

# EC offers more help to Yugoslavia

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By David Buchan in Brussels and Laura Silber in Belgrade

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THE European Community yesterday signalled a deeper involvement in the crisis in Yugoslavia by offering to increase the scope and number of its ceasefire observers, provided all the warring sides in the country agreed.

But EC leaders insisted that their offer to quadruple the number of EC-led observers and send them into the republic of Croatia – but attached to joint patrols of the Yugoslav army and the Croatian national guard – must get prior approval from the Croat and Serb governments.

Yugoslavia also broached its deteriorating financial situation at yesterday's meeting. The National Bank of Yugoslavia has said it will ask the Paris Club for rescheduling on \$1.3bn (£770m) which falls due to western governments this year.

The EC already has a 50-member observer team in Yugoslavia monitoring the withdrawal in the western republic of Slovenia of federal troops to their barracks.

Along with Croatia, Slovenia declared its independence on June 25.

To obtain consent for sending in more observers, Mr Hans van den Broek, foreign minister of the Netherlands, which currently holds the EC presidency, said he would again lead the EC ministerial troika to Yugoslavia this weekend. An advance EC mission is to leave today.

Also today, the collective Yugoslav presidency and the presidents of all six republics are to meet in Belgrade to discuss the crisis.

The latest EC initiative came after talks in Brussels between foreign ministers of the EC,

and Mr Ante Markovic, the Yugoslav prime minister, Mr Budimir Loncar, the federal foreign minister, and the federal presidency representatives of Bosnia and Macedonia, two republics regarded as relatively neutral in the Serbo-Croat ethnic conflict. The initiative now awaits sanction from Croatia and Serbia.

Mr Markovic made what Mr Douglas Hurd, the UK foreign secretary, termed "a moving appeal for the Community not to allow Yugoslavia to become another Lebanon".

Mr Jacques Delors, Commission president, is setting up a Commission task force to examine possible new aid for the stricken Balkan economy.

Unfreezing current EC aid of Ecu850m (£590.75m) for Yugoslavia would be studied, if and when "all-party negotiations start" on Yugoslavia's future,

Mr van den Broek said. Mr Markovic said his country faced repaying \$4.6bn debt this year with a 50-70 per cent drop in industrial output and barely a quarter of usual tourism receipts.

Four countries participating in the Conference on Security and Co-operation in Europe – Poland, Czechoslovakia, Sweden and Canada – are expected to send observers, to make up the EC-led monitoring force of 200.

But Mr van den Broek said the EC would send its unarmed observers into Croatia only if "all parties concerned accept a ceasefire and provide guarantees for the safety of EC monitors" and if "the federal army and the Croatian national guard establish joint patrolling".