Principals met on Friday to review three aspects of our Bosnia policy: (1) ongoing Contact Group efforts to gain Milosevic's recognition of Bosnia, isolate the Bosnian Serbs and extend the cessation of hostilities; (2) measures to deal with Serb attempts to control access to Sarajevo airport; and (3) NATO contingency planning for a possible UNPROFOR withdrawal from Bosnia.

Contact Group: Principals agreed that we should offer to suspend some additional sanctions if Milosevic unambiguously recognizes Bosnia within its internationally-recognized borders. They agreed, however, that this offer should be contingent on a commitment by our Contact Group partners to tighten the closure of the Serbian-Bosnian border and to take similar measures to seal Croatia's border with Bosnian Serb areas -- the "back door" through which significant circumvention has occurred. This approach is strongly backed by the Bosnians; indeed, they have said they will extend the cessation of hostilities if there is progress on recognition and sealing of the border. At Friday's Contact Group meeting, our partners reacted positively on closure of the border but, as usual, argued for a more generous package of sanctions relief than we and the Bosnians consider prudent.

In any event, the chances of securing genuine Serbian recognition of Bosnia are low, since Milosevic continues to demand a lifting of all the sanctions (which the Contact Group has conditioned on recognition of all the former Yugoslav states). Nevertheless, if allies make good on sealing the border, it can -- over time -- increase the economic squeeze on the Bosnian Serbs and pressure them to accept the Contact Group plan. The Croatians, for their part, seem prepared to cooperate in closing the "back door."

Sarajevo Airport: Principals agreed on the unacceptability of recent Serb actions to assert control over Sarajevo airport and to prohibit the use of UN flights by our Ambassador and Contact Group representative. They were deeply concerned at signs that the UN is prepared to accede to Serb dictates, which would destroy what little UN credibility remains. Principals agreed that, while there is no immediate humanitarian crisis in the
Bosnian capital, 'the Serbs' actions amount to an attempt at the "strangulation" of Sarajevo, which NATO and the UN have pledged to prevent. Therefore, Principals asked the Interagency Working Group to develop options for NATO action to reopen Sarajevo airport, together with a diplomatic strategy for gaining Allied and UN support. Chris stressed that, if we decide to pursue NATO action, we will need to ask you to go to John Major and the new French President to overcome their objections. Bill Perry noted the need to consider how to respond if the Serbs retaliate in other areas, such as by attacking the eastern enclaves. We will, of course, seek your approval before going down this road.

UNPROFOR Withdrawal Planning: Shali briefed Principals on the NATO OPLAN for UNPROFOR withdrawal. The plan involves roughly 70,000 NATO troops, including 25,000 from the U.S. and will cost between $1.5 and $2 billion dollars (for the U.S., an additional $600 million beyond the cost of ongoing operations). Under the plan, in the first two weeks UK- and French-led units would secure the routes from the Adriatic to Sarajevo, opening the way for U.S. troops to push through to Tuzla and on to the eastern enclaves. The withdrawal of UNPROFOR troops would then unfold over the subsequent 2-3 months. Because of the length of the operation and the eight-week lead-time involved, the OPLAN also includes rapid response capabilities to extract individual UNPROFOR units in emergency situations.

Principals agreed that, in purely military terms, the OPLAN was sound and should receive continued U.S. support at NATO. They agreed that Shali should identify the U.S. forces that would be involved, while making clear that the actual commitment of those forces will require a further decision by you and consultations with the Congress. At the same time, Principals felt that there were many sensitive political questions to be answered before seeking your approval of the plan, including: Is our post-withdrawal policy still to lift the arms embargo and, if so, how will that affect NATO's posture during withdrawal? How to deal with Serb attacks on the eastern enclaves during and after the operation? Will NATO enforce the exclusion zones? How to deal with civilians seeking NATO protection or evacuation and with refugees? What is NATO's role in delivering humanitarian aid?

Principals agreed that, as we grapple with these questions within the Administration, we should pose them to members of Congress in consultations on Bosnia in the coming weeks. The scale of the withdrawal operation and the policy dilemmas involved should help dampen support for unilateral lift and build support for our efforts to contain the fighting and keep UNPROFOR in place.

If you have any problems with the OPLAN's approach we can discuss it further with you or provide you an early briefing on it.
U.S. Hostage: Principals briefly discussed the situation of Jonathan Knapp, the American relief worker captured two months ago along with four French colleagues by the Bosnian Serbs. At Knapp's request, we have been working through the French and the UN to secure his release. His family is becoming more anxious as the Serbs threaten to put Knapp on trial, and they may soon abandon quiet diplomacy in favor of a media campaign. Chris will consider the possibility of a direct message to Bosnian Serb leader Karadzic from a middle-level USG official based on indications that this may be the face-saver the Serbs are looking for to release Knapp.