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DEFENCE

STATE SECRET

FEDERAL REPUBLIC OF YUGOSLAVIA  
SUPREME DEFENCE COUNCIL

DT /state secret/ No. 14-1

04.09.1995

BELGRADE

Pursuant to Article 135 of the Constitution of Federal Republic of Yugoslavia  
I hereby convene the session of the Supreme Defence Council to be held on Tuesday,  
12 September 1995, with the following

AGENDA:

- adoption of the minutes from the 41<sup>st</sup> and 43<sup>rd</sup> session
  
- 1. Information on the Plan of the State Defence
- 2. Financing of the Yugoslav Army
- 3. Current issues

Persons invited to attend the session are: Prime Minister of the Federal  
Government, Dr. Radoje KONTIĆ; Federal Minister of Defence, Pavle  
BULATOVIĆ and the Chief of the General Staff of Yugoslav Army, Colonel  
General Momčilo PERIŠIĆ.

You will be informed of the time and the venue later on.

PRESIDENT

Zoran LILIĆ

SUPREME DEFENCE COUNCIL

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DEFENCE  
OFFICIAL SECRET

SHORTHAND NOTES

taken at the 44<sup>th</sup> session of the  
SUPREME DEFENCE COUNCIL  
held on 12 September 1995

BELGRADE

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SHORTHAND NOTES

taken at the 44<sup>th</sup> session of the  
SUPREME DEFENCE COUNCIL  
held on 12 September 1995

The session started at 1315 hrs.

The session was attended by: Zoran LILIĆ, President of the Federal Republic of Yugoslavia and the President of the Supreme Defence Council; Slobodan MILOŠEVIĆ, President of Republic of Serbia; and Momir BULATOVIĆ, President of the Republic of Montenegro – members of the Supreme Defence Council; Dr. Radoje KONTIĆ, Prime Minister of the Federal Government; Pavle BULATOVIĆ, Federal Minister of Defence; Major General Slavoljub ŠUŠIĆ, Chief of the Military Cabinet of the President of SRJ /Federal Republic of Yugoslavia/; Colonel General Momčilo PERIŠIĆ, Chief of the General Staff of VJ /Yugoslav Army/.

(Shorthand notes taken by Jovan ŽIVANOVIĆ, senior debating shorthand writer - sub-editor in the Cabinet of the President of the SRJ).

Zoran LILIĆ, President of the Federal Republic of Yugoslavia and the President of the Supreme Defence Council, presided over the meeting.

Zoran LILIĆ:

I hereby suggest that we start with the session.

For today's session you all received the following draft of the

AGENDA items:

- adoption of the minutes from the 41<sup>st</sup> and 43<sup>rd</sup> session of the VSO /Supreme Defence Council/

1. Information on the Plan of the State Defence
2. Financing of the Yugoslav Army
3. Current issues

Do you accept the proposed agenda? ( It is accepted.)

We have the minutes from the 41<sup>st</sup> session of the Supreme Defence Council held on 14 August 1995.

Are there any objections to it? (There are no objections.)

I conclude that the Minutes were hereby adopted.

We did not take the Minutes at the 42<sup>nd</sup> session, which was attended by General MLADIĆ.

We have the Minutes from the 43<sup>rd</sup> session held in Dobanovci.

2.

I think that nothing in the Minutes is disputable, except the Item 4, which says:

“ Written statement and official evaluation report given by the commanding officer for the officers and non-commissioned officers says that they behaved in professional manner and with dignity. Therefore they do not bear responsibility for the emerged events in RSK /Republic of Serbian Krajina/ in the period from 04 to 14 August, and these officers and non-commissioned officers will be deployed in the appropriate units and institutions of the Yugoslav Army as required by the Service.”

I think that this paragraph is not disputable, but if any one of you think that it is disputable then we could discuss it.

Momo, you had objections to the paragraph 4.

Momčilo PERIŠIĆ:

Herein we speak about the three categories of people:

The first category is related to the people who left SRJ, actually Serbia and Montenegro. There is no doubt about this category because we treat them as we treat the people here.

The second category is related to the professional military personnel and civilian personnel, who were born in that area over there –.

The civilian personnel changed their places of residence and made the contracts with certain garrisons from there and due to the changes, which occurred here, I have nothing to do with them according to the Law and other regulations.

Zoran LILIĆ:

This refers only to the officers and non-commissioned officers.

Momčilo PERIŠIĆ:

Yes. It refers to the officers and non-commissioned officers and we are to conduct a selection among them with a remark that at the moment it is very difficult to establish the facts because many of the commanding officers, who were supposed to give their opinions, have obviously made serious mistakes.

The second very important issue related to that is the fact that the status of the General Staff should be solved. We should answer whether we think it exists or it does not, or should it be revoked or not, because it still exists there. MARTIĆ is there with some of his people. MRKIŠIĆ is in vicinity of Banja Luka. We should first make our standpoint about it and after that we would know what to do with those people. If they live there and are going to form something there, and they are for establishing of some kind of Liberation Army of Krajina –

3.

then it would be logical that we send most of these officers to that area.

Zoran LILIĆ:

I will remind you that we agreed to abolish the 40<sup>th</sup> Personnel Centre, except for the part of it related to the units deployed in Sector East. This is an answer to what General PERIŠIĆ said. I think that the unresolved status of these people is the worst possible option.

Slobodan MILOŠEVIĆ:

We have to discuss this only in connection with the issue of reimbursement of the salaries. At the moment the question is whom we should help if it no longer exists there. This issue is related only to the salaries and not to other material issues.

Zoran LILIĆ:

Absolutely!

They were collecting mushrooms at Kozara. I have the information that Mile MRKŠIĆ and Mile NOVAKOVIĆ are doing that.

Slobodan MILOŠEVIĆ:

I do not understand what PERIŠIĆ'S dilemma is.

Zoran LILIĆ:

His dilemma is in the fact that he thinks that we should send all of these people back there.

Momčilo PERIŠIĆ:

If that is going to be abolished over there then it means that nothing would be left there except the 11<sup>th</sup> Corps. And we will be sending our volunteers to that Corps.

As for the others, why do not you let me appoint them selectively according to their behaviour, capabilities, instead of appointing some riffraff, who even contributed to have the situation as it is.

Slobodan MILOŠEVIĆ:

We did not abolish them. They did it themselves. We simply conclude that they are abolished in terms of the material means that we were sending them as the aid. We supported them in supplies, which was an excessive sacrifice from our part, in order to help them hold out there.

4.

They made a decision to leave that area. So, what is the reason for us to assist them now – should we grant them support allowance? They did it on their own will and decision and that is just what they wanted!

Momčilo PERIŠIĆ:

I would like to read to you an announcement, which I have in the form of information.

They made a decision to form a new Army – Liberation Army of the Republic of Serbian Krajina. Its basic structures would be the liberation brigades. Those units, constituted of professional soldiers, should be engaged in the area of the Republika Srpska, wherein the preconditions for engaging these units in the area of the former RSK would be met. This Army should be under command of the present Main Staff

of the RSK Army. Up-to –date they formed one brigade constituted of 450 people.  
Does this mean that by this act we would make that no longer effective?

Slobodan MILOŠEVIĆ:

Why?

Momčilo PERIŠIĆ:

In case we abolish the 40<sup>th</sup> Personnel Centre this would not exist because I do not have any legal grounds for paying the people who are there.

Slobodan MILOŠEVIĆ:

The only issue is if we should pay them the salaries?

That Personnel Centre was a cover-up to keep those people on the payroll and it was nothing else! They formed some kind of their brigade constituted of 400 people and they had 40,000 people there! They disbanded it in order to form a brigade constituted of 400 people !? Who forbids them that?

Momir BULATOVIĆ:

Is it with an aim to liberate the very same area with 400 people, which they did not want to liberate with 40,000!?

Slobodan MILOŠEVIĆ:

Yes. We should fall into a following trap: that they actually wanted it but we did not allow them. This is going to be their story.

5.

Momčilo PERIŠIĆ:

Should I erase the names of those people from the payroll or should I consider them a part of the 11<sup>th</sup> Corpse, actually should I consider them as participants of the war? This is the essence of my question.

Slobodan MILOŠEVIĆ:

The war over there is over. They are not in that territory any more.

Momčilo PERIŠIĆ:

In another words: whoever is there should be asked to come here?

Slobodan MILOŠEVIĆ:

You should not ask anyone to come.

Momčilo PERIŠIĆ:

I should not ask them to come and I should not pay them the salaries?

Slobodan MILOŠEVIĆ:

To whom you should pay the salary and what do you mean to pay them salaries?

Momčilo PERIŠIĆ:

I am just asking because I have to resolve their status.

Momir BULATOVIĆ:

There was the Republic of Serbian Krajina, which we supported through the 40<sup>th</sup> Personnel Centre. The RSK no longer exists and accordingly the 40<sup>th</sup> Personnel Centre no longer exists!

Slobodan MILOŠEVIĆ:

The formulation in the Minutes is not good. It should not say "it is being abolished" but it should say as follows:

"Bearing in mind that the territory of the Republic of Serbian Krajina was abandoned by the decision of its leadership and in that way the defence of the RSK ceased, there are no grounds to assist the RSK Armed Forces anymore. These forces that were in the past financed through the 40<sup>th</sup> Personnel Centre, except the Sector East, no longer not exist nor operate in that territory."

6.

Momir BULATOVIĆ:

You know why we formed the 40<sup>th</sup> Personnel Centre.



Zoran LILIĆ:

The item 5 says: “the current status in the area of the Sector east is not to be changed...”

Slobodan MILOŠEVIĆ:

Momo, are you in contact with them?

Momčilo PERIŠIĆ:

Yes, I am.

Zoran LILIĆ:

I think that we could adopt the proposal to reformulate the Item 4 given by President MILOŠEVIĆ.

Do you agree? (Approving)

Pavle BULATOVIĆ:

We will be sued in Court!

Momir BULATOVIĆ:

Each one of them will have to prove it. Well, men, even when one goes for an official trip he has to make a report about his activities during that trip. They did not shoot a single bullet! The proper thing for them to do would be to write the statement on what they have been doing.

Zoran LILIĆ:

According to their request we should form a new Personnel Centre, invest new means, new equipment and not be interested in the activities of that centre!?

Momčilo PERIŠIĆ:

Let me make a digression – shall we say that this refers to those who would eventually join the Army of the Republika Srpska?

Zoran LILIĆ:

MARTIĆ stated that he is able to finance the Army on his own, so let him form the guerrilla units.

7.

Slobodan MILOŠEVIĆ:

After the selection some of them could be transferred to the 30<sup>th</sup> Personnel Centre.

Zoran LILIĆ:

Let that be the annex to the minutes.

Slobodan MILOŠEVIĆ:

They could be transferred after the selection based on this very same criterion.

Zoran LILIĆ:

That means that we accept these Minutes including these suggestions and new standpoint regarding the selection, which should be done before the transfer to the Republika Srpska Army and with the approval of the Chief of the General Staff of Yugoslav Army.

Slobodan MILOŠEVIĆ:

Yes, with the approval of General PERIŠIĆ.

Momir BULATOVIĆ:

I think that we should be more specific:

“Opportunity for joining the 30<sup>th</sup> Personnel Centre, which is based on the selective admission policy, is to be conditioned by meeting the requirements specified in Item 4.”

Slobodan MILOŠEVIĆ:

Yes. That is good. That is the essence.

Momir BULATOVIĆ:

“... the appropriate units and institutions of the Yugoslav Army ... actually to the 30<sup>th</sup> Personnel Centre.”

Zoran LILIĆ:

All right. We accept the Minutes, with Item 4 reformulated as suggested by President MILOŠEVIĆ and BULATOVIĆ.

8.

We will move on to Item 1 of the Agenda:

1. Information on the Plan of Defence of the State

I hereby ask the Minister of Defence to inform us about the work done on the Plan of Defence of the State. That is in accordance with our previous conclusion.

Pavle BULATOVIĆ:

Messrs. Presidents, I will inform you on what has been done so far on the Plan of Defence of the State and I will point out some basic problems that we faced while working on it.

As you all know, a new Law on Defence was adopted in November 1993, according to which the Republic Ministries of Defence stopped working and everything was transferred to the Federal Ministry of Defence. The precondition for that was to have all the acts, including the Plan of the Defence of the State. All other necessary sub-acts were to be prepared within six months from the day this Law went into effect. That deadline was May 1994. It means that we are being overdue in preparation of certain acts. There was a question raised why there was a delay.

On one hand it is possible that the Law specified a short deadline for that and on the other hand it is sure that there are the weaknesses in Personnel and in organisation, which caused such a delay.

A month ago you decided to appoint General FARKAŠ, Chief of the Sector for Civil Protection and Defence. I have to tell you that we are satisfied with his work and that we can give a pass for him.

On 18 November 1993 the Federal Government passed the Regulation to take over of the employees and duties of the Republic Ministries. Item 5 of the Regulation

specified that the updated plans of defence of the Republics would be evaluated before the final Plan of Defence of the State would be adopted. The situation is the same even today.

During the last period the Federal Ministry of Defence proposed 12 Regulations, which were all adopted by the Federal Government. The thirteenth Regulation was sent back for elaboration for the third time. This is a regulation on Communications and Crypto-protection.

Eight decisions were also adopted – 3 of them are in the procedure and one is being drafted.

9.

This normative and legal provision was included into the documents for this session and thereby submitted to you. I think that you had a chance to see the proposal of those acts.

The Supreme Defence Council adopted the basic provision in reference to the Plan of Defence of the State and the Ministry passed certain Book of Rules and acts, which make the work on the State Defence Plan possible.

The plans for the war production are specified within the special purpose production.

According to the decision made by the Government and according to the established Working Plan the Federal Government should have the Plan of the State Defence by 30 September and should pass it on to you, so that you reconsider it and adopt it. I think that we will be able to meet the deadline.

I would now speak about the current problems.

The problem is that some Federal Ministries and even the companies that are declared to be of a vital importance for the defence of the State did not adopt even the systematisation for the peacetime. Therefore, the preparation of the wartime organisation and systematisation is even more difficult.

Secondly, the republic field structures offer certain resistance and are asking to preserve a status of, let me say, “mini ministries” at the level of the Republics.

Furthermore, establishing the balance of the Army’s and other users’ needs requires making legal agreements in form of contract. This way of contracting

requires financial security in terms of providing the reserves, other strategic products and raw materials.

Furthermore, by the end of 1993 the Government of Serbia made a Decision to transfer the Communications and Crypto-protection means to the Ministry of the Interior. By that Decision the employees, approximately 250 of them, were re-deployed to the MUP /Ministry of the Interior/. At the moment we practically have a problem, which is that we are unable to have the Communication means at our disposal and use them, and to have the employees operate these means in the new Defence Plan. On several occasions we contacted the Government of Serbia, even in writing. Vice-President MARKOVIĆ replied that such a decision was already included into the Law itself. We are not so wealthy state to have two parallel Communication systems and employees for that job.

The problem also lies in the jurisdiction between the Federal Government and the republic organs. For example, there is the Health Care Service, which comes within the competence of

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republic organs, and the health care has to be provided in case of war, which calls into question bringing of standpoints into accord.

Furthermore, the premises for the shelters are also called in question. Public Company for the Shelters was formed in the Republic of Serbia. Montenegro did not form such a public company. All these shelters, at least these that could have been used for that purpose underwent the commercialisation and were rented as sales and other type of premises, which makes the unification of the activities regarding these issues and problems even more difficult.

After all, I think that the delay in adoption of the systematisation of the Ministry and in appointment of personnel, especially in Civil Protection Sector, represents an objective limitation.

But I hope that, regardless all these problems, we will meet the deadline set by the Government.

Thank you.

Momčilo PERIŠIĆ:

The defence of Federal Republic of Yugoslavia consists of: General Mobilisation Plan, Plan on Use of the Yugoslav Army, Plan on Organisation and Preparation of the Defence.

General Mobilisation Plan. Plan on the Army Mobilisation is worked out, while the Plan on Mobilisation of the State Organs, Companies and Other Subjects was not worked out. Plans on Mobilisation for the Observation and Informing tasks were not worked out. Plan on the Provision of Other Resources for carrying out the mobilisation tasks was not worked out. All of them come within the competence of the Ministry.

Plan on the Use of Army was worked out and you signed it. As for the Plan on organising and preparing the society for the defence, it was not worked out – it should be the plan of the measures of the state organs, neither was the directive for use, deployment and work of the organs of SRJ and its member Republics, etc. The Plan on organising and preparing the defence of the Federal Ministries and its lower structures was not prepared. The Plan on organising and preparing the defence of the Federal Government, Federal Ministries and other organs was not worked out and neither were the Plans on organising and preparing the defence of the state organs, companies and other factors.

I am telling you this to make you aware of the things that were not done but without it the organised defence of the State cannot be carried out.

11.

Bearing that in mind, I ask you to prolong the deadline set for 30 September because there is a lot of work to be done.

The basic thing is that we do not have something I pointed out before. That is that we need to determine the working organisations, which will obtain the production materials and other things for three months of the armed conflict and start the production. That was not solved. I think that we are in a very difficult situation in terms of a danger the SR Yugoslavia is in. Therefore, all this needs to be done as soon as possible.

Pavle BULATOVIĆ:

I think that you received that material long before certain things were done.

Zoran LILIĆ:

I think that we should accept the information submitted by the Minister BULATOVIĆ and we should make it possible for him to finalise all these matters until 30 September, prior to what all the obstacles should be removed.

Would anyone like to have the floor?

Slobodan MILOŠEVIĆ:

As BULATOVIĆ said, this is a good start of the activities, but I think that it could not be completed unless supplemented with what General PERIŠIĆ said. Only in that shape it would be a complete plan.

I am not an expert in this branch, but I was wondering what the plan on the defence of the state organs was like? What kind of a defence plan should Government have, in an example?

Momčilo PERIŠIĆ:

For example, if the bombing of Belgrade starts the general mobilisation would start as well. All the state organs should have specially designated places adjusted for normal life and work. If we organise that after the bombing starts then it would be too late.

Zoran LILIĆ:

Anyhow, the remarks and proposals pointed out by General PERIŠIĆ have to be a part of the Defence Plan.

12.

Radoje KONTIĆ:

They actually are the part of the Defence Plan.

Momčilo PERIŠIĆ:

I will point out a parallel. Until now there was a civil war there. Tentatively speaking, if we would get involved in the war we would not stand a chance to survive with the things arranged as they are now without destroying the system completely, starting from the place of residence up to the communications system.

Slobodan MILOŠEVIĆ:

Who is supposed to establish the communications?

Momčilo PERIŠIĆ:

The Federal Ministry should do it through its subordinated structures. The solution for the Supreme Defence Council was found but not for other organs.

Zoran LILIĆ:

I included this into agenda in order to get information and see how the things have been going. Later on, after the plans are completed, according to all these remarks and proposals, the Supreme Defence Council will be informed about it in details and that would be used as a base to finally finish the Plan on the War Economy.

Could we conclude this Item in this way? (Approval)

We will move on to the Item 2:

## 2. Financing of the Yugoslav Army

I would like to remind you on something what is stated in the Minutes of the 41<sup>st</sup> session of the Supreme Council which was extended, actually attended by the Board of the Chiefs of the Yugoslav Army General Staff. We accepted the proposal given by General KOVAČEVIĆ on behalf of the Board. In the conclusion I told him that we would discuss the proposals separately, because they require the significant financial means and rebalance of the Budget. We will discuss it during one of the forthcoming sessions in order to reach certain conclusions and pass them on to Government.

13.

Accordingly, that is how we should understand this Item 2 named Financing of the Yugoslav Army – request for the rebalance of the Budget. Besides, I would like to inform you that President KONTIĆ followed through on almost each item, which



came within competence of the Federal Government, and a part of it he followed through even more than it was necessary.

Pavle BULATOVIĆ:

I would like to inform you about the current situation with financing of the Yugoslav Army.

Until the present date, including 11 September, 999 million dinars were raised out of the military part of the Federal Budget, which means that 611 million dinars are left until the end of the year.

However, during the period from 1 July until 11 September 325 million /word missing/ were provided out of 415 million /word missing/ that were envisaged, which means 90 million /word missing/ less than envisaged.

Liabilities to the economy are in amount of approximately 101 million /word missing/, but the salaries and pensions for August were paid without the contributions.

Radoje KONTIĆ:

Yes, but the contributions were settled with today's date included.

Pavle BULATOVIĆ:

There is a problem to carry out your conclusion to provide additional 50 million /word missing/ for the needs of special purposes production and that is what General PERIŠIĆ asked for. Until now we provided 12 million /word missing/ out of the regular earnings in order to have the special purposes production start producing these means.

Momir BULATOVIĆ:

That was 50 million /word missing/ for the RSK.

Pavle BULATOVIĆ:

No, that was for the Yugoslav Army.

Momčilo PERIŠIĆ:

No, that was for the Yugoslav Army. I can systematically explain that.

Partial realisation, proposals within the competence –

14.

and this is related to what we said last time. There was a request for additional 32 million /word missing/ to be allocated out of the State Foreign Currency reserves and so far 2 million /word missing/ were approved. We need 80 million /word missing/ more. Why did we ask for that? I can show you that on the slide.

Radoje KONTIĆ:

But the decisions on this issue were never passed at the session of the Supreme Council.

Momčilo PERIŠIĆ:

Please, the procurement of 30 thousand of jet fuel – 8 million /word missing/; spare parts for the radar and rocket materiel – 20 /words missing/; purchase of the unmanned aircraft – 3 million /word missing/; India-rubber, soot and other components – 19 /words missing/; modern communications means – 30 /words missing/; paying the transport for the imported goods from the Russian Federation – 2 million /words missing/ – which is 82 million of US dollars in total.

We asked for that.

Secondly, in order to reduce the insolvency of the Army the Federal Government passed the decision to settle the liabilities between the Army, “Jugopetrol” /?Fuel company/ and the Federal Administration in amount of 15 million /word missing/.

Radoje KONTIĆ:

That was done 15 days ago and you are still speaking about it?! Forget about these 15 million /word missing/. It is not 100 million /word missing/ but it is 85 million /word missing/ that are the Army’s liabilities.

Momčilo PERIŠIĆ:

That settling is in procedure.

Out of 350 tons of lead that were requested for the production of the batteries we received 200 million and that was given for the production.

The Government approved the loan in amount of 5000 cubic meters of diesel fuel and the take over is in process.

This is partially solved.

We will move on to the issues that were not solved:

We asked for the rebalance of the Budget for a billion and 20 million. I will explain why did we ask for that:

The prices are rising as well as the partially unsettled expenditures which were within the approved plan of 850 million /word missing/. This also refers to the measures that were taken regarding the combat readiness – 110 million /word missing/, refunding of the salaries for the reserve forces, daily allowances and food – 50 /word missing/, contracting the production of critical types and amounts of ammunition – 60 million /word missing/.

15.

That is what Mr. Minister was talking about, but it was not for the RSK but it was for the Yugoslav Army and in order to ensure the full production flow and to encircle the round of weapons and tools received in Yugoslavia.

Furthermore, the medical treatment for the injured soldiers from the RS /Republika Srpska/ and the RSK cost 30 million /word missing/; allowances paid on the court decisions for the deceased soldiers and war invalids for the year 1991 was 30 million /word missing/. That is one billion and 20 million /word missing/ in total.

Furthermore, the proposal on resolving the housing issue with provision of 10,000 dwelling units for the Army cannot be finalised and we give it up.

Most of the people from the area of Serbia and Montenegro, who served outside that territory and did all sorts of things in the battles, came here and due to the situation that we are in now no one did anything to help them manage their lives here. Most of those people are invalids and some of them were heroically fighting. That military personnel is in a way in worse situation than, believe it or not, the people who escaped and live here as refugees.

I am asking you to treat these people, who are invalids, at least as refugees.

Furthermore, the Army suggested the exchange of the Real Estate Fund for the apartments because this fund is not in the function of the combat readiness. We brought the complete documentation in May 1995. We suggest to have the Federal Government take it into consideration during one of its sessions and adopt whatever can be adopted, instead of going from one item to another because this will take too much time. That is our suggestion and if it is not possible to do it then – nothing!

The next issues are those that come within the competence of the republics:

The request for urgent delivery of 5,000 tons of fuel submitted to the Government of the Republic of Serbia. We do not need an official decision because we will pay it after the balance of the shipment, but they do not want to give us the balance that we are asking for. In an example, only 33% of the motor fuel and 67% of the diesel fuel were given, etc. Please let it be done according to the balance on the monthly basis.

We borrowed 7 tons of fuel to the Government of Montenegro for that trip and we are asking them to return it.

Momir BULATOVIĆ:

Seven tons?

Momčilo PERIŠIĆ:

Furthermore, due to incapability to procure certain critical food articles the General Staff addressed the Government of Serbia with a request to loan

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them 300 tons of vegetable oil, 300 tons of sugar, etc.

Furthermore, in order to install the modern equipment, which costs 10 million of US dollars, we are asking you to ensure that such system is installed for us in the Operational Centre of PVO /anti-aircraft defence/ in Vrnjačka Banja. That system would completely cover the area of SRJ. We also need that in Podgorica at the civil airport and in that way we would be sure that not a single aircraft could enter our airspace without the radar discovering it. Thanks to the PVO systems that were located in the area of the RSK and the RS we were able to locate every single aircraft that was taking off from the area of Croatia, Adriatic See and Italy. Given that the radar systems in the area of Plješevica and Jahorina were destroyed the situation has changed in this regard. At the moment we are able to discover the aircraft only ten minutes before it gets into our airspace and unfortunately TUS is aware of that!

What are the new suggestions?

Federal Government passed the decision saying that the emergency supplies could not be given to the army as a loan without a bank guarantee or acceptance order. We are asking the VSO /Supreme Defence Council/ to make a proposal to the

Federal Government to change or postpone the implementation of this decision until the Army's earnings are improved.

Secondly, 80 professional military officers are working in the Federal Flight Control Department. Their salaries are supposed to be reimbursed by the Federal Flight Control Department. Our request for refunding was refused. We are asking the VSO to intercede with the Federal Government and ask them to reimburse the Army the amount in dispute.

Furthermore, we think that it is necessary for the Federal Government to speed up the adoption of the sub-acts to the federal regulations and instructions, which would have a legal power to regulate the issue of material supplies for the Army during the first three months of war.

We are asking you to accept this. Thank you!

Radoje KONTIĆ:

During the session of the Council, attended by the Board of the General Staff, I said that, as for the operational tasks and on behalf of the Federal Government I accept to find a solution for some requests. As for the major decisions, which are related to the use of the foreign currency reserves in amount of 80 million of dollars and to the budget revision, etc, I explained that we couldn't accept it and I asked the Council to make a decision about it. We cannot talk about the failure to implement

17.

these conclusions because they have never been even accepted.

We basically implemented all decisions de facto and in some terms we made it even better. It is another matter whether 5,000 tons of fuel were taken over or not, but it took the Federal Government two days to pass a decision to approve these 5,000 tons, as well as to settle these 15 million /word missing/, etc. All of that has been solved.

However, the situation is not as bad as it is very often represented. It is true that the liabilities are in the amount of 100 million dinars, but 15 million dinars should be excluded from that amount because it was settled with "Jugopetrol". It means that 85 million dinars are left and before it was 155 million dinars. That is within the bounds of tolerance.

On the other hand, we have 10 suppliers to whom we own more than 100,000 dinars and we have 3,100 suppliers to whom we own less than 100,000 dinars. It means that the situation is not as tragic as one could think it is.

During the first 11 days of this month our inflow was in amount of 70 million /?dinars/. Out of that amount we transferred 52 million /?dinars/ to the Army. It means the situation is not so bad.

As for the budget revision, the Government was for that at some point but it is up to the Supreme Council to decide whether the Army should be included into this revision. We had a suggestion to have the revision of 200 or 250 million /word missing/, but the Army is asking for one billion /word missing/!

Momir BULATOVIĆ:

Herein we have a request for the compensation of 30 million /word missing/ according to the court decisions for the deceased soldiers and the war invalids from 1991. This is the first time for me to hear that. That is a shame and disgrace to us!

Momčilo PERŠIĆ:

They could not achieve through regular procedure but they had to go for trials. That was not planned and we had to deal with it in a different manner.

Pavle BULATOVIĆ:

These trials are organised at the civil courts. The estimate of the Office of the Prosecutor is that the courts are dealing with it in an easy-going way and they are setting the compensation in that manner.

18.

Momir BULATOVIĆ:

I am for paying it immediately, but I am wondering how we got into such situation where people who gave their lives or parts of their body have to ask for that in court?

I suggest that that we get more detailed information during the next session with regard to this issue, as well as an explanation why it went that far so that they have to sue us.

Zoran LILIĆ:

All right. We agree to have such an information prepared.

Momir BULATOVIĆ:

As for our two key conclusions – unfortunately, during the last period we have not been taking the notes regularly at these sessions and we have to dig into our memories – we made the decision to send 50 million /word missing/ to the RSK.

Zoran LILIĆ:

We have the minutes from all the sessions!

Momir BULATOVIĆ:

That aid was given by the Yugoslav Army, which reduced our reserves. However, we immediately provided the means to replenish the reserves of the Yugoslav Army. After the fall of RSK the decision on 50 million /word missing/ was made as well!

Slobodan MILOŠEVIĆ:

Nothing was sent to them because nothing could have been sent during those two days!

Zoran LILIĆ:

It means that the Supreme Defence Council did not make a decision to revise the Budget and it did not make a decision to accept 82 million of US dollars. This is what we concluded:

“The essence of the proposals and conclusions given by the Board of the General Staff of Yugoslav Army is basically acceptable. They will be discussed separately and in details in the emergency session of the Supreme Defence Council”. It means, that it was not accepted.

Momčilo PERIŠIĆ:

But the Budget will “be eaten out” and I have no means to subsist on and support the Army. The prices increased. The measures on combat readiness were taken. You know that we had nothing. We provided money for arming and combat readiness of 5,000 people but because of this we had to take some more measures. It will not be good if this kind of situation remains unchanged until September because it grew up to 110 million /word missing/. Mr. President, the reserves have been spent out.

Pavle BULATOVIĆ:

The problem is that almost all the items, more than 70% of them for this year, were spent during the eight months. We have 600 million /word missing/ left for the coming four months. I think that it is impossible to subsist on these means until the end of the year.

Slobodan MILOŠEVIĆ:

That is 150 million /word missing/ per month. Out of that the fund for the salaries is 80 million /word missing/, which means that you have 60 million /word missing/ left for all the materiel expenses per month, which is 2 million /word missing/ per day.

What are the daily expenses of the Army?

Pavle BULATOVIĆ:

At the moment we use between 300,000 and 400,000 per day from the reserves.

Radoje KONTIĆ:

The question is what we want? If we want to preserve the current status then we will have a problem only with the month of December. If we want to achieve what General PERIŠIĆ said and which is to improve all the material resources of the Army, then we have to go for the revision.

Zoran LILIĆ:

On the basis of all that we can conclude that the financing of the Yugoslav Army has been improved.



Momir BULATOVIĆ:

We have to make a conclusion on why the inflow into the Budget was reduced. This is not an appropriate occasion to speak about it. I think that the decision on the Budget revision is to be made at some other place and not at the session of the Supreme Defence Council.

20.

My position is that we have to reconsider the possibility of the Budget revision seriously. On the other hand, I think that the request made by the Army is absolutely unrealistic.

Radoje KONTIĆ:

Even if they would get that money they cannot spend it!

Momir BULATOVIĆ:

As for the future political and other talks on the need to revise the budget, I suggest to the Army to try to reduce its demands and not to ask for a billion dinars because that would be an enormous increase of the budget – in amount of 60%.

Zoran LILIĆ:

The only conclusion would be as follows: on the occasion the budget revision is being discussed the justified needs of the Yugoslav Army should be taken into consideration.

Momir BULATOVIĆ:

My suggestion that we, as the Supreme Defence Council, should show some understanding towards the increase of the expenses. Objectively, I believe that 110 million /word missing/ can stand a test of political parties and society.

I think that we should not make a decision on the budget revision here.

Slobodan MILOŠEVIĆ:

Momo, will all due respect for what you have said, I believe that in order to avoid destabilisation we should not get involved into the budget revision until the end of this year.

Momčilo PERIŠIĆ:

Mr. President, take a look at these items (he is pointing to the slide) – I cannot reduce this. I cannot reduce this. I cannot reduce the combat readiness. You know that the prices increased.

Slobodan MILOŠEVIĆ:

You went through 8 months with 990 million /word missing/ and had only 85 million / word missing/ of liabilities. Accordingly, it is impossible to think that

21.

in the forthcoming four months you will need a billion?

Pavle, apart from the salaries what are the daily expenses of the Army for the material resources?

Pavle BULATOVIĆ:

I do not know.

Radoje KONTIĆ:

We have to know one thing. They are very much stick to the amount we give them on regular basis. So, they spend as much as we give them. They increased the salaries by 32% but that was within the planned means until December. December will be a problem. Maybe we could talk about the revision in the end of October if that would be necessary.

Pavle BULATOVIĆ:

I do not have the means at my disposal except the means that go through the account of the Ministry.

Slobodan MILOŠEVIĆ:

In that case you are the cashier.

Pavle BULATOVIĆ:

No, it just goes through our account.

Momčilo PERIŠIĆ:

We have to achieve the best possible level of combat readiness.

I gave you this information because I knew the danger that our State is facing. In future I will not discuss such issues because they come within competence of the Ministry.

Slobodan MILOŠEVIĆ:

All right, let us take it into consideration. We will try to do what BULATOVIĆ said.

There is no rush for the revision because the Federal Budget still owes 600 million /word missing/ to the Army.

22.

Radoje KONTIĆ:

There will be a problem only with December.

Slobodan MILOŠEVIĆ:

But we could consider it a success if the problems do not appear before the end of November. With this budget you will almost reach the end of the year without making a rebalance in March as you did before. If we do it by the end of a year it will be just to fix the things a little bit. From that you see that this was a serious planning.

We should improve their dynamics, if that will be a problem for them, in order to cover it /sic/, and we should speak about the budget revision only after we check all that.

Rajo, you said that we should see whether to considerably increase their material resources base. I have to tell you that this material resources base could be increased only if you have material resources base in the State. But you cannot increase the Army's material resources base out of the non-existing state's material resources base.

We have to increase something and it is a fact that we have to check the situation in relation to our reserves.

Zoran LILIĆ:

We, acting in our capacity as the Supreme Defence Council members, cannot make a suggestion to accept these 82 million dollars.

The opinions related to the revision were stated.

I suggest that we make a conclusion:

The Supreme Defence Council demands from the Federal Government to increase the dynamics in the forthcoming period, regardless the fact that in the last two months it was fairly increased.

Ministry of Defence should check the necessity of the suggestion given by the General Staff and on the basis of that find a way to solve the problems that will arise for sure.

Do you agree with it? (Approval)

Momir BULATOVIĆ:

The main problem in this regard is the inflow of money into the budget. Look at the dynamics per month, starting from January: 46, 48, 28, 16, 27, 11, 49, 58 million /word missing/. What the Federal Government can do with 11 million /word missing/ after getting it from the Customs department?

23.

Slobodan MILOŠEVIĆ:

They have to carry out their plan - which is for sure. But that should be checked. I am not sure that the figures are correct.

Zoran LILIĆ:

Also, the Information that BULATOVIĆ asked for regarding the compensation for the deceased soldiers and war invalids should be submitted.

Slobodan MILOŠEVIĆ:

That is a disgrace!

Zoran LILIĆ:

We will move on to Item 3:

### 3. CURRENT ISSUES.

First of all that decision was signed by the Minister of Defence, Pavle BULATOVIĆ, and General PERIŠIĆ approved it and it says that the portion of the military housing fund should be excluded from the housing fund for diplomats' residences and given back to the Federal Government to be within its competence since all the contracts expired and many apartments are vacant and many of them are used for a purpose other than specified, etc.

Slobodan MILOŠEVIĆ:

Does that Housing Fund for diplomats' residences belong to the Federal Government or to someone else?

Radoje KONTIĆ:

That was transferred to Belgrade long time ago. In that fund, there are the apartments belonging to them, belonging to the Yugoslav Army, etc. We started dealing with that issue at the level of the Federal Government. We formed a Commission that should give a survey of the ownership of this Housing Fund within 15 days and after what we should make a decision on our next step. Most probably we will transfer it to the competence of the Federal Government.

Slobodan MILOŠEVIĆ:

Rajo, that is not good. Why should the Government be the owner of the apartments in Belgrade? The City of Belgrade could own it.

24.

The City of Belgrade was good in dealing with that matter before. These are the apartments belonging to the city.

Radoje KONTIĆ:

According to the Law it has to be returned to the federation.

I suggest to the Council to make a conclusion saying that the Federal Government should prepare and submit the information about it to the Council.

Zoran LILIĆ:

All right, we make the Government obliged to submit an information regarding it.

Momčilo PERIŠIĆ:

We can sell it and get this and that many apartments for it.

Slobodan MILOŠEVIĆ:

I suggest that you do not “destroy” that company, which comes within the competence of the City of Belgrade. Instead you could ask for the accounts to be settled, so that they give you the appropriate number of housing square meters. You could solve it in this way.

Radoje KONTIĆ:

We will inform you about it.

Zoran LILIĆ:

This was just a sort of information.

I conclude that the Federal Government should check all that and that the basic purpose of these facilities should be preserved.

There is another issue under this Item.

I received a letter from the Prime Minister of the Republic of Serbia addressed to the Supreme Defence Council. Since it is not too long I will read it to you:

“Dear Gentlemen, the negotiations between the representatives of the Government of the Republic of Serbia and the Yugoslav Army have been going on for few months regarding our need to have the Yugoslav Army handing over the Centre of High Military schools to us...

I would like to mention that the future

25.

highly qualified professionals are getting their education at the Police Academy in Belgrade and this Academy is not used only for the needs of the Republic of Serbia since a number of candidates from Montenegro are being educated there as well.

This Institution is of a high importance for the security in general, as well as for performing the sensitive tasks from the field of internal affairs at global level.

It is our belief that handing over of the High Military School Centre would not endanger any of the functions of the Yugoslav Army. On the contrary, we would not even ask for that because we are aware of the importance of the Yugoslav Army functions for the defence and protection of the State. I can assure you that we would not ask for anything that can endanger our Army.

But, I feel free to mention that the combat readiness of the Yugoslav Army does not depend on the facts that military buildings and premises occupy all central parts and also all the fancy parts of the capital, which is not the case with any other European capitals...

The Government of the Republic of Serbia is asking the Supreme Defence Council to make a decision to hand over the High Military School Centre to the Republic of Serbia for the above-mentioned needs.

Mirko MARIJANOVIĆ”.

Momčilo PERIŠIĆ:

Mr. President, we have made this report, which is a comprehensive one and where we offered three solutions. Upon your order I went to see SOKOLOVIĆ. We reached an agreement but after that he went somewhere and there was no one else who could deal with that.

High Military School Centre is intended for education of personnel in the National Defence Department, General Staff....

I went there looking for some solutions. There is a most acceptable solution which is related to the Military Academy located in Neznanog Junaka Street starting from Veljka Kurjaka Street and it is half way towards the stands... We have found the appropriate space there, which could meet the needs of the Police Academy. There are seven facilities in total and the space of more than 20 hectares. It could be given and the Yugoslav Army will not be endangered in any way. Facilities and infrastructure belonging to the Military Academy could be shared when it comes to football grounds, judo sports sites, shooting ranges, etc.

However, no one came to see that. The total surface of it is around 10,000 square meters. If we would go for exchange

that would be a fund of approximately 300 apartments.

JNA, in other words the Yugoslav National Army, invested in a planned manner and others did not invest, so it is difficult to give up some fancy facilities now and accept some unfavourable conditions.

Secondly, that would have a very bad effect on the situation in the Army because it would mean that I send the General Staff to work in inadequate buildings.

Please, understand me – I am not resisting but I have just stated my opinion.

Slobodan MILOŠEVIĆ:

I know a little bit about it. I know that SOKOLOVIĆ and PERIŠIĆ were talking about it on several occasions. The major problem is that the third generation should be admitted to the Police Academy. That is the education structure of the highest level. It would be meaningless if we would invest in such buildings at the same time. I think that we could find an appropriate solution. They offered a brand new hotel in Bežanija to the Army. This hotel is to be finished soon, so all the refugees who are currently inadequately accommodated could be sheltered there. They are ready to give some other facilities – starting from Avala to Vučitrn and other towns, whereby the police would compensate the Army's needs.

It means that this is not about stealing anything from the Army, but about the need for reaching a mutual understanding. Eventually, in a broader sense all of this is in the function of the state security and defence.

Zoran LILIĆ:

I understood this as a willingness to reach a mutual agreement.

Slobodan MILOŠEVIĆ:

Absolutely! I think that we can basically accept this and we should authorise General PERIŠIĆ to find a solution for this issue together with the representatives of the Government, in other words the representatives of the Ministry of the Interior.

Zoran LILIĆ:

All right. Do you agree with this conclusion? (Approval)



27.

Zoran LILIĆ:

Momo wanted to mention something that is included in the Current Issues Item.

Momčilo PERIŠIĆ:

I have two questions.

Slobodan MILOŠEVIĆ:

We could discuss that in the terrace.

(the session ended at 1445 hrs).