M1

Confidential filing

Visit of the President + PM of the Yugoslav Federal Assembly – Mr Dragoslav Markovic

S 3009

YUGOSLAVIA

NOVEMBER 1981

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~27.3.94~~ 29/7/92							

File Series closed

PREM 19/3988

Dd 533270 5M 2/78 8362633 JET

CONFIDENTIAL

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

29 July 1992

Dear Christopher,

CALL ON THE PRIME MINISTER BY THE PRIME MINISTER OF YUGOSLAVIA, MR MILAN PANIC

Thank you for the briefing which you provided for Mr Panic's call on the Prime Minister which took place this afternoon. Mr Panic was accompanied by his Foreign Minister, an adviser and the Chargé at the Yugoslav Embassy. Mr Hogg and Charles Grey were present.

Mr Panic said the situation in Yugoslavia was giving ground for optimism. The airport was open. Aeroplanes were landing. He was a businessman, not a politician or a diplomat. The people of Yugoslavia were decent people. The problem could be put down to 1,200 terrorists. Peace would break out if the terrorists could be controlled. It was basically a Yugoslav problem. He was an optimist for peace. Just speaking about it helped.

The Prime Minister said that he did not see how 1,200 terrorists could create 2m. refugees or the appalling deaths or ethnic cleansing that were taking place, some of it sponsored by the Serbian Government. Mr Panic said that Serbia was one of his states. Those responsible for wrong doing would be condemned. He wanted them to be tried in England.

The Prime Minister asked who controlled the Serbs in Bosnia. Mr Panic said he had cut off payment from Yugoslavia to Bosnia. The army was under his control. He had invited the UN to monitor the airports to show that he had control there. There was no infiltration of Serbs into Bosnia but there were, of course, a lot of Bosnian Serbs.

Mr Hogg said that in March 1991 Milosevic had told him that if Croatia seceded he would appropriate the Serbian dominated parts. He had done just that. How could Panic put a stop to that?

Mr Panic got a bit cross at this point. Yugoslavia had no territorial interests. He had been to see Tudjman. He was not interested in the past but in the future. What would be the role of the British conference? He wanted to deal with all the crucial interests including Kosovo and the return home of

CONFIDENTIAL

refugees. He knew all about refugees having been one of them. Wars were never solved by negative people but by people like him.

The Prime Minister reverted to the issue of how to get the militia under control. The principal cause of the problems was Serbian aggression and Milosevic. Mr Panic said he would not discuss Milosevic in a wider meeting but only with the Prime Minister alone.

The Prime Minister drew attention to the undetermined legal status of the FRY. Mr Panic said that he wanted to finish with the old Yugoslavia. He wanted a new Yugoslavia. The Prime Minister said that, be that as it may, the FRY needed to apply for admission to international organisations. At the moment it was a self-created entity. Mr Panic said he did not care whether he was recognised or not. All he wanted to do was to talk peace. Mr Hogg said that did not mean that Mr Panic could avoid getting his legal tackle in order. Mr Panic became cross once again saying that if we wanted to make legal issues a priority that was up to us. His priority was peace and an end to ethnic cleansing. He was meeting Boban and Karadzic to discuss how to handle the issue of weapons and terrorists.

Mr Hogg said that the Serbs had got to understand that they simply could not carve out land. Mr Panic said that he would recognise Tito's borders. It would be very tough for the Serbs to return territory but it had to be done even if something different was agreed in the longer term. He needed the Prime Minister's help to back his peace mission and he wanted to go and see Chancellor Kohl so that everyone was behind him.

Mr Hogg asked why, if Mr Panic was in control, there was no ceasefire in areas under Serbian control. Mr Panic said that he had threatened those concerned and it had worked. He was in constant touch with people in Gorazde. He repeated his plea for moral help. As evidence of his serious intent at the UNHCR conference the International Red Cross had come to him asking for his backing for an exchange of prisoners. He had taken them by surprise by saying "let's do it tonight" but then the Croats had not turned up. Britain must influence them.

In private conversation with the Prime Minister about Mr Milosevic, Mr Panic said that he had only taken the job of Prime Minister on the understanding that Milosevic would resign. The Prime Minister should now write to Milosevic saying that if he stood down sanctions would end. The Prime Minister asked what would happen if Milosevic refused to stand out. "Then I will stand down" said Mr Panic.

TEMPORARILY RETAINED

Comment.

I am copying this letter to Simon Webb (Ministry of Defence) and Sonia Phippard (Cabinet Office).

Yours,

Stephen

J.S. Wall

Christopher Prentice, Esq.,
Foreign and Commonwealth Office

Foreign & Commonwealth Office

London SW1A 2AH

RESTRICTED

29 July 1992

Dear Stephen

Prime Minister's Meeting with Mr Milan Panic

You asked for further background on some of the points to make in the briefing for the call later today by Mr Milan Panic, the Yugoslav Prime Minister.

Status of the Federal Republic of Yugoslavia

Following the dissolution of the old Socialist Federal Republic of Yugoslavia (SFRY), the new Federal Republic of Yugoslavia (FRY), dominated by Serbia, tried to pre-empt its position in the international organizations and also its assets. The position of the Twelve, notably at the Lisbon European Council and at the 20 July Foreign Affairs Council, is that, while it is a matter for the Serbs and Montenegrins if they wish to form a federation, that federation cannot fall heir to the SFRY's international position, and will need to apply for international recognition and admission to the UN, as the other successor states (Slovenia, Croatia and Bosnia) have had to do. The Twelve are working to ensure that until the FRY complies and is accepted it is not permitted to take part in international bodies. We should for the moment also avoid giving any commitment that the FRY will be invited to the London meeting (not for use: in practice we shall probably have to invite it. But avoiding a commitment for the moment helps to put additional pressure on the Serbs).

RESTRICTED

Succession of States

One measure of the Serbs'/FRY's willingness to cooperate will be their attitude to the discussions in Lord Carrington's conference of succession of states (essentially the division of the former Yugoslavia's assets and liabilities). We need to keep up the pressure on them over this.

Kosovo

The Serbs are very reserved about the provision in Lord Carrington's draft treaty for the (ethnically Albanian) province of Kosovo (and other similar enclaves) to be granted autonomy. But unless this is agreed there is every prospect of an explosion in Kosovo. On 20 July Rugova, the Kosovar leader, told Lord Carrington that he was ready to negotiate without preconditions on the future of the Kosovo. But Presidents Milosevic (Serbia) and Cosic (FRY) have rejected this as an infringement of Serbian and FRY sovereignty. We should keep up the pressure on the Serbs to cooperate on this.

CSCE Observers

Despite their intransigence in most discussions the Yugoslav federal government (ie the Serbs) have recently accepted that the CSCE should despatch observer missions to areas of particular tension, notably Kosovo, Vojvodina and Sanjak. They should be given credit for this degree of flexibility.

I also enclose a c.v. for Panic and a COREU reporting Panic's meeting in Madrid on 27 July with Gonzales.

Yours ever,

Christopher Prentice

(C N R Prentice)
Private Secretary

Stephen Wall Esq
10 Downing Street

CURRICULUM VITAE

MR MILAN PANIC

A native of Belgrade, Milan Panic (62) received his education in Belgrade and Heidelberg, Germany, and then in 1956 settled in California. From 1957 to 1959 he was a Research Assistant at the University of Southern California and in 1960, he started ICN, a pharmaceutical company, today active in more than 60 countries.

Mr Panic is the Chairman and CEO of ICN Pharmaceuticals, Inc, with the head office in Costa Mesa, California.

Mr Panic was elected Prime Minister of the "Federal Republic of Yugoslavia" in July 1992.

EASTERN ADRIATIC UNIT
14 JULY 1992

hYbf.yugo.cvs

060417
MDADAN 1756

ADVANCE COPY

RESTRICTED
FM MAD 297 COREU
TO LON COREU PRIORITE
INFO ALL COREU PRIORITE
INFO UN MISSIONS NEW YORK AND GENEVA PRIORITE
CPE/MAD 297
28-7-92 20,45 HRS

cc PS/N°10

DIFFUSION RESTREINTE

SUBJECT: VISIT BY THE PRIME MINISTER OF THE ''FRY''.

PARTNERS MAY WHISH TO BE INFORMED THAT THE PRIME MINISTER OF THE ''FRY'', MR. MILAN PANIC, HAS PAID A VISIT TO THE PRESIDENT OF THE SPANISH GOVERNMENT, MR. FELIPE GONZALEZ, ON 27 JULY. MR. PANIC WAS ACCOMPANIED AT THE MEETING BY THE MINISTER OF FOREIGN AFFAIRS, MR. JOVANOVIC, WHO REMAINED SILENT DURING THE TALKS.

THE PRIME MINISTER EXPLAINED HIS WELL KNOWN VIEWS ABOUT HIS DETERMINATION TO PROMOTE PEACE AND RESPECT FOR HUMAN RIGHTS. HE SHOWED INDIGNATION AT THE PRACTICES OF ''ETHNIC AND RELIGIOUS CLEANSING'' AND DECLARED THAT ANYONE WHO HAD ENGAGED IN THEM WOULD BE PUT IN JAIL. HE SAID HE HAD ACCEPTED THE POST OF PRIME MINISTER TO WORK FOR PEACE: ''I WILL NOT BE ASSOCIATED FOR ONE MOMENT WITH A DESTRUCTIVE ENTERPRISE. IF I SURVIVE, THERE WILL BE PEACE''.

MR. PANIC ARGUED IN FAVOUR OF THE PRESENCE OF THE ''FRY'' IN ALL INTERNATIONAL FORA, IT BEING NECESSARY FOR ALL TO HEAR WHAT HE HAD TO SAY. HE ASSAILED ''INMORAL POLITICIANS WHO HAVE STAGED THIS TRAGEDY IN ORDER TO STAY IN POWER''. ACCORDING TO HIM, THE PROBLEMS OF YUGOSLAVIA HAD BEEN CREATED BY 1200 ''GANSTERS'' AND ''HOOLIGANS'' WITH NO POLITICAL CONCEPTIONS. ON THE CONTRARY, HE WANTED TO SPEAK ON BEHALF OF THE SILENT MAJORITY OF YUGOSLAVS.

THE PRIME MINISTER EXPRESSED SUPPORT FOR LORD CARRINGTON'S PEACE EFFORTS AND THOSE OF OTHER WESTERN LEADERS. HE EMPHASIZED THE NEED FOR ALL TO HELP HIM TO PROMOTE AT HOME HIS PEACE PROJECT, WHICH INCLUDED A DRASTIC REDUCTION OF THE ''FEDERAL ARMY''.

ADDRESSING THE PROBLEM OF KOSOVO, MR. PANIC INDICATED THAT HIS GOVERNMENT WAS DETERMINED TO OPEN THE SCHOOLS AND ALLOW FOR THE ALBANIANS TO HAVE DEMOCRATIC INSTITUTIONS. THAT PLAN SHOULD NOT BE SPOILT BY THE INTERNATIONAL RECOGNITION OF THAT REPUBLIC. HE WENT

060417
MDADA 1756

ON SAYING HE WAS READY TO SIGN A TREATY WITH ALBANIA THAT WOULD PROVIDE FOR FAIR TREATMENT OF ALBANIANS WITHIN THE ''FRY'', HIS ULTIMATE AIM BEING THE SETTING UP OF ''THE UNITED STATES OF THE BALKANS''.

MR. PANIC EXPLAINED HIS PLANS CONCERNING THE DEMOCRATIZATION OF SERBIA AND MONTENEGRO AND THE AMNESTY TO BE PROCLAIMED, WHICH WILL INCLUDE EX-COMMUNISTS.

FINALLY, MR. PANIC DECLARED THAT WAR DID NOT EXIST IN HIS COUNTRY BUT IN A NEIGHBOURING COUNTRY ''THAT THE FRY DOES NOT RECOGNISE''.

MR. GONZALEZ FOR HIS PART REMINDED MR. PANIC OF THE SPANISH SUPPORT TO ALL THE PEACE INITIATIVES, INCLUDING THE BRITISH PRIME MINISTER'S CALL FOR THE REVITALIZATION OF THE PEACE CONFERENCE, AND ITS ACTIVE PARTICIPATION IN THE EC EFFORTS TO BRING PEACE TO FORMER YUGOSLAVIA..

HOWEVER, MR. GONZALEZ POINTED OUT THAT ALL THESE EFFORTS WOULD BE FRUITLESS UNLESS THE MAIN PARTIES CONCERNED UNDERTAKE TO NEGOTIATE IN GOOD FAITH AND REFRAIN FROM BREAKING THEIR CONMITTMENTS. MR. PANIC'S GOVERNMENT QUEST FOR PEACE WOULD GAIN CREDIBILITY AS SOON AS IT STARTED COMPLYING WITH THE UN RESOLUTIONS, HE ADDED.

END OF TEXT
MADRID COREU

YYYY

DISTRIBUTION 18

ADVANCE 18 20

2PS
PS/MR HOGG
MR APPLEYARD
~~MR GOULDEN~~ Broomfield
MR GREENSTOCK
MR LOGAN
EAU//HD
CED//HD
CSCE UNIT//HD

SECPOL D//HD
2UND//HD
CONSULAR D//HD
PS/PM
CABINET OFFICE//MR SIBSON
MODUK//PS/S OF S
MODUK//MR REEVES AUS(C)
DTI//MR WELFORD
RESIDENT CLERK

NNNN

cc RB

Foreign & Commonwealth Office

CONFIDENTIAL

Prime Minister

London SW1A 2AH

28 July 1992

Desperately short on useful background. I have attached two for a note at the ~~fact~~ first thing tomorrow.

Stephen

28/7

Dear Stephen,

Prime Minister's Meeting with Mr Milan Panić, 29 July

The Prime Minister has agreed to see Mr Milan Panić (pronouned Panitch), the Prime Minister of the Federal Republic of Yugoslavia for forty-five minutes at 1515 on 29 July. Mr Feodor Starčević, the Yugoslav Chargé in London, will accompany Mr Panić. Mr Hogg, who has spoken to Mr Panić by telephone, will also attend.

Our objectives in agreeing to this meeting are to show our support for Mr Panić as against Milosević, and to explain and gain support for the London Conference on Yugoslavia. We will also wish to make clear to Mr Panić our view on the status of the Federal Republic of Yugoslavia and of Serbian policy in Bosnia.

The Foreign Secretary met Mr Panić on 18 July during his visit to the former Yugoslav republics. He found Mr Panić's naive views of the situation in Yugoslavia bizarre, as did Sir D Hannay when Mr Panić called on him in New York on 21 July. While we see no reason to doubt Mr Panić's good intentions, it is hard to see that he has any power base on which to build and develop his showmanship.

The Prime Minister has agreed firm dates for the London conference on 26-28 August. We shall not wish to reveal too much of our thinking on the conference in advance of Mr Hogg's visit to New York (probably on

CONFIDENTIAL

Get Serbs in Bosnia under control. (FRY a pariah!)

" Milosevic under control.

30 July) and other key capitals. We would not even wish to give an undertaking about representation of the Federal Republic of Yugosavia (FRY) at the London Meeting. While the broadest possible participation from within Yugoslavia may be desirable, questions of the Former Republic of Yugoslavia's status will need to be resolved first.

The Prime Minister may wish to draw on the following:

- Do not accept Federal Republic of Yugoslavia as sole successor to the former Socialist Federal Republic of Yugoslavia (SFRY). In accordance with Lisbon Declaration oppose participation of Yugoslavia in international bodies. You have brought this upon yourself: Yugoslavia's attempt to hijack the old SFRY's position in international bodies.

- London Conference on Former Yugoslavia planned for 26-28 August reflects need for closest consultations between the European Community, the CSCE and the UN in continuing efforts of international Community to promote peace in former Yugoslavia.

- Lord Carrington will continue his efforts: no question of losing momentum in the peace effort: London Conference will carry on his work.

- Final composition and format of the Conference still to be decided. Mr Hogg will be consulting widely during visits to capitals. Exact itinerary yet to be finalised.

- (If needed) Cannot give assurance that FRY as such will be invited. Points to the need to resolve question of FRY's status.

- Federal authorities must cooperate fully with Conference work on succession issues. In your broader interests to do so.

- Success of EC Monitoring Mission and UNPROFOR depends crucially on your cooperation. Both remain strictly impartial in their missions.

- Lord Carrington's conference has produced excellent blueprint on minority rights, including possibility of considerable autonomy for minorities under the "Special Status" provisions. Understand, but do not share, Serb sensitivity about possible Special Status for Kosovo. Something on these lines granting extensive autonomy has to negotiated with Kosovars, and Serbia must be willing to amend its constitution accordingly.

- Lord Carrington has made clear to Rugova, the Kosovar leader, that independence is not an option. But after Rugova's acceptance of Lord Carrington's offer to chair talks between the Albanians and the Serbs, disappointed that Milosevic should reject it as interference in Serbia's internal affairs. Intransigence such as this, and a refusal to negotiate in good faith, only serve to reinforce the poor image of Serbia and Yugoslavia overseas.

- Pleased that Federal Government have agreed to cooperate with the CSCE in sending observer missions to the Kosovo, as well as the Sanjak and Vojvodina.

- Serbia's claim not to be involved in Bosnia is not accepted by international community. Must use authority with Bosnian Serb leadership to ensure genuine ceasefire even if this means not returning fire when fired upon. Serbs bear major share of responsibility for starting the conflict, therefore incumbent upon them to take lead in resolving it.

- No question of lifting sanctions until Security Council Resolutions fully complied with. Fighting in Bosnia must stop.

There are over two million refugees and displaced in the former Yugoslav republics. The UNHCR Conference in Geneva on 29 July will address humanitarian and refugee issues. The Prime Minister may wish to tell Panic of our concern about the flouting of humanitarian principles in Yugoslavia, and about the British effort to help the refugees and displaced.

- Deeply concerned by refugee problem. Appalled by reports of violations of basic humanitarian principles, in Serb "ethnic cleansing" in both Croatia and Bosnia. An affront to acceptable standards of humane behaviour.

- UK has responded generously to UNHCR and ICRC appeals. We have played a full part in the airlift operation to Sarajevo. We have contributed a total of £23.3 million to humanitarian activities in the former Yugoslav republics. Lady Chalker today announced a new contribution of £5 million at the UNHCR Geneva Conference.

Yours ever,

Christopher Prentice.

(C N R Prentice)
Private Secretary

Stephen Wall Esq
10 Downing Street

PRIME MINISTER

PRIME MINISTER OF YUGOSLAVIA

We told Mr. Panic that you were not free on Tuesday or Wednesday to see him. His people have now told us that he would make himself available on any day this week, so keen is he to come to London to talk to you.

The only opportunity I see would be if you left for the Cabinet Secretary's Cricket Match at 1600, ie, see Mr. Panic for 45 minutes at 1515 on Wednesday, 29 July. You would still get to Beckenham in time for tea.

The Foreign Secretary has recommended that you see Mr. Panic. Are you prepared to go ahead on this basis?

Yes

J. S. WALL
27 JULY 1992

a:\foreign\Panic.MRM

cc RB

Foreign &
Commonwealth
Office

London SW1A 2AH

RESTRICTED

27 July 1992

file

Dear Stephen,

Yugoslavia : Proposed Visit by Yugoslav Prime Minister

The Yugoslav Embassy have, at characteristically short notice, asked whether the Prime Minister could see the Yugoslav federal Prime Minister, Mr Panic, later today, 27, or tomorrow, 28 July. The Embassy have added that they will need a reply early today if they are to reorganise Mr Panic's travel plans so that he can come to London from Madrid where he is seeing the Spanish Prime Minister.

We have made clear to the Yugoslav Embassy that we are not prepared to be bounced into a decision. But as you will have seen from Hong Kong telno 1971 (copy enclosed), the Foreign Secretary does believe that if the Prime Minister's diary allowed, there would be some value in a call by Mr Panic. The latter's eccentricities are undeniable and his control over the levers of power in Belgrade and likely tenure of office open to question. But a short call on the Prime Minister might help to strengthen his hand against that of Milosevic and would moreover be consistent with our new initiative over the Yugoslav conference next month.

I should be grateful to know whether a call might be possible even at this very short notice.

Yours ever,

Christopher Prentice

(C N R Prentice)
Private Secretary

Stephen Wall Esq
10 Downing Street

RESTRICTED

053715
MDADAN 1483

CONFIDENTIAL
FM HONG KONG
TO IMMEDIATE FCO
TELNO 1971
OF 261606Z JULY 92

ADVANCE COPY

FROM PRIVATE SECRETARY/FOREIGN SECRETARY

FOLLOWING FOR HEAD OF EAU AND PRIVATE SECRETARY

YUGOSLAVIA
1. THANK YOU FOR FCO 255 TO MANILA. THE SECRETARY OF STATE AGREES THAT THE ADVICE TO NO 10 SHOULD BE IN FAVOUR OF THE PRIME MINISTER SEEING PANIC IF HE CAN, BECAUSE OF THE BRITISH INITIATIVE IN CALLING A LONDON CONFERENCE ON YUGOSLAVIA, BECAUSE PANIC HAS SEEN MITTERRAND AND BECAUSE PANIC IS PROBABLY A FORCE FOR GOOD (IN AS MUCH AS HE IS A FORCE AT ALL).

PATTEN

YYYY

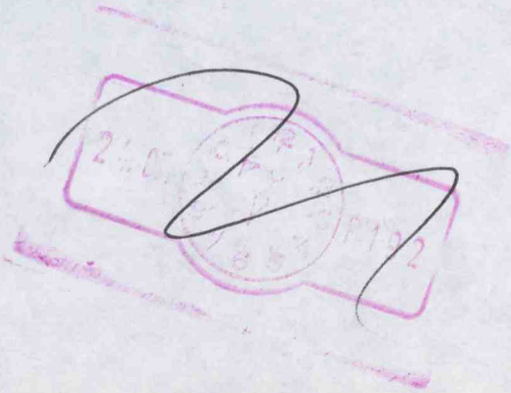
DISTRIBUTION 3

ADVANCE 3

EAD//HD
PS 2

~~RESIDENT~~ CLERK

NNNN



MR WALL

27 MARCH 1991

cc Mr Gozney, FCO

YUGOSLAVIA

1 Mr Rikanovic, the Yugoslavian Ambassador, called on me today with a plea that the Prime Minister find time for a meeting with Mr Markovic, the Federal Prime Minister in the margins of the inaugural session of the EBRD on 15 April. A meeting would send a positive message of UK support for the Federation at a time of great stress. Conversely, failure to meet however briefly would send a message of no confidence, particularly at a time when separatist leaders were being received. The Ambassador instanced the recent meeting between Mr Peterle, the Prime Minister of Slovenia, and Mrs Thatcher.

2 I undertook to pass the message on, while reminding the Ambassador of the extreme pressures of time on 15 April. He said that Mr Markovic might be ready to stay on to the 16th if that would facilitate a meeting.

3 I see a case for a short meeting, if need be on 16 April.

PERCY CRADOCK

File No

10 DOWNING STREET

From the Private Secretary

30 November 1981

THE PRESIDENT OF THE YUGOSLAV FEDERAL ASSEMBLY

The Prime Minister has seen your letter to me of 24 November about the visit to this country of the President of the Yugoslav Federal Assembly. She has agreed to receive Mr. Markovic for a short courtesy call at the House after Questions during his visit.

M. O'D. B. ALEXANDER

F. N. Richards, Esq.,
Foreign and Commonwealth Office.

Noted by CJ.
1/12

010

(1)

Prime Minister
Agree to a short call in the House after questions one day?
Rmt 28/XI

Yes mt.

Foreign and Commonwealth Office

London SW1A 2AH

24 November 1981

Dear Michael,

Mr Dragoslav Markovic, the President (ie Speaker) of the Yugoslav Federal Assembly, may visit London under the FCO Sponsored Visits Scheme with the Lord Privy Seal as his formal host in the first half of next year. Precise timings have yet to be fixed but HM Ambassador at Belgrade has recommended strongly that the Prime Minister should, if possible, receive Markovic for a short courtesy call.

You may recall that when Dr Giosan, the Romanian Speaker visited London in January of this year, he was received by the Prime Minister. The protocol case for such a call is in our view strengthened by Markovic's own qualities. He is a senior (among the top half dozen or so) and apparently still rising figure in the Yugoslav hierarchy and will, when his present term of office at the Federal Assembly ends in the spring, join the Federal Presidency (and take his turn as Head of State at some point in the next few years). He has also been tipped as a possible future Prime Minister. Lord Carrington considers it would therefore be appropriate for the Prime Minister to receive Mr Markovic.

Yours ever.

Francis Richards

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

Grey Scale #13

C Y M

A 1 2 3 4 5 6 M 8 9 10 11 12 13 14 15 B 17 18 19