



A Slovene woman cycles past barricades in Ljubljana yesterday, two days after a deadline for their removal passed

# Slovene credit suspension lifted

By Laura Silber in Belgrade and Judy Dempsey in Zagreb

FINANCIAL TIMES 10/7/91

YUGOSLAVIA'S national bank said yesterday it would lift its suspension of credits and other loans imposed on the rebel republic of Slovenia in accordance with the EC-brokered peace agreement reached at the weekend.

All credits were suspended on June 28 following Slovenia's declaration of independence. Mr Franco Arhar, chairman of Slovenia's national bank, last week accused the federal authorities of trying to "economically blackmail" the republic.

The move came as Slovenia's parliament prepared to debate the EC accord. The parliament, which meets today in Ljubljana, the capital of Slovenia, is expected to accept the accord, despite criticism earlier in the week that Mr Milan Kucan, the president, had sold out the

republic's independence.

There appears to be growing public support for the agreement. "It gives us one foot in the door of Europe," a Slovene minister said yesterday.

The presidency of Slovenia earlier denied allegations from the state presidency in Belgrade that the republic was refusing to implement the accord.

It said territorial units were being withdrawn, although more slowly than expected, and despite continuing movements of federal troops on its territory.

In neighbouring Croatia, the temporary ceasefire imposed on the town of Tenje, south-east of Croatia, last Sunday following ethnic violence between Croats and Serbs, was still holding. But Mr Onestin Cvitan, Croatia's interior minister, accused federal troops of allowing "terrorist" Serbs to escape

across the Danube into Serbia.

Mr Cvitan said 29 Croatian policemen and 13 civilians had been killed in clashes since last August.

● **Nicholas Denton adds from Budapest:** The Hungarian government has hinted heavily that a new territorial settlement in Yugoslavia would reopen the question of Vojvodina, the Serbian province across the southern border, where 500,000 Hungarians live.

International treaties define Hungary's southern border in relation to a unified Yugoslav state rather than with Serbia, the office of Mr Jozsef Antall, the prime minister, said. That, the statement continued, "means peace treaties do not take Vajdasag [Vojvodina] to be automatically part of Serbia".

Budapest's position, although framed with reassur-

ances that no threat is intended, is likely to reinforce fears that a redrawing of borders could not be limited to Yugoslavia.

But an aide to the prime minister said yesterday the statement was a message to Serbia that creating a Greater Serbia would not be simple, and Vojvodina would not automatically be a component.

"Nobody thinks it would be very helpful for a Hungarian minority to be in a neo-communist and nationalist Serbia," he said.

Hungary lost both Vojvodina and Croatia in the Trianon Treaty following the First World War. As a wartime ally of Hitler's Germany, it temporarily reoccupied Vojvodina.

It enjoys close relations with Croatia, to which it made covert arms deliveries last year.