course they'll return?! We cannot order them to stay there and act against their conscience and our policy; that would mean that we would flout our own policy. Therefore, we should treat this issue separately at the level of this Council and take a position accordingly.

I will now address the other issues so that I won't have to take the floor again.

The phrase: "Diplomatic activities in an effort..." It goes without saying.

Item three: "Declare null and void the decision according to which farmers and those who fought in the 1991/1992 war were exempt from call-up." I think that we should not revoke this Decision, and that it should remain in force.

The statement that "The Chief of General Staff should be authorised, if necessary, to reinforce "A" classification units to a full peacetime strength" is a standard procedure.

The phrase "in accordance with the decisions taken." It was us who took those decisions.

I apologise for taking more time to express what I wanted to say.

Zoran LILIĆ:

Thank you!

I now give floor to President BULATOVIĆ.

Momir BULATOVIĆ:

I think that President MILOŠEVIĆ's somewhat lengthy speech was quite appropriate because thus the rest of us will have to talk less, especially since he reiterated the reasons underlying decisions made on this forum. I still believe that there is no grounds whatsoever for challenging or reversing those decisions.

It seems to me that President MILOŠEVIĆ felt the need to speak extensively because of the tone permeating today's meeting, which is reflected in the measures proposed within the competence of the Supreme Defence Council, particularly in the measure number one, which reads: "Defining the national interest of the Serbian and Montenegrin peoples, including the phases and methods of preventing a further split in the single national entity."

There is no doubt that this moment is confronting us with a thousand and one political dilemmas, but right now we should focus on assessing the role of the Yugoslav Army under present political and national circumstances, and on defining our future tasks accordingly.

It seems to me fairly clear that the Yugoslav Army's role is more than delicate at this point in time, but I believe that it is quite clear which course should be taken in order to mitigate this delicate situation and avert numerous dangers lying ahead of us.

I wouldn't repeat all the arguments already put forward by President MILOŠEVIĆ, because we have reviewed them many times before in seeking a solution commensurate with the given circumstances.

The dilemma that I suppose is shared by a large number of the Yugoslav Army personnel, many opposition parties, and the media, is a neglect of the patent truth that we have achieved the intended goal and that new means ought to be employed in keeping with the proverb: "Don't run it into the ground." We are precisely at a stage when we should take a break, enter into books and protect everything that has been given /as written/ at the cost of huge loss of life and devastation.

This is precisely where I see the Yugoslav Army playing a role and fulfilling a purpose. I don't know if there have been attempts in the past, but I think that this is the right time to resolve the most minute and well-intended dilemmas that we heard here today. We should be more politically involved and persuasive in working on a grass-root level. We have somewhat neglected this level and become afraid even of



commissars. The Army is indeed apolitical, but at the same time the Army must understand that it is defending and interpreting interests of the state, and the government policy is a corner stone of the interests of state.

Concerning other matters mentioned here, I was glad to hear that the military leadership is also of the opinion that there is no great danger coming from outside. We are, however, threatened by both internal and external extremism and terrorism. My appeal is that we prepare defence systems so that they can cope with the real danger coming from extremists and terrorists, although I don't see the point in engaging tens of thousands of reservists to fight potential extremism. You know that that is not a proper means of defence against extremists and terrorists. You also know that it is possible, though, to identify and address this problem through coordination with the Ministry of the Interior.

What is, however, extremely important is that we try and avoid finding ourselves in a vicious circle; it seems to me that we have been going round and round in circles during all 25 sessions of the Supreme Defence Council. I think that we are in this together, and for that reason we must acknowledge the fact that it is impossible to find in the FRY the 248 million dinars to be allocated for any purpose. We shall only create chaos and bring about the collapse of the economic programme. The real problems are, unfortunately, much more bizarre and complex, and that is how to pay the next month's salary to the professional staff of the Yugoslav Army.

I beseech the General Staff and its professional services to work together with the Federal Government and recognise the fact that there is no treasury that can pay

off even the 30 million that we approved in principle last time; we must bear in mind that we are struggling to survive. And finally, the economic factor was among key elements upon which we have decided our further actions and measures. While we had the two billion US dollars, which were spent in Bosnia and Herzegovina, there was no need to discuss 200 million dinars or German marks as we are doing now. But, please, let us not keep passing this hot potato from one another.

Due to that, I believe that the measures requested from the Federal Government, especially those under items 3 and 4, are simply unrealistic – and that is to adopt a decision that certain goods may be withdrawn free of charge from the federal reserves (item 4). This is in fact a leverage that has constantly been causing public disputes between the National Bank of Yugoslavia and the Federal Government because these funds are already in the balance of assets. They have been earmarked for covering the present level of expenditure anticipated in the Programme. We should look for a possibility of increasing the funds and securing a steady inflow of revenues. The latter is a permanent responsibility of the Government, which may be fulfilled only through coordination, whereas the increase of funds is absolutely impossible to attain with a budget revision. We have discussed this issue extensively.

Let me now briefly comment on the measures that fall under the jurisdiction of the Supreme Defence Council. I do not think that we should declare null and void the decision according to which those who fought in the 1991/1992 war are exempt from being called for military exercise. As for farmers, and I believe that a decision to that effect has already been made, they will be mobilised for reserve units in the months to come.

I would like you to think it over – although I cannot come up with a specific proposal – whether it is actually necessary, in view of the data, facts and analyses presented her, to call up so many reservists who impose a tremendous burden on the military budget. There is one more problem that we have to deal with – and that is how to help the Serbian Army of Krajina, bearing in mind the fact that physical space and opportunities for providing help are non-existent.

I am of the opinion that we should work professionally, all the way down to /army/ units so that the essence and objectives of our state policy and our national interest are properly understood. We must explain to the Yugoslav Army, in a modern way and forms, the actual purpose of the measures and activities carried out by the state leadership. I image that these men are inundated with information when they read newspapers or watch television, and they can hardly make head or tail of it. But, I think that we all agree that the decisions we made were decisions for peace, and that under the present circumstances we need not re-consider them.

Thank you!

Zoran LILIĆ:

Thank you, Momir!

Who would like to take the floor?

Prime Minister, please go ahead.

Radoje KONTIĆ:

I will try to be brief and not repeat what the two Presidents have already said.

I have sensed that there is a certain discrepancy between the assessment of the current security situation and the measures proposed subsequently. The suggested increase of volume of military assets, number of troops, reserve forces, weapons, etc, indicate that the level of danger is higher, or that we need to have a higher degree of combat readiness. This is more of an impression, rather than the need to specifically address the subject.

Secondly, I am also under the impression that the Decision taken by the Federal Government has not been fully grasped. It may be perceived as a rash and ill-judged decision, and it is subject to change. However, it was primarily a political decision calculated to achieve peace and warn the Bosnian Serb leadership of potentially severe consequences of their opting for war. As such, it did not and could not take into account every single detail of economic or military consequences. The Decision is quite clear on that. In its item 3, it only allowed humanitarian aid.

I would like to see a more flexible approach in understanding the part of the Decision which refers to humanitarian aid. In item 3, we have specified that humanitarian aid comprises only food, medicines and clothes. However, some other acute problems emerged in the meantime, such as the treatment of sick people, medicines other than those intended for humans, text-books for the next academic

year, etc. I would appreciate if we could address these problems as well, if not today, then on some other occasion.

I would just like to briefly comment on the measures proposed to be undertaken by the Federal Government.

First of all, the measure pertaining to "making sure that organs of the Ministry of the Interior are ready to receive and disarm armed groups and individuals." I must admit that I don't understand what kind of reception and disarmament, or what groups and individuals, are we talking about? That aside, I must draw your attention to the fact that this is beyond the factual jurisdiction of the Federal Government as it is the responsibility of the republics to guard the borders. If the formulation of this measure implies that some conclusions have to be reached, then it should be addressed to the MUPs /Ministries of the Interior/ of the republics, and not to the Federal Government.

Secondly, the measure requiring "a comprehensive review of the problem of a potential massive influx of refugees, and finding adequate solutions" is again beyond the scope of responsibilities of the Federal Government. The problem of refugees is within the jurisdiction of the republics. There is no agency within the Federal Government dealing with the problem of refugees. On the other hand, both republics have their respective offices of the commissioner, as well as other organisations that take care of providing shelters and addressing other needs of refugees.

Thirdly, the measure requiring us to "look for a possibility of increasing the funds and securing a steady inflow of revenues." President BULATOVIĆ mentioned

this in his address. I must point out to a number of elements affecting the realisation of the military budget. To begin with, I would like to say that revenues are being allocated on a daily basis to the Army and other federal departments, according to the proportion set out in the fiscal plan. Unfortunately, despite a certain increase of revenues over the past few months, the Army has been facing two serious problems: one is the salaries for professional military staff, and the second is a growing debt to the military industry. For example: in order to secure the payment of salaries or a portion of salaries for July, I was compelled, at the intervention from President LILIĆ, to transfer five, and then ten million dinars from the funds allocated to the civilian sector, in order to pay a 70-percent portion of salaries for the Yugoslav Army.

As for the debt to the industrial sector, it has reached the amount of 70 million dinars; it used to be 40 million, then 50, then 60, and now it is 70.

Thirdly, there is no chance for any budget revision to be approved by the Federal Parliament. Therefore, we have no choice but to operate within the fiscal limits. In addition, I would like to ask the Council and the General Staff to endorse re-allocation of funds from other items in order to raise the salaries of professional personnel of the Yugoslav Army. We cannot maintain any longer the level of 80 dinars, when the average salary in Yugoslavia has risen to 185 dinars. Two or three months ago we were almost equal. Now, the average salary is infinitely higher than our salary base.

I would like the Council to approve this in principle so that we can proceed with our work on this issue. There will be no new revenues. We have to make effort

and find new sources of funding in order to cover all the government expenditures as planned.

Fourthly, the measure requiring "a decision on the free of charge use of specific products from the federal commodity reserves." I must admit that I don't know what this measure specifically implies, but allow me to say that for the purpose of implementing the economic recovery programme we have adopted a decision to sell 170 million dinars' worth of goods from the commodity reserves in order to bring the budget level at least close to the one prescribed by the federal law. Unfortunately, this process is not going very well because these commodities are not there any longer because they have already been consumed by the industrial sector. What we should to now is charge the industrial sector for those commodities, which proves to be extremely difficult as it would entail a transfer of working capital from the industrial sector into the federal budget.

The current value of the federal commodity reserves is 240 million dinars. I hope that no one would propose further cuts in the reserves through sale. As it is, they cannot meet any serious military requirements in the next few days, let alone in 15 or 20 days. Of course, what I have in mind in the first place are energy reserves. I can tell you that we only have one-third of the so-called NEP /protected/ reserves of diesel fuel. Any further reduction of these reserves is absolutely out of the question, except in an emergency.

Therefore, this decision cannot possibly be implemented.

The measure referring to "information and propaganda resources and developing a plan of activities towards the international and domestic public" is feasible to a certain extent, but I would like to remind you again that this is partly within the jurisdiction of the republics.

Thank you.

Zoran LILIĆ:

Thank you.

I give the floor to General PERIŠIĆ.

Momčilo PERIŠIĆ:

In view of the Yugoslav Army's place and role, it is our duty to inform the Supreme Council of everything that the Army finds irritating, so that it can behave one hundred percent in compliance with the decisions taken.

It was for that reason precisely that we raised these crucial issues and expected to hear your views, so that the Army would not be at a loss in any area of its operations with regard to decision-making process and preparations by the society for protecting its security.

I am grateful to you for clarifying many of these things.



Let us move on now to the first issue.

We have raised this question because we wanted to hear your opinion and decide what to do without any doubt in our minds. We heard what you think, and we are very glad. Rest assured that we have understood everything perfectly, and we proved that by our statements and actions. We did our best and contributed to preserving the security of the FR Yugoslavia, despite the fact that there's been a war at its borders for four years now.

So, there is no misunderstanding, everything is clear to us, but we want to know what the actual position is because, until recently, we have been helping Republika Srpska in many ways. Following this decision, many loose ends will remain in connection with Republika Srpska.

First of all, an uneven distribution of overhaul facilities and other installations linked to the special purposes industry. You know that certain items were banned from exports; some were not exported because we wanted to have a balanced stock in case of war, etc, and that remained.

Since certain plants that are critical for maintenance of combat equipment of the FR Yugoslavia have remained in the area over there, we must make additional investments and find work organisations capable of acting as substitutes in order to avoid damage caused by irregular maintenance of equipment. Take, for example, the repair of aircraft engines. We have no capacity to carry out this kind of maintenance,

which was provided in the past on the basis of barter deals with the military industry of Bosnia.

Another big issue is the one that you mentioned – and that is the interlocking of communications system and radar systems. At this stage, when we are facing a genuine danger of disruption of parts of these systems, are we going to go for a division of the system or not? For, if we pursue the former option, it will take some time to round up both systems into compact structures enabling us to constantly monitor the airspace and prevent any aircraft from threatening our security.

An additional hazard – let me show you on the map – lies in the possibility of unjustifiably punishing the Republic of Serbian Krajina by splitting up the system which covers the area under the control of the Republic of Serbian Krajina, Republika Srpska and FR Yugoslavia, and of which the Republic of Serbian Krajina has been a part. If that happens, the Republic of Serbian Krajina would be left without communications and radar systems, and it will put its combat readiness at risk.

Therefore, the question is: are we going to keep the present single communications and radar systems, or any other for that matter, or not?

There are a number of other issues relating to this. As you may remember, our intention from the very outset – and I was one of those who advocated it – was to send all professional soldiers to Republika Srpska and the Republic of Serbian Krajina who originally came from there. We then modified this decision and adopted a selective approach. Some of them have been sent there by applying this selection, but

most of them remained here. Now, we have these men, who did not want to go voluntarily when their native towns and villages were attacked because they were not patriotic enough. But, just like the majority of refugees, they are the most vocal and spreading defeatism. What are we to do with these people? I have been talking about this up and down the structure, and I acted accordingly, but I want it to be verified. We should dispatch such individuals immediately, and thus achieve a dual goal: firstly, they will be helping their own people whom they have failed to help so far, and secondly, we shall prevent defeatism here. However, I am aware that not everyone sent there will be of much use. If they haven't gone there by now, they will not change their behaviour.

In this context, it is of paramount importance that we take undivided views. I have highlighted only three crucial aspects of this issue. The situation in all other segments of the society is the same as in the Army. That is why I asked for a meeting last time in order to put it into practice, and what those three items mean. /as printed/ If we implement it in every domain of relations between the FRY and Republika Srpska, the question is what the implication of these relations will be for the Republic of Serbian Krajina, with which we ought to maintain present relations. Among other things, this involves the transit of goods for the Republic of Serbian Krajina. As you can see here, there is not other route other than that through Republika Srpska. It will become virtually impracticable in the foreseeable future, given a possible deterioration of the situation.

I am deeply grateful to you for being direct and for dispelling certain doubts, although we never had any dilemmas about crucial matters.

I would also like to emphasise that we, as soldiers, must be able to predict future events and thus keep initiative in our hands. If we have the initiative, then we have a chance of preserving security of the country. It is due to that that we have managed to so. Otherwise, if we wait to see how the situation develops without taking appropriate decisions, we'll only be "putting the fire out", and I don't want that. Thank you for convening meetings of the Supreme Council at my requests, and for giving us enough space within the proposed measures to undertake our own measures whenever it was necessary, without calling a meeting.

We have to perceive these measure from that aspect. All the proposed measures are concrete, expect perhaps the first one, but we need a stronger commitment, just as you have suggested.

Look at this area! Gentlemen, it is inevitable that Republika Srpska, with the number of people indicated here, and with the quantity of equipment it has, if they persist with their foolish decision, it is inevitable that they will start losing territories.

To start with, the flight of refugees. If Banja Luka alone were to be bombed, we can expect at least 100,000 refugees who will imperil the security of the FR Yugoslavia.

Secondly, mixed with refugees will be armed groups. If we do not take any action and decide what to do about it, the security of the FRY will be at stake.

In addition, we could have uncontrollable groups of refugees. I am just saying, with full responsibility, that paramilitary forces exist in Republika Srpska and the Republic of Serbian Krajina, and even here in the FRY, according to written reports. However, thanks to our cooperation with the MUP, they have no chances of survival or revival if we put adequate measures in place.

In view of the above, and in the event of a loss of the territory and the ensuing chaotic withdrawal and disorganised reception of people, such individuals, groups and renegade small units, in collusion with internal enemies, may create havoc in the FRY. If we don't have a free hand in certain situations, then Serbs will turn against Serbs, and it is exactly what external elements wish to see. In that way, the external elements, with the help of internal enemy, would achieve their goal with the help of our troops, so to speak – and by that I mean this trash – without engaging their own troops. After all, that is what they did all over the former FRY: they attained their goals by using our own people instead of their soldiers.

With the lingering danger of a civil war, if we were to allow that and fail to root out all causes that may precipitate a civil war, it would be a war bloodier than any other that has ever been waged in this region.

All that has prompted us to portray the worst-case scenario so that we comprehend the danger ahead and prepare the groundwork for adopting timely measures, instead of waiting for events to take over and making wrong decisions in frenzy.

The next question that I would like to draw your attention to is the issue of financing. The measures that have been enforced, and you see all those circles (pointing to the map), for which there had been no need earlier as it was safe and fully coordinated, and for which we therefore did not need any provisions. /unclear/ But now we have to. We have said that we need 36 million dinars. It was ordered that this money be raised. We are "short" of the 36 million dinars, and that's why this action has been taken. I would be more than happy if we did not need to take any further steps, because in that case we would not be spending an extra penny. I can tell you that we have taken a selective approach. For example, instead of a battalion we have dispatched a reinforced company. We estimated that it would be sufficient for the time being, and that there was no need to have men there on stand-by paying them 15 dinars a day if we could cut the costs to a minimum.

In other words, the 36 million ought to be found.

Next, and I said this many times before, the Army may sustain on 5 dinars a month but only provided other similar institutions share the same fate. Otherwise I guarantee you that there will be problems or turmoil. If other institutions are increasing their salaries, then the salaries of military personnel must follow accordingly, or it will cause resentment, and I wouldn't like to see the Army as a source of any turmoil in this already volatile situation. But, gentlemen, it cannot possibly be achieved since 743 million were approved at the beginning when the salary base was 35 dinars. In the meantime, it has risen to 180 dinars in the Republic of Serbia, whereas the Army still has 85 dinars. It is impossible to raise salaries from the amount of money that remains the same, without seriously undermining combat

readiness at the same time. So far, we have used 64% of the funds approved, which is in keeping with the decision, and we shall manage until the end of the year with these approved funds, on condition that we get the 36 million and keep the salaries at the level decided by you in May this year. But if the salaries go up, we shall have to reallocate funds from other items – and we have already done that – so that 50% of the total military budget of Yugoslavia will be spent on salaries and pensions, and 50% on food and livelihood of soldiers, basic maintenance and repair works on vital pieces of combat equipment and infrastructure. However, there are limits beyond which the disrupting of balance at the account of salaries and pensions cannot be pushed. If we go any further, we shall dramatically reduce our combat readiness.

For that reason, I beg you to do something. Either we stop further increase of salaries across the board and set up fixed salaries in other segments of the society, without increasing the Army salaries, or provide additional funds if the remaining parts of the society increase their salaries. As a soldier, I could not possibly conceive a source for this funding, because I don't see where we can find the money.

Another thing which is related to the above. Please, let us not underestimate hostile internal forces. And there is a variety of reasons for that. External elements want to change the social, political and economic system of the FR Yugoslavia, or adjust it somehow so that it can fit their interests. In so doing, they greatly rely on our internal enemies, who in turn see that as a chance for gaining power. It's a constant danger that should not be underrated for many reasons. We shall not allow the Yugoslav Army to be unprepared for any contingency.

That is why we felt it was our duty to portray to you the situation in perhaps too dark colours, but we always prefer to begin with the worse-case scenario.

Internal enemies may stage an aid delivery across the FRY border that would result in an escalation of the conflict, with NATO air support, and eventually in a strike against the FRY. Coupled with that is a danger of insurgency by secessionist elements, which I am positive will not take place without a signal from abroad. As we can see, this signal is unlikely to come, but they would not hesitate to rise against us without outside help should turmoil break out within FRY.

In addition to that, the failure of social programme might result in social unrest. This will create a completely different situation, which the internal enemies would use to achieve what they have never managed to achieve before.

Thank you!

Zoran LILIĆ:

Thank you!

Before I propose the conclusions, permit me to say the following:

As a member of the Supreme Defence Council, I have no reason whatsoever to change my views on the issues of war and peace. I am extremely grateful to President MILOŠEVIĆ for his exhaustive presentation, and of course to President



BULATOVIĆ, since I assume that in this way we have dispelled any doubts about justification of the policy consistently pursued by the Republic of Serbia and the Republic of Montenegro.

From the presentation by General PERIŠIĆ, am I to conclude that the military leadership have no reservations about this policy?

Momčilo PERIŠIĆ:

No, we don't.

Zoran LILIĆ:

I think that it is good to hear that so that we don't have to go back again and again and discuss the issues that have been formulated and decided a long time ago within the framework of our policy. This refers to the national interests of the Serbian and Montenegrin peoples, and all citizens of the FRY for that matter, and to the issue of war and peace involving a consistent policy which ensured avoidance of three crucial developments. Let me remind you what they are: dragging the FRY into the war; new sanctions; and the issue of observers, which has been laid aside for the time being. Therefore, there is absolutely no reason why we should be pessimistic and provide a convenient excuse to the opposition parties to manipulate the issue that, as you heard, has been marginalised even by Minister KOZIRYEV.

I would like to emphasise again that the Yugoslav Army should also work on promoting the policy of peace within its ranks and particularly among officers of the Army of Republika Srpska and the Serbian Army of Krajina, since most of the meetings of the Supreme Defence Council have been dedicated to these two regions. I believe that the Yugoslav Army, and especially its officers, can play a pivotal role.

I would like to propose a conclusion regarding item 7, which refers to the officers who do not wish to stay in Republika Srpska because they disagree with the views and policies of the leadership of Republika Srpska. We unreservedly accept it and shall make it possible for them to return here.

Concerning items 1 and 2, let's draw up a conclusion on the issue of measures that come within the competence of the Supreme Defence Council. Perhaps we should not have discussed these matters in the first place, but I think it is good that we did, because we have eliminated any suspicions about our policy.

I propose that the conclusion should read as follows: we shall spare no means in an effort to preserve peace in the FR Yugoslavia, and we shall work in concert towards acceptance of the Peace Plan, which can only be beneficial in defending our national interests discussed today. The priority tasks of this country are peace and economic recovery. Anyone trying to undermine either of the two can only be seen as ill-disposed towards both the FRY and their own people.

As for item 3, which also comes within the competence of the Supreme Defence Council, I think that an obvious conclusion deriving from the presentations

by President MILOŠEVIĆ and President BULATOVIĆ – and I must say that I agree – is that we should not revoke the decision exempting 1991/1992 war conscripts and farmers from military exercise because the period in which farmers were exempted is just about to expire; this means that they can soon be called up.

Item 4: I think that President BULATOVIĆ's suggestion to reconsider whether we should engage all 18,200 reservists is a good idea.

Slobodan MILOŠEVIĆ:

As I understand, General PERIŠIĆ wants to have this option should the need arise. And he will inform us if and when this need arises.

Momčilo PERIŠIĆ:

Yes, just as an option.

Zoran LILIĆ:

As an option it is not disputable.

Item 5: I don't think it is necessary for me to comment on it, given the fact that we have debated this issue on numerous occasions and that the Supreme Defence Council has adopted clear and precise decisions regarding the form of help to be rendered to the Army of Republika Srpska, particularly in the light of unambiguous

decisions taken by the Federal Government and the governments of the republics. The three of us have also taken clear-cut views.

As regards the financing of the Yugoslav Army, I think that we, as the Supreme Defence Council, must urge the Federal Government to secure a regular inflow of revenues already envisaged by the FRY fiscal policy. It seems to me that we failed to reach an agreement in this area. Pavle, correct me if I'm wrong? There is a delay in meeting the needs of the Yugoslav Army. Only after we have realised this part under the budget provisions can we discuss additional funding.

The decision made at the last meeting of the Supreme Defence Council ought to be implemented. We have not yet received any proposals to that effect. The decision provides for the 36 million to be made available through re-allocating of funds by the Ministry of Defence, the Federal Government and the governments of the republics.

As for everything else, I believe that we have stated our positions in a transparent way. I have more or less outlined the wording of conclusions that will result from this meeting.

Slobodan MILOŠEVIĆ:

I would like to add that it would be advisable if KONTIĆ can furnish us with the data so that we can include prime ministers of the two republics and review the issue of salaries in its totality. As you may remember, we have frozen the salaries a

few months ago. I know that my salary has been 500 dinars for months. And there is no correlation between my salary and the growth of an average salary. My coefficient is 7, and if applied to the average of 180 dinars, my salary should exceed one thousand dinars. But my salary and the salaries in all public services have been frozen. I don't know what the ratio is with the military salaries, but I nevertheless share the opinion of General PERIŠIĆ that the Army salaries should be in line with those paid from the budget to other services. We only have to look at the level of salaries in public service, police, health services, education, etc., and then decide which adjustments need to be made and where the funding will come from. We in Serbia have made certain assessments, and we had no misgivings about the freezing of salaries because prices have dropped in the last few months. Although this drop is insignificant, the prices maintained a stable level, and even registered a tendency to go down, which led to a decrease in costs of living and a real increase in living standards of those employed in the public sector in general. This was slightly lower than the increase in living standards of those employed in the industrial sector, which is only natural, since the rate of industrial growth is higher due to an increased industrial output.

My proposal is that we include both /?prime ministers/ of the republics and investigate the whole issue of salaries.

Radoje KONTIĆ:

We have frozen the salaries in the past few months when the salary base was 81 dinars, and the average in Yugoslavia was 118 dinars. Therefore, the ratio was

70%. If we were to apply the same ratio now, our salary base would be 130 dinars, yet it is still 80 dinars.

That is why I came up with this proposal. The problem is the Army since it uses 80% of the budget, and unfortunately they cannot afford to have more than 81 dinars under the item "salaries".

I asked for your approval that, for these purposes, we take the money from other items. A revision of the budget is out of the question. You may provide fresh revenues from whatever sources, yet there can be no increase because the law has imposed restrictive planning. Our only option is to re-allocate to salaries the funds intended for weapons, equipment, flats, and alike, for which the approval of the Council is required. There is no other solution!

Mr. Chairman, I would appreciate if you stated your views and gave us permission to do that. There is no need to hold a special meeting. I will be meeting prime ministers of the republics this afternoon, and I need your approval to re-allocate funds from other items to salaries.

Zoran LILIĆ:

I suggest that we accept the proposal of President MILOŠEVIĆ to address this issue together with the prime ministers of Serbia and Montenegro.

Radoje KONTIĆ:

There is no need for that if I don't get your approval first! Give me permission to move the funds from one item to another – nothing else is possible under the law!

Momčilo PERIŠIĆ:

Rajo, I have already said that I cannot cut the food rations for the army in order to increase their salaries. I also cannot curb the funds for maintenance, because equipment, such as tanks, will become a wreck if not properly maintained.

Zoran LILIĆ:

Although this is an important issue, I suggest that we do not dwell on it any longer.

I find that the request and proposal by General PERIŠIĆ for Army salaries to rise proportionately with other salaries paid from the budget is justified.

Secondly, at the previous session of the Supreme Defence Council we adopted a conclusion that prime ministers of the republics, the Federal Ministry of Defence, and Prime Minister of the Federal Government, find a possibility for securing the additional 36 million, not only within the part of the budget assigned to the military, but within the budget as a whole. I think that we can relatively soon come up with the proposal before the Supreme Defence Council outlining the solution to this problem and thus ensuring a steady inflow of revenues already approved in the budget.

Radoje KONTIĆ:

But, this is a separate issue.

Zoran LILIĆ:

At the moment, regular revenues fall short by about 60 or 70 million. Does that mean that regular revenues cannot cover that?

Radoje KONTIĆ:

But, my hands are tied unless I get the Council's approval for the re-allocation of funds from other items to salaries. The only other solution is a revision of the budget.

Zoran LILIĆ:

From the total budget!

Radoje KONTIĆ:

Yes, from the total budget, because the civilian sector accounts for 20%; therefore, funds will be transferred to salaries from the military budget. There is no other way. Or we can go for a revision of the budget, but it will never be approved by



the Parliament. For that reason, you must give me your approval if you expect me to make appropriate preparations?

Zoran LILIĆ:

Rajo, last time we made a decision to review the entire budget, as well as the budgets of the republic, and seek a solution there.

Radoje KONTIĆ:

I wasn't present when you made that decision. But it has no bearing on the Federal Government vis-à-vis the federal budget, because there is no such item. This item must come directly from the budget of Montenegro. They must find the funds and transfer them to the Yugoslav Army. There's no other way.

This is not just about the 36 million. This is the matter of law. Even if we manage to find the 36 million, there are legal obstacles to releasing this amount without revisions of the federal or republican budgets.

Slobodan MILOŠEVIĆ:

Once we find the money, that will be a lesser problem!

Radoje KONTIĆ:

I am not talking about the 36 million. That's a completely different matter. I'm talking about salaries.

Slobodan MILOŠEVIĆ:

All right, let's look at the salaries!

Zoran LILIĆ:

Do you have any suggestions?

Radoje KONTIĆ:

I told you: the only solution is that you approve and give me permission to transfer funds from one item to another, i.e. salaries. I don't have any other possibility.

Momir BULATOVIĆ:

Those are technicalities. If I understood correctly, President MILOŠEVIĆ put forth the following proposal: we have here a misconception – salaries in other segments of the society are rising, but can we say that budget salaries are rising, too? As a government, the only thing we could do is to restrict budgetary expenditure. If it is true that the salaries paid from the budgets of Serbia and Montenegro are not rising, then there is no reason for these salaries to rise. Let us make a calculation, and then you can easily get an approval.

Radoje KONTIĆ:

Budget-related salaries are not on the increase!

Momir BULATOVIĆ:

What we are discussing here is budgetary expenditure.

Radoje KONTIĆ:

But non-budget related salaries are growing enormously.

Slobodan MILOŠEVIĆ:

We cannot allow the raise of salaries paid from the budget!

Radoje KONTIĆ:

Very well then, the 80-dinar salary base will remain unchanged for the Army, too. But don't forget that it was 70% of the average salary in the industrial sector at the time we passed this decision. In two or three months it will be three or four times lower.

Momir BULATOVIĆ:

That is the misconception that I was talking about. For example, the salary of a female worker at the Biscuit Factory in Andrijevica is higher than that of the president of Serbia or Montenegro. For us it is important to retain certain leverage in the society, and we can do that through budgetary expenditure. If there is an increased budgetary expenditure in either of the republics, it constitutes the grounds for increasing salaries on the federal level as well.

Radoje KONTIĆ:

Momo, there can be no increase in budgetary expenditure. It is stipulated by the law. The budgetary expenditure remains fixed and cannot be changed.

Zoran LILIĆ:

Let's take a very simple example: has my salary increased in the past three months?

Radoje KONTIĆ:

That is absolutely impossible, because your salary is limited by the budget, whereas other salaries are not.

Momir BULATOVIĆ:

You yourself have just proposed a re-allocation of items?

Radoje KONTIĆ:

Yes, I have, but these items are firm: one is for salaries, one for weapons, one for flats – and I cannot move funds from one item to another.

Slobodan MILOŠEVIĆ:

My suggestion was that we establish the facts concerning salaries.

Radoje KONTIĆ:

My proposal is that you authorise us to effect this so-called re-allocation of funds from one item to another. As the Federal Government, we are entitled to do that without asking the Parliament, but only provided we have the approval of the Supreme Council.

Slobodan MILOŠEVIĆ:

Let's have this re-allocation. If it is necessary, let's do it!

Radoje KONTIĆ:

Well, that's exactly what I'm asking you to endorse.

Zoran LILIĆ:

We gave our approval at the last meeting of the Supreme Defence Council.

Momčilo PERIŠIĆ:

But, my combat readiness is declining due to the rise in salaries. I cannot allow that!

Zoran LILIĆ:

I really think that we shouldn't expand this debate. The Prime Minister should prepare a proposal and submit it to us for reviewing and making a decision.

Radoje KONTIĆ:

Mr. Chairman, I would like to have your stance regarding humanitarian aid. In our decision we have limited it strictly to medicines and the like.

Slobodan MILOŠEVIĆ:

I wouldn't like to see that decision changed.

Radoje KONTIĆ:

But, we are not changing the decision. What are we to do with text-books?

Shall we send them or not?

Slobodan MILOŠEVIĆ:

We should send them because they have been printed.

Radoje KONTIĆ:

Very well. Are we to treat the wounded here or not?

Slobodan MILOŠEVIĆ:

It has nothing to do with the decision. They are being treated as ordinary citizens.

Radoje KONTIĆ:

No, there are our resources there as well. We earmarked them for humanitarian aid, which is paid for both by us and by them.

Slobodan MILOŠEVIĆ:

And that is how it should remain. We should not change the decision at all.

Radoje KONTIĆ:

We are not going to change the decision. I'm only asking you to give me an interpretation of it, so that we don't apply it too strictly. If it is medicines, then there can be nothing other than that. For example, we do not send medicines for animal use along with the medicines for humans.

Zoran LILIĆ:

A medicine is a medicine!

Moma should inform the entire Collegium that so far 4,800,000 kilograms of food and humanitarian aid have crossed over. Republika Srpska received 2,800,000 kilograms. Therefore, it is not true that Serbia and Montenegro are not supplying any humanitarian aid.

Momčilo PERIŠIĆ:

We all know that. It is not an issue.

Slobodan MILOŠEVIĆ:

Text-books are food for the mind.



Zoran LILIĆ:

With this I conclude the session of the Council. Thank you for your contributions.

(The meeting ended at 1510 hours)

DRAFT TRANSLATION