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ADDENDA

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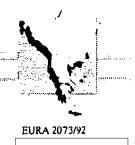
DCI Interagency Balkan Task Force

The Balkans: Weekly Update

15 December 1992 Number P-025/92

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· Country Developments The Former Yugoslav Republics



S	erbia
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The State of The county	, , , , , , , , , , , , , , , , , , ,
Political Developments	meant to prevent further incidents as both the Serbian authorities and ethnic-Albanian leadership seem to be
Federal Prime Minister Panic's campaign to unseat	trying to avoid a confrontation. Milosevic may fear
Republic President Milosevic appears to be gathering	that a crackdown in Kosovo now could result in
momentum following the Serbian Supreme Court ruling	international intervention, and the Albanian leaders
last week that he is eligible to run. Panic is roughly	realize that an uprising by the largely unarmed
even with or leading Milosevic in two recent polls	Albanians would likely result in a bloodbath.
	Economic Developments
	Economic Developments
	sanctions are hurting some
	export businesses heavily but are having little effect on
Meanwhile, Milosevic's Socialist Party machine is	local consumers. Production at large industrial
accelerating efforts to weaken Panic. The Serbian	centers—such as the Niksic Iron Works and Podgorica
Government reportedly has begun increasing pension	Aluminum Combine—has been curtailed, and truck
payments and tax breaks for farmers, and independent	traffic from the coast has reportedly fallen off sharply
election observers report that bank accounts of major	since enforcement of the naval blockade began,
opposition organizations were mysteriously frozen last	The blockade has
week. In the unlikely event that Panic were to	forced the closure of almost all businesses in the port of
overcome the formidable obstacles that Milosevic has	Bar, and the "Bijela" shipyard has placed all its workers
employed, Serbian hardliners undoubtedly would do	on forced leave, according to press reports. Shipping
whatever is necessary to prevent Panic from coming to power in Belgrade.	firms—primarily Jugooceanija and Prekookeanska—that formerly provided 25 percent of
power in Bergraub.	Montenegro's foreign exchange earnings are now idle,
Foreign Relations	according to press reports.
	observed heavy automobile traffic, and black
Tensions continued to increase in Kosovo last week	marketeers were doing a brisk business trading oil and
following several violent incidents, but both sides still	other goods across the Albanian border.
appear to be trying to avoid a confrontation. Several	
Albanians were wounded and at least three were killed	The latest draft of the "Yugoslav" budget allocates
by Serbian police or border guards, sparking protests	60 percent of available funds to the military. According
from the ethnic-Albanian community. In addition,	to the draft, 25 percent of the budget would be financed
Serbian ultra-nationalist paramilitary leader Arkan is	by the printing of additional money—which will further
conducting a highly publicized campaign in Pristina for	fuel the inflationary spiral.
a seat in the Serbian Parliament	:
and several campaign rallies are	
scheduled this week. The rallies—which are likely to	
consist entirely of Serbians and to take a nationalistic tone since ethnic Albanians are boycotting the	
elections—will almost certainly aggravate the already	•
tense situation.	•
raine nizabitotii	• •
There was a heavier than usual police presence	
following the incidents	•
Serbian authorities also issued a statement	
assessing Kosovo to be the main source of instability in	
Scrbia and warning the ethnic Albanians in the region	
that the Yugoslav Army is prepared to preserve the	ı
integrity of the State. The warning is almost certainly	9