



A member of the Croatian National Guard takes aim along the road near Petrinja, south of Zagreb

Fabric of everyday life starts to fall apart in Yugoslavia

By Laura Silber in Belgrade

FINANCIAL TIMES JULY 1991

AS FIGHTING continues between Croats and Serbs in the republic of Croatia, the normal functioning of everyday life has begun to crumble throughout the country.

The evidence is necessarily anecdotal, but it adds up to a picture of increasing disintegration of communications, trade and financial links.

A lawyer who travelled to Zagreb, the capital of Croatia, last week was unable to cash a cheque drawn on a Serbian bank. Many restaurants in Belgrade no longer accept American Express cards because the payments are channelled through Zagreb.

Imports are becoming scarce as the federal government tries to conserve dwindling currency reserves to meet foreign debt payments. Western luxury goods from the republic of Slovenia are disappearing from the shelves in Belgrade shops. Families in the capital are hoarding salt, oil and flour in the belief war is inevitable.

The motorway between Zagreb and Belgrade is almost deserted. International freight lorries have switched routes and travel through neighbouring Hungary instead of Yugoslavia, formerly the crossroads between east and west.

GENERAL Veljko Kadijevic, Yugoslav defence minister, assured Croatia yesterday that the Yugoslav army would not attack it in an attempt to crush the republic's independence bid, Reuter reports from Belgrade. The assurance came as Yugoslavia's state presidency agreed to hold peace talks in Belgrade today, ending two days of deadlock. The moves eased fears of all-out civil war, despite fresh violence in Croatia where a policeman and a civilian were killed in attacks by Serbian guerrillas.

It was also revealed yesterday that Mr Josip Manolic, Croatian prime minister, has been replaced by his deputy, Mr Franjo Greguric. Mr Manolic will head a new crisis committee set up to co-ordinate national security.

Relations between the six republics and two provinces have deteriorated so much, that no Yugoslavs will venture to their old summer haunts on the Adriatic coast. Outdoor cafes in Belgrade, the Serbian and federal capital, are packed with locals with nowhere to spend their holidays. Along the Dalmatian coast of Croatia, scores of hotels have closed. Fear of civil war has stopped Serbs taking their holidays on the Croatian coast.

Some Serbs who own houses along the Adriatic coast have refused to pay the huge monthly tax on Serbian-owned property in Croatia.

Even if they want to escape the climate of fear and depression, most Yugoslavs do not have the cash to travel to

Greece or Italy. Mr Nebojsa Krstic, a doctor in Belgrade said: "Lives have been completely consumed by a collective sense of waiting to see how the situation will develop - whether we will be at war. No one can live normally or make any plans. Instead, there is a looming depression".

A history teacher in Belgrade said: "While the country's leaders spend hours arguing over where to hold peace talks, people are getting killed, and our future becomes ever more uncertain."

Many young men, in an attempt to escape mobilisation, have gone into hiding.

They stay in the cities, fearing reports that border police will turn them over to the army.