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FEDERAL REPUBLIC OF YUGOSLAVIA
SUPREME DEFENCE COUNCIL

SP No. 8-1
26.06.1995.
BELGRADE

Pursuant to Article 135 of the Constitution of the Federal Republic of Yugoslavia, I hereby schedule the meeting of the Supreme Defence Council for Tuesday, 27 June 1995, at 1300 hrs, with the following

AGENDA

- Adoption of the Minutes from the 37th session.

- 1. Proposal of the Book of Rules on Organisation and Systematisation of Work Places in the SMO /Federal Ministry of Defence/;
- 2. Financing of the Yugoslav Army;
- 3. Regular informing of the Chief of General Staff of the Yugoslav Army about the military and political situation in the area of former Yugoslavia, and the proposal of measures which are of vital importance for the security and defence of the SRJ /Federal Republic of Yugoslavia/.
- 4. Current issues:
 - Recommendation of the candidates for the position of military attachés in Washington, Budapest, and Tripoli
 - Requests from the Republika Srpska for assistance in terms of equipping their special police brigade, purchasing hand-held radios "Motorola", and handing over the copy of technical documentation for production of ammunition.

- Information submitted by the Chief of General Staff of the Yugoslav Army regarding the movement in service of Colonel Svetislav RISTIĆ

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

The session will be held in the villa in Botičeva Street.

President

Zoran LILIĆ

SUPREME DEFENCE COUNCIL

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SHORTHAND NOTES

taken at the 38th session

OF THE SUPREME DEFENCE COUNCIL

held on 27th June 1995

BELGRADE

SHORTHAND NOTES

Taken at the 38th session of the
SUPREME DEFENCE COUNCIL
held on 27 June 1995

The Session started at 1410 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 the 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; Federal Minister of Defence Pavle BULATOVIĆ; Chief of General Staff of the Yugoslav Army, Colonel General Momčilo PERIŠIĆ; Major General /?Slavoljub/ ŠUŠIĆ, Chief of the Military Office /Cabinet/ of the President of SR /Federal Republic/ Yugoslavia.

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

Zoran LILIĆ, President of the Supreme Defence Council, presided over the meeting.

Zoran LILIĆ:

I suggest that we start with the session.

I hereby open the 38th session of the Supreme Defence Council.

For the today's session, you received the following proposal of the

AGENDA items:

- Adoption of the Minutes from the 37th session.

1. Proposal of the Book of Rules on Organisation and Systematisation of Work Places in the SMO

2.

3. Regular informing of the Chief of General Staff of the Yugoslav Army about the military and political situation in the area of former Yugoslavia and the proposal of measures, which are of vital importance for the security and defence of the SRJ /Federal Republic of Yugoslavia/

4. Current issues:

- Recommendation of the candidates for the military attaché positions in Washington, Budapest, and Tripoli
- Requests from the Republika Srpska for assistance in terms of equipping of their special police brigade, purchasing of the hand-held radios "Motorola", and handing over the copy of technical documentation for production of ammunition.
- Information submitted by the Chief of General Staff of Yugoslav Army regarding the movement in service of Colonel Svetislav RISTIĆ

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

Are there any objections to the Minutes taken at the 37th session of the Council?
(There are no objections.)

I conclude that the Minutes taken at the 37th session of the Supreme Defence Council are hereby adopted.

We will move on to Item 1 of the Agenda:

1. Proposal of the Book of Rules on Organisation and Systematisation of Work Places in the Federal Ministry of Defence

Colonel General Momčilo PERIŠIĆ and Prime Minister of the Federal Government Radoje KONTIĆ did not receive the scheme of the new organisation of the Federal Ministry of Defence given by Minister Pavle BULATOVIĆ, so I am asking you to give them the material.

Minister Pavle BULATOVIĆ may have the floor.

3.

Pavle BULATOVIĆ:

Messrs. Presidents,

The Federal Ministry of Defence organisational scheme proposal was made according to our idea and pursuant to the Law and the Constitution, and with an intention to have the Federal Ministry of Defence take over the work and the activities, which would ensure that the Yugoslav Army is committed to improving the combat readiness of the military units and institutions.

The first tier on the scheme indicates the global organisation at the level of sectors, which was adopted by the Federal Government.

The second and the third tier indicate the current situation in the Ministry.

The fourth tier indicates suggested changes in the current organisation of the Federal Ministry.

Our main idea is as follows:

At the moment the structure of the employees of Ministry, if you look at it from the aspect of professional and civilian employees, is 75 : 25 percent in favour of professional officers.

Bearing in mind the character of the Ministry as a state organ, we are of the opinion that this proportion should be corrected, and that, wherever the nature of jobs and tasks would permit it, officers should be released and civilians engaged in their stead.

Chiefs of the General Staff and the Ministry had several talks on the organisation of the Ministry. There were certain dilemmas and uncoordinated standpoints regarding the issue of what should be part of the Ministry and what should be part of the General Staff.

Our idea is to have more economical and rational organisation, which would improve the work of the Ministry and the General Staff, actually of the Yugoslav Army in general.

We suggest the transfer of the Administration for International Co-operation, which was part of the General Staff until now, to the Federal Ministry of Defence.

4.

Bearing in mind that we are speaking about international co-operation and that the subjects of this co-operation are mostly political issues, and given that the Federal Government deals with foreign affairs and internal matters, I am of the opinion that the said Administration should be within the Federal Ministry of Defence. Thus the co-operation related to defence would be organised at the level of this Ministry, as well as the military and economic co-operation in the sphere of the production of and trade in weapons and military equipment, scientific and technical co-operation in the sphere of development of the NVO /weapons and military equipment/, as well as the co-operation with the international organisations. Tomorrow it may be /the co-operation/ with KEBS /Conference for Security and Co-operation in Europe/ and today it is /the co-operation with/ the International Committee of Red Cross. We think that instead of professional soldiers, state structures should have a dominant role in that co-operation.

The second proposal is related to the Public Relations Administration. We think that the external informing, which is outside of the Yugoslav Army structures, and which targets the local and foreign public opinion, should be concentrated within the Ministry, and that the internal informing should be organised by the Army itself within its structures.

The next thing we suggest is to establish a centralised Civil Engineering Administration within the Ministry. Until now, we had a decentralised and fragmented Service of Civil Engineering Security located in the General Staff and in the Ministry. Practically, we had five or six different offices that were dealing with civil engineering security. We think that if we put them all in one place, i.e. within the Ministry, those tasks would be performed with more efficiency.

We also suggest the establishing of Repairs Depots within the Ministry. At the moment there are four Depots that are dealing with repair works: two of them are for the land forces, one is for the navy, and one is for the aircraft. Three thousand and seven hundred people are employed in these Depots, out of which 126 are professional officers.

5.

We also think that it is not logical that the hourly wages should be determined by Repairs Offices. This is a command-related duty, and as such it should be decided upon as per the hierarchy of commanding. The practise has shown that the hourly

wages in the Repairs Depots are higher than those in the field of special purpose industry, or in the Military-Technical Institute, or in other faculties that carry out certain tasks for the Army. An average hourly wage is above 15 dinars, while in the field of special purpose production the lowest is 7 and the highest is 10 dinars. At the Military-Technical Institute the hourly wage is 12 dinars. This is what made us think that the Repair Depots should be within the competence of the Ministry.

On the other hand, we do not see any essential difference between any of the Repairs Depots and Krušik, for example. Both work for the needs of the Army and under certain conditions. In case of war, both bakeries and railway companies, and so on, will be working for the needs of our defence. We do not think that this would call in question the level of combat readiness of the Yugoslav Army.

We also think that the Institute for Applied Mathematics and Electronics, and Codes, should be part of the Ministry, because according to the Law on Defence, the system of crypto-protection is a unique system for all the governmental organs.

We also think that the Administration for Procurement and Supply should be a part of the Ministry and that the procuring of all kinds of goods with expiry dates longer than one month, should be done through this Administration. At the moment, the procurement operations are decentralised, starting from the Army levels up to the level of the Ministry and the General Staff. We think that by centralisation we would achieve certain

6.

economic goals. It means that the Army would be procuring all kinds of food with the expiry date of less than a month, such as bread, fruits, vegetables, milk, etc.

We also suggest to have the Computation Centre established within the Ministry. At the moment, we have 5 Computation Centres, which have five giro-accounts, and the account of the Federal Ministry is used as a temporary account. Two hundred and thirty-nine workers are employed at these Computation Centres. If we centralise what they do, it could be reduced to 150 employees. Besides, in the former JNA /Yugoslav People's Army/ the SSNO /Federal Secretariat of National Defence/ was in charge of financing and control of the use of means, and

the General Staff was not dealing with it. The Federal Government, actually the Federal Minister is responsible for the use of budget. In this way we are losing insight into the flow of means and in the way it is being done.

I also suggest the following be transferred to the Ministry: the Compulsory Military Service Inspectorate, the Industrial Safety Inspectorate, the Fire Protection Inspectorate and the Stable Courts under Pressure Inspectorate */sic/*. We think that all these spheres represent the implementation of the federal laws, which comes within the competence of the Federal Government.

Finally, we suggest that the Security Administration should become a part of the Ministry. Why are we suggesting that? Firstly, I think that the affairs that the Security Administration is in charge of are important. These affairs are not only of military nature, and therefore this Administration should not be located at the Yugoslav Army, but at the Federal Ministry, its field organs, as well as special purpose production plants. Thus, we would achieve to have a general insight into security situation in all the segments that are important to us.

The Security Administration can formally be a part of the Ministry, and come within the competence of the Supreme Defence Council.

7.

This means that there are no legal preconditions for this Administration to be within the Supreme Defence Council, but in this manner that issue would be overcome.

This would be the explanation of these ideas.

Zoran LILIĆ:

We heard the explanation of the Proposal of the Book of Regulations on the Organisation of the Work Places in the Ministry of Defence.

Who would like to have the floor?

Momčilo PERIŠIĆ:

First of all, as the starting point, we have to use the Law on National Defence and the Law on the Yugoslav Army, where the Ministry and the Yugoslav Army have their places.

The Yugoslav Army is directly related to the Supreme Defence Council, which has the exclusive right to use and command the Army. The Ministry is connected with the Prime Minister of the Federal Government, with an aim to regulate in a legal and normative manner /sic/ and in order to provide everything else that the Army needs in order to function in a normal way.

In that sense, there are certain functions. The functions of the General Staff and of the Ministry do overlap in some spheres, and in some other spheres they are separated. The structure should be determined according to these functions.

With that in mind, we have prepared for you the structure for the transformation of the Army. Here you see how the General Staff would look like in the phase, which has been described. Some things, however, we shall improve in the approaching period.

But I think that we should not mix up certain issues here. There is no reason for any ministerial administration, which does not manage any lower-scale structure, to remain in existence.

8.

I did not know about this final scheme, which I received just now. This is a product of a scheme that was not adopted in the meeting held on the level of the General Staff. Why do I emphasise this?

Firstly, some of the functions overlap. Secondly, you are speaking about the rationalisation, and here you do not see the current structure of the Ministry and the proposal for the new structure. Actually, we do not see how this rationalisation would be done, to what extent the number of people would be reduced. There are no internal connections, nor has the internal structure been reconsidered, including the municipal and republican field organs.

In order to come up with a proper proposal, I suggest a comparative analysis of what's the Ministry like right now as opposed to how it is proposed to look like. The analysis should be in line with the services the Ministry carries out, and especially in line with the Ministry's internal organs, including the lowest-ranking ministerial units.

Concretely, I disagree with the following:

I do not have a problem with the first tier, I accept it.

The second tier – please take a look at the part referring to the Civil Defence Sector, where we have two Administrations: the first is the Administration for the Planning and Politics of Defence, and the second is the Administration for Preparing the Society for the Defence. These two could be one Administration.

There is a big problem with the fact that the Administration for Communications and Crypto-Protection operates from the Yugoslav Army. You know what's being done here. This is a command-related function due to various reasons.

You can notice General Affairs Sectors all over, which makes the structure huge.

In the last tier I disagree with the following:

Zoran LILIĆ:

Is the third tier all right?

9.

Momčilo PERIŠIĆ:

The third tier is all right, but I have to emphasise that the third tier goes close to the heart of the second tier.

Furthermore, the Administration for International Co-operation does not exist as part of the General Staff, but there is the Administration for Co-operation between Armies. That does not have to be an Administration but we have to have people for accepting /sic/. You know that in other countries Ministries of Defence are either clearly military or civilian institutions, etc., but the co-operation between the armies has to exist and we have to have some of it. I do not know if it should be the way it is now, but you also do not need the Administration for International Co-operation. We have the Ministry of Foreign Affairs within the Government. It means that besides the Ministry of Foreign Affairs we are developing yet another Administration for International Co-operation. You might need something like that, but it does not have to be an Administration.

An Administration for Information – please, what will the Administration for Information manage in the Ministry? There is a Federal Secretariat for Information and you are a governmental organ. You are a governmental organ. That is out of all

proportion. You know that we were going for the expansion of the Administration for Morale and Information.

The next thing is a centralised Civil Engineering Administration. I agree that it should be centralised, but we have the Civil Engineering Administration, which is in charge of maintenance of the facilities only. You have some kind of Administration for the Construction and Procurement of Apartments and other construction infrastructure, etc.

The Repairs Depots are within /our competence/. There are four Repairs Depots. Why are they within /our competence/? Firstly, these Depots are military-related in terms of income. They are related to the budget only in terms of the number of their officers. The main reason that they are kept in existence is because of the fact that they deal with repairs.

10.

It would not be good to transfer them under the Ministry at this very moment because right now they are our only source for procurement. Until recently, it used to be the procurement of weapons and military equipment, as well as production, but given that we have no means production is impossible. We get the means, which are as good as new, from the Repairs Depots.

Secondly, we could engage those workers where we need them. Do you think that the technical equipment, which is in Republika Srpska or in the Republic of Serbian Krajina, would be functional, if we did not engage the men from these depots? That is why the hourly wage is higher – it is because they work in the field, etc. I think that it would not function well outside of the Yugoslav Army.

Besides, these four Repair Depots are also working in wartime, and they have proven that they are able to cope with the situation. If the situation were more stable, I would agree to remove the Repair Depots from our competence, but in the current situation, that would have disastrous consequences because they belong to the undivided system of technical maintenance of the Army's technical equipment. If we set them apart, we would disrupt the other parts of the system.

Another very important issue is the fact that these Repair Depots maintain a high level of good working order of equipment. We have been under sanctions for so

many years now, and yet, thanks to the good work of these Depots, we maintain a good working order of equipment in 80 to 90 percent of cases, while, from the functional aspect, it amounts to 90 to 95 percent.

The Administration for Engineering Works is composed of units, which are assigned to us in order to build facilities for the systems of commanding, leadership and establishment, etc. These are at the very same wartime units. I think that it would not be good to transfer them over there.

11.

A unique Computer Centre – I agree that it should be united but out of the total funds allocated for the needs of defence, over 90% are allocated for the needs of the Yugoslav Army.

Furthermore, I fully agree that all these Inspectorates should be transferred but the Veterinarian Inspectorate should be there also.

(Interruption: It is included, it is up there.)

All right, it is up there.

Furthermore, I do not know why the Security Administration should be part of the Ministry? Security is the most important element of combat readiness. We cannot ask the commanders for a certain degree of security of the units, in terms of protection of the units from the inside and outside, if we have no say in this matter. I agree that some security sections should be part of the Ministry, but the Administration itself should not be within the Ministry.

I think that this entire problem would be solved if the State Security at the federal level worked the way it should work. Then it would be normal for it to exist at the level of the General Staff. Since you are a governmental organ, you should have one link with the State Security and another link with the Military Security.

At the end, I think that all the functions of the General Staff and the Ministry, which are in line with legal and other normative acts, have not been analysed properly. So far, everything that was a part of the Ministry paved a very long way for the needs of the Army. We have to establish something, which would be, firstly, stipulated by the law, and secondly something that would be functional.

Another issue is that any attempt of making a comparison between the former and the current Federal Ministry of Defence is out of the question, because the normative provisions are by law. In the past, the Ministry of

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Defence was superior to the General Staff. In the past, the Federal Ministry was the Supreme Command Staff, and now the Federal Ministry is not the Supreme Command Staff but the General Staff.

Please take this into consideration again and especially its internal relations in order to be able to see whether this structure is in proportion to its starting point, and not overdeveloped. The lower-structure, that is the field organs, have not got their place and do not function at all. There has been no reorganisation at their level.

I suggest a preparation of a full organisation – from top to bottom, for one of the forthcoming sessions of the Supreme Defence Council, in order to bring it into accord with the functions, and then accept it.

Otherwise, since I am a professional soldier, I would do whatever you decide.

Wherever you create a duality /it causes/ things to water down which in turn causes a series of unfavourable consequences. As you can see the institutes are subordinated to you, but they reached the phase of total disorder, first of all because of the means, and secondly because of the arguments in relation to whether it will be separated or not /sic/.

Furthermore, you know where the special purpose production is. Due to legal irregularities they did not conduct the transformation neither did they adjust themselves to the new conditions. Therefore, I am afraid that in case this gets adopted, things will be less functional than before.

Therefore, I suggest that we analyse it once again and then propose it for adoption.

That is all.

Zoran LILIĆ:

Thank you. Who would like to have the floor?

President MILOŠEVIĆ may have the floor.

13.

Slobodan MILOŠEVIĆ:

Organisation is a major issue. The function of defence is unique. Within this function of defence, there are functions, which can be carried out by the Federal Ministry, and there is the Army that should also be very efficiently organised.

A question was raised here, the one raised by Momčilo, which is whether there are certain things that overlap. If certain things do overlap, then we should see how to organise them more rationally in terms of their functions. We have to do this item by item.

As far as I understand, the disputable matter is the fourth tier, as the first three tiers refer to the current functions.

When speaking about the first three tiers, you see that certain suggestions are included into it. I have seen that the Administration for Defence Planning and Politics and the Administration for Preparations of Defence are creating confusion, which is as follows: whether these are two different issues – defence planning and politics, and the preparation of defence- and to what degree these two could be narrowed down?

General PERIŠIĆ's says that it is probably one indivisible administration for planning, defence policy, and defence preparations, and it sounds completely logical to me.

As for the Administration for Communications and Crypto-protection, which serves the purpose of commanding, I also find the suggestion of General PERIŠIĆ logical. According to him, this Administration should be linked to the General Staff.

Other issues are indisputable.

Let us now see the fourth tier and go to the end.

I think that the Security Administration does not belong to the Ministry of Defence. We, as a state, should find a way of co-ordinating intelligence and counter-intelligence functions in their entirety. I think that it would be good if we checked relevant normative aspects, but

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it is logical that some kind of co-ordination between the intelligence and counter-intelligence functions is attached to the Supreme Command and not to the Ministry. We have a Military Intelligence Administration. We have a Military Security Service. We have the DB /State Security/ of Serbia, which is the biggest security mechanism. We have the SDB /State Security Service/ of Montenegro, which is smaller only in

size, but serves the same purpose as the DB of Serbia. Therefore, they should be treated equally. We have two Ministries of the Interior, which are the Republican and the Federal one. We also have the SID /expansion unknown/ within the Ministry of Foreign Affairs.

It seems to me that it would be good if all the Chiefs of these services, i.e. from all the three Ministries, and Chiefs of both State Security Services, of Intelligence, and Counterintelligence Services, and military services, and the Chief of the SID, constituted a Council for National Security or another co-ordinating organ, which would be directly accountable to the President of the SRJ and to the Supreme Defence Council. This would spare us many dilemmas and certain conflict in the work of the services. The Chief of General Staff, the Prime Minister of the Federal Government, and the Minister of Defence are the regular members of the Council and they attend the sessions of the Supreme Defence Council. Apart from them the sessions should be attended by the above-mentioned representatives, who would state their opinions and co-ordinate when certain strategic issues were being discussed and it would be taken into consideration /sic/.

These are the top people, who hold intelligence and counter-intelligence-related posts. From the professional point of view, and in terms of intelligence-related work, we have an Intelligence Administration in the Army, and we have the SID. The rest of them are counter-intelligence services: the State Security Administration of both Republics. In every country in the world, these two services are co-ordinated in some ways, regardless of the fact that they do not represent a single organ.

15.

I think that it is quite right that the President of SRJ /Federative Republic of Yugoslavia/ co-ordinates this, i. e. the Supreme Defence Council – regardless of whether legal regulations exist or not. If we agree about this, I would put together one organ that would include them all, and which would serve the purpose of assuring state security.

So, when it comes to the issue of security, as well as intelligence-related matters, I would propose that we resolve this issue like this.

As for other issues in the 5th tier, I am absolutely against making rash decisions; we should hear the opinion of the General Staff, because it is not good that

the Chief of General Staff sees this scheme for the first time at the session of the Defence Council.

I will tell you right off how I see this issue:

Out of everything that is written here, it seems to me that one thing has to be kept in the Army, in the narrower sense – that is the maintenance! I had been a director of a company for ten years. This arguments of Pavle BULATOVIĆ that the hourly wage is too big in every company – Rajo KONTIĆ also knows that well because he was director of the Steel Works; LILIĆ also knows that because he was director of *Rekord* for many years – the best skilled workers are those working in the maintenance department and not in the production department! They have the biggest salaries, they have never had working hours, and sometimes they do not work at all! The best maintenance is when there is no work to be done in that department!

When we talk about the Repairs Depots which are directly related to current and investment maintenance /as written/ of military equipment, combat means etc., it is a big difference between repairing a gun and overhauling it. After being overhauled it will look like a brand new gun. Therefore, as for the Repairs Depots I think that we have to take into consideration the suggestions of General PERIŠIĆ.

As far as I can see, this whole 5th line would not be disputable even though we should check what the function of the Administration for International Co-operation would be, since it goes without saying that there should be the international co-operation of armed forces and the international co-operation of the ministries of defence. In America, Pentagon is in charge of this task, not the General Staff. The Army do not “go out” – it is mainly the Ministry that is in charge of this task.

As for the public relations, it is more logic that there exists a spokesperson for the Ministry of Defence who gives certain information regarding the Army-related issues, because the information that represent the

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military secret or those related to the functions of the General Staff are not presented to the public. But, the public gets information regarding the compulsory military service and other things. It is good that the Ministry acts in that case. Naturally, I mean that the entire function is treated uniquely – we just have to see what is more rational, what tasks will be in the competence of the Ministry and what will be in the competence of the General Staff.

I assume that Pavle had in mind to give precise information about those functions. But, there is an issue of how to do that and that should be discussed.

As for the Computer Centre, Momo, your argumentation that 90% goes via the Ministry of Defence is not good – practically, everything goes through the Ministry of Defence. In the narrowest sense, the function of Ministry of Defence is to provide funds, to finance the Army and to control the consumption of funds. So, it is absolutely logical that the unique Computer Centre is in the Ministry, as well as the following inspection departments: the inspection department in charge of compulsory military service and inspection department in charge of, safety at work, etc.

So, this line is not disputable to me, but as I understand Pavle's reactions, this should be well defined and the volume and structure of tasks should be recognised.

Thus, one whole scheme of the Ministry would be made and at the same time the connecting mechanism with the General Staff should be developed as well, so that it becomes more of a unit.

Secondly, in the narrower sense, the Ministry of Defence is not the organ of Government – why does the Minister of Defence sit at the Supreme Council? There is the Prime Minister as well.

I would raise one more question even though it is not the appropriate time to do it now, because at this moment we are talking about a scheme and organisation of the Ministry and we are not discussing the personnel-related issues. But, I feel obliged to raise that question since we have seen that our current personnel solution of a Deputy Ministry of Defence is not an adequate one. I think that we should change deputy Federal Minister of Defence.

I have an opinion about this issue and I wanted to suggest it to KONTIĆ. However, since we all need to discuss this issue in order to propose someone else for that position, someone who is an expert in the field of economic functioning of armed forces. Here is a new scheme of the Ministry's functions: – there is a purchase, finance and other issues.

17.

I would propose that we think about that. Therefore, I would nominate MILOVANOVIĆ for that position of Deputy Minister of Defence. According to his experience, he would be an adequate person. I think that he would make the work of

the Minister easier and at the same time he would be able to co-ordinate these various functions for which the experience from the armed forces is needed.

So, basically, I think that the 5th line is all right except the Administration for Security and Bureau for Maintenance, Overhaul and Repairs, which is directly connected with the combat readiness. At some point the priority of some operations has to be established dependent on the military estimation directly – whether these arms or some other arms will be repaired, etc.

In the end, let me say that it would be good that our Generals in Kovnica give suggestions and they should say who is responsible in the General Staff – in order to have combat readiness on as higher level as possible.

Basically, I would be for to putting this issues for discussion at the Supreme Defence Council, since we cannot get into the details now – that is done by competent people who know that better than us. Let them jointly estimate and tell us about their opinion and what they suggest. That has to be done expertly.

That's all.

Momir BULATOVIĆ:

In today's discussion of these issues we have completed a huge job that we had started long time ago regarding the transformation of the Yugoslav Army and passing of the Law on Defence. I think that it is a revolutionary move in the state organisation, which will help us to find a real place and role of the civil control over the Army.

I think that we can accept the proposal of President MILOŠEVIĆ, which is much similar to my proposal, so we could principally conclude that a right guess was made concerning this issue, but on the other hand we should leave the space for the arguments of General Staff.

I think that a right guess was made concerning this fifth line. I hope that on the basis of this discussion the General Staff will also realise that those issues are not the conflicting matters. We do not need to make a conflict between Ministry and General Staff.

An argument is given here that the Minister of Defence has to be a bookkeeper. Thus we will also make decisions in an easier way and exert the influence over the Federal Government.

I agree that this proposal is to be preliminarily marked as a good and successful one and let us hear the argumentation of General Staff.

As for the Administration for International Co-operation it is not disputable that an operative body for inter-army co-operation should exist within the General Staff. International co-operation is above all connected with the Ministry of Defence.

As for the Administration for Public Relations I don't think that we need to go too much in details, because, it is something that represents a link in profiling the attitude of the public towards our Army, which is one of its obligations.

As for the Repairs Depots we could use this argumentation presented by President MILOŠEVIĆ.

I support this what President MILOŠEVIĆ said regarding the Security Administration. I think it would be logic that the Supreme Defence Council also takes the responsibility of inspection of combat readiness for a simple reason – because it is both theoretically and practically needed that the Supreme Defence Council has an organ in the Yugoslav Army, which will be in charge of establishing the Army combat readiness. Because, according to some parameters and indicators our Army is in a very difficult and unenviable position starting from the response of military conscripts, mobilisation, material supplies, etc.

I agree that the Security Administration is to be made upon the concept presented by President MILOŠEVIĆ and that it will be connected with the President of SRJ /Federative Republic of Yugoslavia/. We need to find a legal modus for that. Also, the inspection of combat readiness should be included there, which means that it should be in the competence of the Supreme Command.

Slobodan MILOŠEVIĆ:

I agree that inspection of combat readiness should be connected with functions of the Supreme Command, for it has to make inspection of all structures in the Army, but not to be subordinated to the structures which will be used for inspection.

Zoran LILIĆ:

I would have one more suggestion in addition to the mentioned ones. I think that besides the Inspection of Combat Readiness we should also have an Institute for Applied Mathematics. Practically, it deals with all codes for cryptographic data protection that are used by all state security services and Army.

19.

That has to be on the central place.

I think that we should accept a proposal of General PERIŠIĆ regarding the Management for Engineering Works, because it is practically in the function of combat readiness.

I think that the conclusion of the Supreme Defence Council can be that it is good that we got this Proposal and basically we can accept it and say that we have the same opinion. We suggest to the Ministry and General Staff that they jointly eliminate raised dilemmas and accept suggestions given by the Presidents MILOŠEVIĆ and BULATOVIĆ, i. e. the Supreme Defence Council.

Also, we can conclude that they should inform us about that as soon as possible.

Do you agree with this conclusion? (Approval).

Slobodan MILOŠEVIĆ:

I think that we should see the relation of these five lines, we should check if they are compatible. For example, there is the Construction Administration there and there is an engineering unit on the other side? Let us see what is that. If we look at that in a narrower sense, then I think that President LILIĆ is right – in a narrower sense this is connected with the immediate functions of the units and therefore it is more logical for them to remain within the General Staff.

Zoran LILIĆ:

I think that 10 days are enough for you to agree about everything?

Do you agree? (Approval).

Slobodan MILOŠEVIĆ:

Momo has just seen this. He needs time to check that with his associates. I think that it can be easily made with good co-operation and provided the defence functions are considered as unified functions.

Radoje KONTIĆ:

While discussing the Security Administration you gave a task to the Federal Government and that is not connected with this scheme.

20.

Federal Government is in charge of drafting the Law on Security.

Slobodan MILOŠEVIĆ:

That is not “the service”, those are “the services that need to have a coordination”. We have to see first what you will come up with after which we will agree!

Radoje KONTIĆ:

As for the cryptographic data protection we should decide if this will be at one place for that – either in the Army, or in the SMIP /?Federal Ministry for Foreign Affairs/, or in the MUP /Ministry of the Interior/?

Slobodan MILOŠEVIĆ:

Everybody follows the same system.

Radoje KONTIĆ:

Yes, but all of that has to be determined.

Slobodan MILOŠEVIĆ:

The whole diplomacy follows the line of work given by the Army?

Momčilo PERIŠIĆ:

Yes.

Zoran LILIĆ:

Good, I think that we have agreed about this.

Let us go on.

21.

We go on to the second item:

2. FINANCING THE YUGOSLAV ARMY

Current situation is critical – the debts is 142 million.

Slobodan MILOŠEVIĆ:

How much is it the debt to the Army?

Pavle BULATOVIĆ:

The debt is 86.5 million.

Slobodan MILOŠEVIĆ:

So, the net debt of the Army is 154 million?

We have all the figures here on the screen and we do not need to explain that.

Zoran LILIĆ:

Rajo, how shall we solve this problem? Former funds are 40% of the funds regulated by the budget.

Radoje KONTIĆ:

That percentage is related to the annual funds.

Slobodan MILOŠEVIĆ:

Yes, that is related to the annual funds. It should be 50% from annual funds, after the salaries for June are paid off.

22.

Radoje KONTIĆ:

That is below 50%, around 47%. They have got 70 to 80 million for this period.

Slobodan MILOŠEVIĆ:

That is approximately those 7% - 140 million from what they are short of /sic/.

Radoje KONTIĆ:

I had a meeting this morning with representatives of the General Staff, Minister of Defence and Deputy Prime Ministers of the Governments regarding these issues.

Two groups of issues have come up to the surface: one problem is related to the revision of the Budget – the General Staff insists on making the revision of Budget, since it cannot hold up till the end of year.

The second problem is the current financing, i. e. undertaking some measures in order to provide larger amount of liquid assets for alimentation of the amount that is a portion of the current budget expenditure.

We agreed about the following during that meeting:

That Federal Government...we will start from Article 10 of the Law on Financing the Federation - we have made one minor budget offence. This is related to the funds earned by the Army through provision of services and production and selling of products produced by the Yugoslav Army, as well as to the incomes earned by the Army through renting of its premises – that 100% from the budget is to be immediately transferred to the Yugoslav Army. The Yugoslav Army would pay its costs from aforementioned funds. Those costs come on the basis of those activities and the Army would use those funds for the needs regulated by the budget for this year, naturally within one billion and 600 million.

23.

Slobodan MILOŠEVIĆ:

Let them spend that amount and they would not need the revision. But, there is enough time until then.

Radoje KONTIĆ:

That is one thing, we agreed on that. We would solve that at the session of the Government next week. So, they get everything they earn.

Secondly, the Federal Government decides about the immovable property of the Federation. They have come up with the request to sell one part of the immovable

property. The Federal Government decides about that according to the Law on Property of the Federation.

I proposed the following procedure there:

If the Yugoslav Army estimates that certain facility or some other immovable property needs to be sold it would address the Federal Government with a concrete conclusion after which the Federal Government decides if there is a need to keep that facility in Federation or not. If there is no need for that it makes a decision to sell it. You should bear in mind that thereby we do not avoid partition balance that will come sooner or later but we use that temporarily, and when time comes for the partition balance then it will be solved.

Thirdly, as for the issue of movable property that belongs to the Yugoslav Army, the Minister of Defence decides about that. Therefore, the Minister of Defence can decide to sell some movable property after which that money will be used for the purchase of something that Army needs: guns, tanks, etc.

This morning we agreed about those three conclusions regarding the financing the Army.

Slobodan MILOŠEVIĆ:

Moma will treat you for being so generous! (Laugh)

24.

Momčilo PERIŠIĆ:

I will buy a drink only if the inflow is normal. What is going on? We owe this much, we first pay the interests on credits that we take.

Secondly, we pay default interests to those who we don't pay on time.

Thirdly, which is the worst one, the inflation "eats" all that. Even if you give to us those 132 millions it would not be 132 millions, but less. They cancel contracts to us, the Electric Industry cancels delivery of electricity, there is also public utility, they cancel delivery of bread and milk, etc.

Zoran LILIĆ:

I think that we have to do everything in order to lessen situation in the Yugoslav Army, and we will see what to do afterwards. This is the subject present at every session of the Defence Council.

I think that we can adopt these proposals given by Raja KONTIĆ.

We would hereby complete this item of the agenda.

We go on to the fourth item:

4. CURRENT ISSUES:

- The proposal of candidates for military delegates of the SRJ in Washington, Budapest and Tripoli.

We constantly postpone this. I think that we should solve this now. You have received proposal for the candidates.

If there is a need, General PERIŠIĆ can also add something to this?

25.

Momčilo PERIŠIĆ:

That was in the competence of the Chief of General Staff. Pursuant to Decision of the Supreme Council from last year that is to be solved at the Supreme Council. I have been delivering proposals since then.

Concretely, we have a proposal now for three military delegations: Tripoli, Budapest and Washington.

We nominate Ljubomir JELISAVČIĆ, son of Simeun, for a position of the military attaché of the Yugoslav Army at the SRJ Embassy in Tripoli. He is currently Acting Manager of Department for Security and Protocol in “Jugoimport” of SDPR /expansion unknown/. You know that we maintained our relations with Libya mostly through the SDPR; this man is there, he has got the experience, and you have all information about him. We think that he is the most suitable candidate and that we should accept him as such. Next candidate is Jovica ŽIKIĆ. Both candidates fulfil the conditions, with a note that JELISAVČIĆ is more suitable person.

For a military attaché in Budapest – Jusuf BANJICA, a Muslim by nationality, was performing that duty until now. He was exceptionally good and positive; when I came here I wanted to replace him, but you decided not to, and his contract is about to end and he cannot be there anymore – advocate two candidates: Lieutenant Colonel Andrija JOVIĆIN, son of Todor, and Lieutenant Colonel Milan PJEVAC, son of

Jovo. We think that JOVIČIN is a better candidate since he was a deputy military delegate in Hungary for one period, and therefore we nominate him for a delegate.

Thirdly, there was a military attaché in Washington who we dismissed because of his hostile activity and charges have been filed against him with the VDS /military disciplinary court/. Another person was quickly sent there to replace him for one period. However, the latter did not get accustomed to new surroundings and he got into conflict with the Ambassador. We nominate two candidate for that position – both are good: Lieutenant Colonel Živojin ĐORĐEVIĆ, son of Čedomir, and Colonel Dragan IVEZIĆ, son of Božidar. We think that IVEZIĆ is a better and more experienced candidate since he has already worked abroad, so we nominate him for that position.

That is all.

Slobodan MILOŠEVIĆ:

We do not know any of the candidates – I guess Moma takes care who to propose?!

26.

Momčilo PERIŠIĆ:

Of course I do, but I have still nominated two candidates for every position. Those would be: JOVIČIN for Budapest, JELISAVČIĆ for Tripoli and IVEZIĆ for Washington.

Zoran LILIĆ:

Do you agree with a proposal of General PERIŠIĆ:

(They agree.)

Let us go on.

- The requests from Republika Srpska for an assistance in equipping the special police brigade, for the purchase of radio-stations “Motorola” /hand-held radio station/ and for giving copies of technical documentation for production of ammunition

Pavle, would you explain this?

Pavle BULATOVIĆ:

I do not have additional explanation except this one in papers. They ask for assistance in equipping the Special Police Brigade. That is 300 rifles, 3000 shells!

Momir BULATOVIĆ:

We broke off the relations with their Government and Ministry. I do not know what this is supposed to mean?!

Zoran LILIĆ:

As for these issues we have already made decisions and I think that there is no reason to change them. I think that the answer is clear there!

Let us go on.

- Information of the Chief of General Staff of the Yugoslav Army on movement of Colonel Dr Svetislav RISTIĆ in the service /as written/.

We have obliged General PERIŠIĆ to prepare to us Information on the movement of Colonel Dr Svetislav RISTIĆ in the service, in order to discuss it at one of the following sessions and we did not make a decision on appointment by decree.

27.

In my opinion there are no reason why we should not make a decision as the Chief of General Staff proposed. If there is other information I should like to hear it.

We did not accept this proposal on two occasions, and this is the third time that we discuss it with detailed explanation of movement of Colonel RISTIĆ. It can be seen here why he was criminally sentenced.

Momčilo PERIŠIĆ:

He was sentenced once as a Major and once as a Lieutenant.

Zoran LILIĆ:

I think that he does not need to pay for his previous mistakes that he practically already served off. He is one of the two doctors over there.

Slobodan MILOŠEVIĆ:

People, he has been sentenced for a traffic accident?!

Momčilo PERIŠIĆ:

The Army has a problem related to the lack of lawyers, and in general the state has this problem as well. Therefore, we do not have the most qualitative cadre because they have small salaries. We are forced to give ranks of General to the Supreme Prosecutor and President of the Supreme Court although they do not meet the conditions to be conferred the ranks of Generals! This is the only doctor we have!

I think that there will be certain negative feelings concerning this issue and it will be exactly the lawyers who will not like it, but we do not have other candidates for the Chief of Legal Administration. It is a pity that this doctor is not the Chief of Legal Administration. Considering overall situation in the Legal Administration there will be some complaints from his colleagues. That would be more as envy than as a real argument.

Zoran LILIĆ:

It is interesting that pursuant to this Law that he wrote, he could not perform the tasks he performs now!

Pavle BULATOVIĆ:

He could not be in the Army at all!

28.

One of the conditions is that the one who was sentenced with non-suspended penalty up to six months cannot be accepted as a professional soldier, and he cannot be appointed as a judge if he was paroled, too.

Slobodan MILOŠEVIĆ:

Yes, but after some time those sentences are being erased from the police record. Therefore, that is not a factual issue but always a formal-legal issue.

Pavle BULATOVIĆ:

We will here have questions posed by the justice department. We have taken a joint standpoint that Legal Administration exists in the Ministry and that we need someone with the rank of General for the post of the Chief of Legal Administration. We did that at the previous session. There are now two legal administrations?

Momčilo PERIŠIĆ:

Pavle, but both of them have exactly shared tasks – one administration complements the other one, and they do not overlap. The General Staff does not make any documents with legal force. But, I have got thousands of procedures in the depth and it is important that we have somebody to manage them.

Slobodan MILOŠEVIĆ:

Why is there such a big fuss against him? I was suspicious a little bit for such fuss against him.

Pavle BULATOVIĆ:

I have got a statement from judge LAZAREVIĆ. He gave a statement to the President of the Military Court in which he insulted RISTIĆ saying that it was “a disaster” to have him in the justice department!

Slobodan MILOŠEVIĆ:

The lack of information is always a bad thing. But, there is something there – “where there is smoke, there is fire!” I do not believe that all that fuss against him was because he caused a traffic accident?

Momčilo PERIŠIĆ:

We do not have other information. I ask Pavle to give that information?

29.

Pavle BULATOVIĆ:

Here is a verdict that he was sentenced for appointing a soldier who did not have a law degree to the position of a lawyer!

Zoran LILIĆ:

We have to make some decision. The General Staff proposes for the second time that upon the decree of the President of SRJ /Federative Republic of Yugoslavia/ Colonel Dr Svetislav RISTIĆ is to be appointed Chief of the Legal Administration.

Momčilo PERIŠIĆ:

We have nobody else. People from the justice department who left the Army, believe it or not, when the Prosecutor was in the Army he had charged him, but now when he is no more in the Army – he has shown up now as his defence attorney /as written/.

Momir BULATOVIĆ:

The conclusion states that the man makes contacts easily and that people from his company and surroundings like him, i. e. they respect him, and on the other hand we have this situation.

I think that the Supreme Defence Council can accept the opinion of the General Staff.

Zoran LILIĆ:

We do not promote him, he is just under the decree?

Momčilo PERIŠIĆ:

He is not promoted, he has just been under the decree, but in these conditions he could not perform that function.

Zoran LILIĆ:

I think that we could conclude that we do not refuse this proposal of the Collegiate Body of General Staff, and that this is valid until we finish the agreement regarding the complete organisation and systematisation of the Ministry.

Momčilo PERIŠIĆ:

Good, but we have nominated IGNJATOVIĆ for Legal Administration.

You verified that last time. But, that does not change the thing – let that wait until we define this after which we will see what to do. But, I would ask Mr Minister to present his arguments that he has got against this proposal of ours!

Zoran LILIĆ:

Good, we finished this.

We should return now to the third item of the agenda:

3. REGULAR BRIEFINGS AT WHICH THE CHIEF OF GENERAL STAFF OF THE YUGOSLAV ARMY IS INFORMED ABOUT THE MILITARY-POLITICAL SITUATION IN THE AREA OF FORMER YUGOSLAVIA AND THE PROPOSAL OF MEASURES THAT ARE IMPORTANT FOR THE SECURITY AND DEFENCE OF THE SRJ

I would ask General PERIŠIĆ to inform the Supreme Defence Council about that.

(Colonel General Momčilo PERIŠIĆ informed the Supreme Defence Council about the military-political situation, but that presentation was not taken down in shorthand).

(Session was adjourned at 1615 hrs).