

Yugoslavs fall deeper into the debt trap as separatists feed unrest

by Edith Vitali

At the end of July, Yugoslavia signed an agreement with a consortium of international lenders for a credit package amounting to more than \$4.5 billion. At the same time, the Yugoslav Federal Assembly began discuss the recommendations of the "Commission on Problems of Economic Stabilization," or Krajger Commission, which will form the basis for some 70 laws to be passed within the coming months.

These arrangements mean that Yugoslavia will impose further severe austerity measures on an economy which has already been weakened by drastic cuts of raw material imports, consumer goods, and machine tools on order from international creditors in the last two to three years. Economic depression is making Yugoslavia, which suffered a series of ethnic riots in 1981, all the more vulnerable to political upheaval. The situation is making Yugoslavia extremely vulnerable to the Swiss-based Nazi International and the sponsors of the *Mittleuropa* scheme, who are now deploying the separatist movements cultivated under the Nazi occupation during World War II.

The precondition for the multibillion bridge loan promised Yugoslavia since the beginning of 1983 by the International Monetary Fund, the World Bank, the Bank for International Settlements, and some Western governments was a new law passed by the Yugoslav Federal Assembly on June 30, which makes the Yugoslav National Bank the sole guarantor for the country's entire foreign debt. All of Yugoslavia's convertible reserves—both currencies and gold—are liable to seizure by the foreign creditors in case of non-payment.

Domestically, the new law provides the National Bank with hitherto unknown powers, including the right to commandeered the assets of local and regional enterprises and banks for the purpose of debt collection.

The recommendations of the Krajger Commission in many ways read like the unofficial conditions that the foreign bank-

ers attached to the bridge loan: full convertibility of the Yugoslav currency (the dinar) and a "realistic" exchange rate for the dinar, which will mean a massive de facto devaluation as well as a deregulating of prices along "supply-demand" lines.

Milka Planinc, sometimes called the Margaret Thatcher of Yugoslavia, represents the Liberal-Friedmanite current in the Yugoslav Communist Party leadership. In a recent speech, she implicitly criticized former President Tito because it was under his regime that most of the foreign debt was incurred.

The de-industrialization and lowering of living standards as a result of the austerity policies imposed by the government provide a fertile ground for the re-emergence of nationalist-separatist and religious movements which preach that there are more important things than material well-being.

A trial of 13 Islamic professors, intellectuals, and imams who were organizing for a separate, Islamic Republic of Bosnia-Herzegovina is ongoing in Sarajevo, the capital of that province. The older members of this group belonged to the secret organization "Young Muslims" during and after World War II. In 1943, Heinrich Himmler sent the pro-Nazi Grand Mufti of Jerusalem to Sarajevo, where he called on these Muslims to join the newly created SS Hadjar (saber) Division, while the Kosovo Albanians were organized into the SS Skanderberg Division. The Bosnian Muslim conspirators are said to receive finances from Libya's Muammar Qaddafi, while they are "spiritually" closer to the Islamic fundamentalists of the non-Arab countries of Iran, Turkey, and Pakistan.

Emigré sources report that the Bosnian Muslims are also working closely with Albanian Muslims from the Serbian province of Kosovo, where two years ago separatist-ethnic riots erupted. One quarter of the Yugoslav army is still deployed in Kosovo as the unrest has not been quelled. Indeed, the problem there now is a widespread wave of emigration of Serbs and Montenegrans, who claim they are being driven out of Kosovo.

The Albanian agitators who are calling for an ethnically pure Kosovo are reportedly closely linked, both in Yugoslavia and abroad, with Croatian nationalist groups who in turn maintain links with certain Arab countries and with Bulgaria. The prevalent view is that the Kosovo riots were but a test run for the planned eruption of Macedonian, Muslim, Slovenian, and Croatian nationalist ferment.

Vladimir Dedijer, Tito's former collaborator, who lives in Belgrade today as a tolerated dissident, works with the Bertrand Russell Tribunal on verifying the complaints he has received from 11 Muslim intellectuals concerning violation of human rights by the Yugoslav authorities. Dedijer also is organizing a conference on European minorities in Zürich this fall, where the question of the Slovenian nation—Slovenians today form a republic in Yugoslavia, but are also scattered in Austria and Italy—will be prominent in the discussion.