

Croatia braces for new phase of war: against free market economics

by Umberto Pascali

Josip Cvitan, the vice president of the Croatian Democratic Party, summed up the situation facing his country now in the following way, in discussion with a representative of the Schiller Institute: "Bush lost his war against the independence of Croatia." Cvitan, a political leader well known in Croatia and abroad for his outspoken attitude, wanted to make his point clear: "The great Bush broke his teeth trying to bite the small Croatia." At the end of the first phase of their war of independence, many in the Croatian capital of Zagreb share this feeling.

It is not an idle boast. Cvitan is well aware that the first phase of the Croatian war of independence cost the lives of 10,000 people—a terrible price for a small country—and destruction and horrors without any historical precedent. But the Croatian people stood firm as they faced the assault, aware that this was a unique historical moment and that they had to fight, despite the growing realization that the whole Versailles system was arrayed against them. For once, one could say, borrowing a phrase from the poet Friedrich Schiller, that a great historical moment did *not* find a small people.

Now it is Bush and the Anglo-Americans who are isolated. During the first week after the Jan. 15 European Community recognition of Croatia and Slovenia, more than 40 countries recognized those two independent republics. Many Arab countries have announced that they are going to recognize the two republics at their next meeting. Every day, more countries are adding to their number. And all this despite the warnings and threats of the Bush administration and the U.N. Security Council: Recognition must be prevented! Recognition will provoke more violence!

This is only the first phase of independence. The Serbian Chetnik irregular forces and the "federal" (Serbian) Army are right at this moment "cleaning up" the occupied Croatian areas, demolishing houses and kicking Croatians out, besides bombing several important cities. But the Croatians are gaining momentum, politically and strategically.

'Now the real fight begins'

A large part of Croatia's leadership, both in the country and in the huge diaspora, is now preparing to fight the crucial battle over economic policy: the battle against monetarism and, in particular, against the shock therapy of Harvard punk

economist Jeffrey Sachs.

"Now the real fight in Croatia and Slovenia will be to keep Jeffrey Sachs out," a Croatian-American leader told *EIR*. "Croatia will not allow anybody to impose upon it the Jeffrey Sachs 'therapy.'" stressed a Croatian economic source. "It could be that someone wants to use us as guinea pigs, but we are going to disappoint them; the economic model we are going to follow is much closer to Germany. . . . As demonstrated by what happened in Russia, the Sachs model pushes a country back toward communism! And we don't need either that, nor electroshocks!"

Obscured in part by the terrible war of aggression, an intense debate has been going on already for months in both Slovenia and Croatia, on whether these republics should accept the pressures from Washington and London and go for the mafia-like "free" market of Sachs, or for economic development, investment in infrastructure, and real industrial and agricultural production—i.e., the model of Lyndon LaRouche's Paris-Berlin-Vienna "Productive Triangle." This battle for economic independence is the focus of a U.S. tour by Canadian-based Croatian leader Alexander Shiroka, organized by the Schiller Institute (see accompanying interview).

Ready to ignite the fuse

An atmosphere of rage and confusion is apparently dominating the White House and the Department of State. After having tried for months to prevent the European Community from recognizing Croatia and Slovenia, the administration continues to repeat the old line, but this time in a total vacuum. Even the British press agency Reuters had to admit: "The United States was left in embarrassing isolation by its allies." But, with a classic demonstration of the maxim *errare humanum est, perseverare diabolicum* (to err is human, to persevere is devilish), State Department spokesman Margaret Tutwiler, said: "Concerning the United States, our policy of recognition has not changed." Incredibly, Tutwiler justified this piece of nonsense in the following way: "The United States would not want to do anything that, in its opinion, could somehow be misinterpreted and could contribute to any violence."

This, after it was Secretary of State James Baker who

gave the green light for Serbia's war against Croatia in the first place, during his June 1991 visit to Belgrade.

No matter how atrocious it appears, the possibility of renewed aggression by the Greater Serbians seems to be the only hope for salvaging Bush's foreign policy. An official of the State Department, who didn't want to be named, explained that the decision would be taken "at the highest level" by Bush and Baker. Another anonymous official said: "I would not argue with the scenario that we may eventually go the European road. But *there is no particular hurry or pressure* to do so. True, the fighting has not worsened *so far*, but the crisis is hardly over" (emphasis added).

The Greater Serbians are maneuvering to achieve just such a "worsening" of the situation, and their provocations are being favored, if not actually instigated, by the refusal of the U.S. administration to recognize Croatia. "They wouldn't try any provocation if the U.S. would recognize Croatia," said one source familiar with the diplomatic deception game. On Jan. 20, the "federal" Army and the Chetniks attacked, in a coordinated offensive, five major Croatian cities: Osijek and Vinkovci in the east, Sisak and Sunja in central Croatia, and Zadar on the central Adriatic coast. At the same time, in the Croatian occupied areas, the destruction of houses and property, as well as the forced expulsion of Croats, is continuing and escalating.

At this point, it is the official position of the Serbian government of communist strongman Slobodan Milosevic that the one-third and more of Croatia that is currently occupied by the "federal" Army and the Chetniks will remain under occupation forever. "Croatia can only be recognized within the borders inside which it has now authority," stated Borisav Jovic, Serbia's representative at the so-called collective Yugoslav state presidency. Referring to the deal signed by U.N. envoy Cyrus Vance with Milosevic for the future stationing of 10,000 troops in south Croatia, Jovic arrogantly stated: "In those regions that should come under U.N. protection, Croatia actually does not have authority."

This position was rebuffed by the European Community, whose presidency reaffirmed: "The position of the EC is that frontiers cannot be changed by either side imposing its will or by force." There are no significant reactions from the United Nations or the United States so far to Jovic's statement.

Thus, Europe became the target. "The [Yugoslav] presidency considers this [recognition] an intentional breakup of Yugoslavia and stresses that it does not solve the Yugoslav crisis, but only worsens it," says a statement issued by Belgrade. The boss of Serbia's ruling Socialist Party, Mihajo Markovic, added: "We don't have international law in Europe anymore. German might now makes right in Europe. . . . The fact of the matter is that Croatia does not control and will not control those regions. If Croatia still wants these areas, than that means a prolonged war."

In a further threat, Serbian Prime Minister Radoman Bo-

zovic said: "The recognition of Slovenia and Croatia is risky. We have to believe that the European Community will not risk war as an alternative to peace and political negotiation."

"Risky," indeed. In the republic of Bosnia-Herzegovina—where, according to sources, the Greater Serbians have arrayed "the greatest military concentration in Europe and maybe in the world today"—the continuous provocations by the Serbian Chetniks provoked the first reactions. On Jan. 22, a Muslim taxi driver was killed by the "irregulars" in Zivinice, triggering protests, strikes, and demonstrations.

The Croatian government has called for the dismantling of the "Yugoslav" Army, which army is, openly at this point, just the military branch of the Greater Serbians. The Macedonian government has also asked any Macedonian officer or soldier to leave the "federal" Army and to join the new republic's armed forces.

Again and again: war crimes

An official, confidential report prepared by international observers, possibly affiliated with the EC, confirmed what *EIR* has been pointing to for months: The Yugoslav Army and the Chetniks committed and are committing war crimes. The report was published by several European newspapers and the *Washington Post*. It says, according to these sources, that the war crimes include "widespread mutilation of Croats' corpses, deliberate destruction of churches, hospitals, and land-record offices, and organized looting of personal property."

According to the *Washington Post* account: "The abuses were committed across the Croatian war zone in the last four months of 1991, the observer team found. Its member said human rights abuses are continuing in parts of Croatia sealed off by army forces of local Serb officials. . . . Videotapes show bodies of Croats whose noses, ears and eyes have been cut out and whose throats have been slashed. In some villages, mutilated corpses were filmed as they lay in dirt lanes beside the bodies of slaughtered pigs. A foreign observer said Serb guerrillas deliberately made this juxtaposition. . . . The self-proclaimed president of Krajina [the southern region of Croatia occupied by the Chetniks], Milan Babic, issued an order on Jan. 5 that all residents of Krajina, Serbs and Croats alike, must either join the fight against Croatia or get out of his region. More than 2,000 Croats have since fled, and the foreign observer team says it has information that Croatian villages are still being burned and looted by Serb forces.

"The Yugoslavian army, in very close cooperation with all kinds of irregular units and according to an identifiable pattern and scenario, is systematically depopulating certain regions of people of Croatian origin. . . . [The observer team] has itself gathered so much eyewitness information and observation that it can state that the Yugoslav army can be made directly responsible for the misbehavior of irregular units."