

From: Belgrade, YUGOSLAVIA¹⁴

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[January 7, 1990](#)

Serbian Christmas Eve/"Saborna Crkva" Liturgy

On Serbian Christmas Eve (January 6), the holiday which was tabooed under Tito's regime for nearly five decades, the sound of "prangije" (*an anvil-like device which when filled with gun powder sounds like a shotgun*) rang out throughout the night celebrating the arrival of Christmas. The following morning, between 10:00 and 12:00, the TV and radio carried live broadcasts of the Christmas service ("liturgy") from a jam-packed Saborna Crkva in Belgrade -- the first time this has happened in history! Even some members of Serbian Presidency appeared on television wishing "all faithful" a Merry Christmas. I was told that the last time Serbian Christmas was celebrated publicly like that was before WW II.

[January 8, 1990](#)

[Meeting: 9:30-10:45](#)

Meeting With Brana Crncevic (BC)/BJ

Re. Slobodan Milosevic (SM)

"Cist je kao suza!" ("he is as clean as a whistle!"), was the opening comment by BC (*whom I know from my youth*) about SM. He said he'd spent two two-to-three hour sessions with SM after his return from North America, before making this comment. BC continued saying that SM is fully in support of a multi-party system and that of the free elections. He said SM's strategy is to let the media disclose as many facts as possible about the misdeeds of the former regimes. "After the Communists are totally discredited, SM figures it should be relatively easy also to disempower them through free elections."

Re. The New "Democratic Party" (DP -- as of Dec 11, 1989)

BC said that this is a new party lead by (1) **Dr. Kosta Cavoski** (Belgrade). The founding members included (2) **Dusan Vukajlovic** (writer-Panchevo), (3) **Vladimir Gligorov** (Belgrade), (4) **Milovan Danojlic** (writer-Paris), (5) **Dr. Zoran Djindjic** (Belgrade), (6) **Gojko Djogo** (writer-New Belgrade), **Dr. Slobodan Inic** (New Belgrade), **Marko Jankovic** (journalist-New Belgrade), (7) **Dr. Vojislav Kostunica** (Belgrade), (8) **Dr. Dragoljub Micunovic** (New Belgrade), (9) **Borislav Pekic** (writer and member of SANU-Belgrade), (10) **Miodrag Perisic** (writer and editor of "Knjizevne Novine"-Belgrade), (11) **Dr. Radoslav Stojanovic** (Belgrade). Later, (12) **Dr. Ljuba Tadic** and (13) **Trivo Indjic** also agreed to joining the founding members of new party.

These people are now beating the bushes around Serbia trying to gather signatures for the Democratic Party. BC estimated that they had signed up some 1,000 members as of this date. BC expected their founding congress to be held on Friday (Jan 12/90)¹⁵. After that, about

¹⁴means.

¹⁵a decision (which means until February 12, 1990, in this case).

45 other prominent Serbian people (including Dobrica Cosic and BC himself) will join them. "That's when you'll join them, too," he told BJ self-assuredly.

Re. Bosnia/Serbs in other states

Bosnia consists of Serbs (38%), Croatians (12%) and Moslems (50%). The Moslems can't decide which way to go. There are also quite a few Serbs in Croatia. That's why Serbia's policy is to work toward formation of Serbian provinces within Croatia and Bosnia.

Re. American/Serbian bank

BC liked the idea of the American/Serbian bank and had passed this on to SM along with Mica's derogatory comments about Igic, the BG United Bank's "commissar" whom they sent to meet with Mica. According to the proposal, Serbia was to invest 1/3 of the total funds, with the Serbian Americans providing the rest, assuming they had control over how it is used.

He said that SM agreed with the idea of sending a member of the Serbian "Presidency" to the U.S. (NY), fully empowered to deal on behalf of the Serbian government ("with the papers") to work things out with us (the American Serbs). He proposed a certain ("Djuristic" (?) I am not sure about the name, but there are only 7-8 members of the Presidency so I should be able to figure him out), because he thought that SM as well as he trusted him.

Re. The Army vs. SM

Answering one of BJ's questions, BC didn't think that the army was the reason SM treaded so cautiously. The "generals are the small-time politicians in civilian clothes," he said. "And most of them support SM." (*Which still makes it unclear why SM is not up front with his support of democracy. This fits with a subsequent assessment by Amb. WZ, who said that Milosevic was in a most secure position of all YU state leaders because of such an (80%+) support which he enjoys by the Serbian people.*)

Conclusions Re. BC:

Given that BC said that he had met with SM twice since his return from America ("two to three hours each time; I usually see him at either 10:00 or 13:00 so that we can have the whole p.m. together"), it seems to me that he has definitely become one of SM's disciples. This is especially significant in view of the fact that BC had earlier told Milinovic that he was not for the multi-party system because of Kosovo, as had apparently SM.

In other words, this SM's and BC's apparent turn-about-face may well have been forced by the events in Eastern Europe, especially in Rumania. In order to save face (and maybe even their heads), they are suddenly supporting the full multi-party and the free-market ideas which they had been opposing before. In the end, however, who cares what their motives for change are? As long as a free multi-party system develops in Serbia/Yugoslavia, everybody will be better off (except for the hard-line Communists, of course).

[January 8, 1990](#)

[Meeting: 11:00-12:15](#)

Meeting With The U.S. Ambassador, Warren Zimmerman (WZ), RR (No.2 at the Embassy) And PJ (Economic Attache)

Re. Human Rights/Kosovo

He said that he had studied the indictment against Vlasi, and that, while he did not would to prejudge the conclusion of a trial which is still in progress and which may take a few more months to complete, Warren said that he could see no indication of criminal conduct on the part of Vlasi, only a political difference of opinion with Milosevic/Serbia. Ergo, he said it would be a very grave obstacle to the Serbian/U.S. relations if Vlasi were to be convicted on the basis of such evidence. WZ also said that unauthorized public gatherings are not allowed at Kosovo.

Re. Slovenian's Human Rights Violations

He said that he has tried to be very fair and even-handed for all cases of human rights violations in Yugoslavia. In an annual report which is submitted to the Congress on this subject, "I'm afraid that YU will have one of the worst human rights' violations records in Eastern Europe," he said.

When I asked him what, if anything he had done about the Slovenian's violations of other Yugoslav's human rights on December 1, he said that he also found it regrettable. He said he had told the Slovenian president (Smole?) that the U.S. was hoping that Slovenia would reconsider its ban of the "Kosovo truth" demonstrations. The Slovenians were apparently afraid of violence during the meeting. Later, I pointed out to him that over a year ago, millions of Serbs peacefully demonstrated, and that, therefore, Slovenia had no basis in fact for its suspicions (*not to mention the fact that even if it did, it was still illegal under its own allegedly democratic code to arrest people for expressing peacefully a difference of opinion*).

Re. Markovic's Economic Reform

Both WZ and P.J. were very enthusiastic about Ante Markovic's economic reforms, especially about the "convertible dinar." WZ said he didn't know how much Milosevic cared about his image in the West. But if SM did, "supporting Markovic's plan would be an excellent way to prove it."

Re. Demonstrations Saturday (1/06) At "Politika"

He said that an opposition party group demonstrated in front of "Politika" protesting a lack of coverage of its activities. WZ said that Zika Minovic ("Politika's" publisher) met with the group and promised to give them better coverage in the future.

Re. Reasons For SM's Refusing To See WZ

"You know," WZ volunteered, "SM has been refusing to see me." "Why?" I wondered. "I don't know," WZ replied. "Maybe it was because of the Kosovo resolutions introduced in the U.S. Congress last June."

[Luncheon Meeting: 14:00-15:30](#) (at a Knez Mihajlova street (North side) basement restaurant)

Meeting With Miodrag Perisic (MP)

For the last five years, however, MP has been editor of "Knjizevne Novine" (KN) ("Writers' Newspaper") -- an opposition style literary paper which has become highly acclaimed for its fearless criticism of the Communist regime. MP says that despite of it all, only once was an issue of KN banned from the newsstands by a censor. And even then, a certain number of issues had already been published. MP thought that throughout Serbia's recent history, its "humanistic" intellectuals were more advanced than its "technical" experts. *I agreed. After all, technical knowledge was easier to export.*

MP told me the story about a Serbian from Sweden who attended the Kosovo-Gazimestan celebrations last June. "He was an older man. Yet, wanted to kiss my hand," MP said. "Why?" MP asked. "Because your editorials in 'Knjizevne Novine' have restored my faith in Serbia," was emigre's answer.

Throughout our conversation, MP kept referring to Tito only as "Broz," usually in a very derogatory manner. In the end, his burly looks (graying curly hair, blue bloodshot eyes), left the impression of a typical intellectual dissident -- smart, brave, but perhaps reckless.

[January 8, 1990](#)

[Meeting: 16:00-19:00](#) (at "Politika" Club)

Meeting With Slobodan Lazarevic (SL), etc. at "Politika"

Re. Demonstrations Saturday (1/06) At "Politika"

When I first walked into Lazarevic's office, he was typing a story. "They came to demonstrate and protest. Yet we served them tea and cookies. It was very cold (*indeed it was about -12° C*). So we invited them into the lobby," he said. As he rose from the chair, SL continued to speak excitedly about the incident. Occasionally, he waved his arms as if getting ready to fly. "So, what did you tell them?" I asked. "We told them we can't cover activities of every two-bit political party" he replied (*he claimed that these demonstrators only had a membership of about 100 people*). But, he said that when they gain a significant number of members, "Politika" would gladly cover their activities.

"They," as it turned out, were members of a new Slovenia-based democratic party -- Ujedinjena Jugoslovenska Demokratska Asocijacija (UJDA) that WZ was also talking about.

Re. Markovic's Economic Reform

Later on, SL explained that the reason Serbia objected to Markovic's reform was that Markovic copied Serbia's own similar proposals. "Except that Markovic did not apply these rules equitably," said SL. "For example, the price of fuel and electricity (which Serbia exports), is fixed by Markovic regulation below the world prices."

Re. Tito's Transfer Of Factories From Serbia To Slovenia

Under the pretext of an imminent danger from the Soviets following his 1948 break with Stalin, Tito started weakening Serbia's industrial sector by transferring at times whole factories from its soil to Slovenia (e.g., the Rakovica plant)¹⁶. As a result, Serbia's aerospace industry, which allegedly produced over 100 planes per year before WW II, is today practically non-existent. There were even plans to flood Vojvodina at one stage!

Re. Serbia For Strong Yugoslav Central Government

SL said that Serbia wants a strong federal government. But, this is being opposed by Slovenia. "Maybe that's because the Serbs are numerically dominant?" I suggested. "Maybe you should learn from the U.S. experience from the where similar differences existed from a largely agricultural, sparsely populated South, and the industrialized, densely-populated North." I then explained how this problem was resolved by a creation of two legislative houses and a third executive branch of government. SL replied that Serbia proposed something like that, too, but that the Slovenians refused¹⁷.

[January 9, 1990](#)

[Meeting: 11:00-13:00 \(at "Stari Dvor"\)](#)

Meeting With Slobodan Milosevic (SM)

Re. The Taxi Ride

On my way to meet SM, I took a cab from the "Intercontinental Hotel." As I entered it, the taxi driver greeted me with "Good morning, Mr. Djurdjevic." I was stunned. "How do you know who I am?" "I drove you last June. And I read about you in the papers and saw your picture." I figured this was a good omen before possibly the most important meeting of this trip.

Re. My Opening Remarks

The first thing I told SM after we were seated was that I wanted to thank him "for giving back to Serbia its soul." I told him that two days before (on the Serbian Christmas Day), my family and I watched the two-hour TV broadcast of Liturgija from Saborna Crkva in Belgrade -- the first time such a TV broadcast took place in the history of Serbia/Yugoslavia. "There wasn't a dry eye in our household," I said. "Based on what I have subsequently heard, it seems that at least half of Serbia cried that day." I explained that this gratitude comes from a person who had gone to church (any church) maybe 10 times in the last 20 years.

Then, I apologized for my Serbian speech which, I was told, now has a foreign accent. "That's all right," he replied. "Your Serbian is very good." I continued by telling SM that, when I left Yugoslavia 20 years ago, "I scratched the name 'Yugoslavia' from my list." Ergo, for nearly 20 years, I minded my own computer business and paid no attention whatsoever to Yugoslavia, except for occasional get-togethers with my family in North America or other parts of Europe. I then proceeded to explain how my Canadian-born wife managed to get me once again involved with Serbia/Yugoslavia a year ago.

¹⁶the Danube so as to flood Vojvodina.

¹⁷strong federal government, while Slovenia opposes it.

Re. Salutation

At about this time, I asked SM how he would like me to address him. "By the way," I said, "my Christian name is Slobodan. My Serbian friends know me as Boba. So, please feel to call me that, too." "Well," he said "my name is also Slobodan," _ he replied, "so you can call me that." I smiled, but didn't say anything. This was an absurd statement in view of the fact that the whole world knew his name. It was perhaps a sign of his modesty and an illustration that fame and power have not (yet) gone to his head. In any event, from there on, we were on a first-name basis.

Re. SM's Bad Image In The West, "Marketing Serbia", Letter-Handling

When asked what he knew about me, SM said that he had read all my letters, and that he knew that I was working on an American/Serbian bank. "Actually," I interrupted him, "that was not my idea. I happen to know about it and support it. But, this was Mica Djordjevic's (of San Francisco) idea."

When I asked him why he never responded to my letters, he said that his office receives "a thousand letters every day." But, he added that nevertheless he had personally read all of my letters to him. Later on, it seemed that this was true. He cited several thoughts from some of them.

After a brief description of what Annex's business is, I told him about my first visit to Belgrade in over 20 years last June. I said that I have been carefully following the news reports by the Western press since that time. "I think that you should know that you and Serbia have a very bad image in the West." "I know," he said nodding affirmatively. I then proceeded to explain how I had handled the "Economist" situation, for example, and what the results were (i.e., no more negative reports about Milosevic/Serbia). I told him that this was pure "marketing." I did it because it had to be done, because nobody else was doing it, and also to demonstrate the power of good marketing. Meanwhile, Slovenians, Albanians etc. were marketing their issues, while Serbia was doing nothing. Ergo his bad PR image. He listened intently.

Re. A Multi-party Democratic System In Serbia

The conversation then switched to the political situation in Yugoslavia. Asked what his position on this subject was, SM replied that, unlike in Slovenia, he wanted "a real democracy in Serbia." "What do you mean by that?" I asked. "Not a democracy where Communist Party continues to control all other parties, as is the case in Slovenia. Not a democracy where a party leader can secure his succession by his own son, as in Ribicic's case. I want a real democracy." Again, he put the emphasis on the word "real." "And I want to achieve without bloodshed" (such as in Rumania).

"Do you mean by that that you want to have a real multi-party system in Serbia?" I asked. "Absolutely," he replied. "Including a full separation from the (Communist) Party and the state?" I pressed on. "Absolutely," he replied again. "And not only that. I also want every Serbian citizen to be able to run." "You mean as an independent?" "That's right. Independent."

SM went on to explain that his ideas about this were published last year in a book of his speeches over the last five years called "Godine Raspleta" ("Years Of Disentanglement"). He

also said that at the December 1989 Serbian Communist Party congress, a resolution endorsing a multi-party system had been adopted. He asked me if I had heard about it. "Well," I said "I read something to this effect in the U.S., but the message was lost on me by reading the 'Politika'¹⁸." I told him that to me, a truly democratic political system and a free market economy are like "hand in glove," i.e., one cannot work without the other.

It appears, therefore, that SM is biding time before making this kind of a statement publicly. But, there is also no doubt that he knew to whom he was making it, i.e., a relatively high-profile visitor from a country which cherishes democracy, and one who is bound to spread the word. Nevertheless, his reluctance to say these things himself suggests that, in his opinion, the hard-line Communists within the Serbian Party are still a formidable force. This could end up, however, being a treacherous course for SM¹⁹. It appears, therefore, that the pressures on SM to unveil his democratization plan are mounting almost daily.

Re. Markovic's Economic Reforms

Asked about what he thought of the subject matter, SM said that the Serbs basically support Markovic's program. "After all, he copied many of the ideas which the Serbian Presidential Commission on Economic Reform recommended last May." But, he added that "we accept it over several objections." He then outlined three of the most important areas in which Markovic's plan to open up all products to market prices except for those of the "basic" industries has hurt Serbia:

(1) Electrical Energy. Serbia produces 42 billion KW of Yugoslavia's 80 billion KW total electrical energy output, he said. And 40% of Serbia's production is exported elsewhere. "Obviously, therefore, by freezing prices of electrical power while allowing others to rise would hurt us the most." This could be especially painful since all wages have been frozen according to Markovic's six-month anti-inflation program. **(2) Mining.** Serbia produces all of Yugoslavia's copper and zinc, whose prices had been frozen at about 1/2 of the world's market prices. **(3) PTT & Railroads.** These prices have also been frozen. Serbia accounts for about 50% of the national total. **(4) Federal Sales Tax (FST).** Serbia also objects to the high FST rates (30% to 40% of a product's retail price), which hurts the poor more than it hurts the rich, SM said. **(5) Leak Of Wage Freeze.** SM said that Markovic's plan had been leaked to Croatia and Slovenia, whose companies gave their worker 50%+ wage increases in December, before the freeze took effect. "Their wages were frozen with their fur coats on, while the Serbian workers wore only the T-shirts"²⁰.

As a result, there is an increasing danger of severe labor unrest in the poorer parts of the country, situated East of Croatia. This, plus Serbia's economic sanctions against Slovenia (in which the only 'winner' is Croatia), may be two of the major mistakes which he has made recently.

Re. Belgrade-Budapest Freeway

¹⁸right direction!"

¹⁹ambassador to YU dryly noted: "That's his post-Rumania skin!"

²⁰managed to extract from management a 100% wage increase.

SM said that plans to extend the Nis-Belgrade freeway to Budapest are under way with Western financing handily available because of lower transportation costs. This would shorten the Belgrade-Vienna distance by some 200 km. "I can't imagine why this would be good for Serbia?" I said tongue-in-cheek _.

"And not only shorter," SM continued without paying attention to the humorous aspect of what I'd said. "It would also be through the flatlands of Panonia, rather than through the Alps" (i.e., through Slovenia).

Which implied to me that he had wiped Slovenia off of the Yugoslav map. "You sound rather optimistic," I noted. "I am," he replied. "I think I have good reasons to feel that way."

Re. Kosovo/Vlasi Trial

When I told him of the American ambassador's opinion, SM said that Vlasi was not on a political trial. "I'd be happy to face him any day in a political arena," he said. SM maintained that Vlasi is being tried for two major criminal offenses. "First, Vlasi held the striking miners hostages. He forced the miners to strike by threatening their personal safety and that of their families. Second, he had the pipes cut at a Kosovo smelter which cooled down the smelter and rendered is useless." Asked if these accusations have yet surfaced in the Vlasi trial, SM replied "I'm not sure. Probably²¹." He added that in any event, even if Vlasi were convicted by the courts, he'd be leaning toward a pardon. ***I think that's sound reasoning. Who needs a two-bit Albanian martyr, especially one who claims to have done everything he did in the name of Tito!***

Re. Albanian Drug Traffic In Kosovo

Some of my sources (BJ) suggested that American-based Albanian mafia actually paid the people to riot and demonstrate against authorities at Kosovo. SM confirmed that significant drug traffic crosses Kosovo. "Several times every year our police seize big shipments of drugs and/or arms there." He said that Kosovo is on the the drug traffic route from Asia into Western Europe. But, he thought that Kosovo Albanians also get financial support from Albania.

Re. U.S. Ambassador Zimmerman (WZ)

I asked SM why he refused to receive WZ. He said that WZ had lobbied with the Western European ambassadors last June against attending the Kosovo celebrations at Gazimestan last June. "That's why I refuse to see him. It is for moral reasons," he said.

Re. American/Serbian Bank

SM thought that this was an excellent idea, and initial shareholders should gather to form the venture ASAP. "As a former banker, I can tell you that I really think that such a bank can make a good profit," he said. "We are prepared to send to America a member of the Presidency (there are seven or eight of them) with full powers to deal with you (American Serbs) on this subject."

²¹he had not seen any evidence of such charges.

But, the rest of the Yugoslav banks are a mess. "It all started when a bank in Skoplje, Macedonia, ran into financial difficulties," he said. "They should have closed it down. After all nobody forced it to make bad loans! But instead, they merged their bad debt into a big federal debt pool. This action gobbled up the profits even of successful banks like Beobanka (his) and Ljubljanska Banka, for example."

Re. SM's Liking America

He went on to describe his own banking experience in America. That's when his bank ("Beobanka") opened a New York branch [at 625(?) Madison Avenue]. "I remember meeting Rockefeller as well as Larry Eagleburger at a gala party to mark the opening of our branch," he said. "And even though Eagleburger was an important government official, while Rockefeller was 'only' a businessman, I noticed that Eagleburger called Rockefeller 'sir' -- not the other way around."

At this point, SM became very relaxed and chatty. "I really like America," he said. "I remember driving from New York to Toronto one day." "That must have taken you all day," I interjected. "It did. But, it didn't matter. We'd make several stops and picnic in the woods along the way. We had a great time!"

Re. The "Three Wins"

I told SM that when I was here in June, I told my friends that, in order for us to do business in Serbia/YU, three preconditions must exist: (1) America must win; (2) Serbia/YU must win; (3) Annex/DJ must win. "That's a basic prerequisite for any business which we do in YU," I said.

Re. "Marketing Serbia" Plan

I proposed to him that I develop a plan for marketing of Serbia to the West. I suggested that maybe the funds from the Serbian loan should be used. SM replied that maybe the funds could come from another place, but that he was interested in the proposal. I explained that such a marketing program must involve at least three prongs: (1) government relation; (2) media relations; and (3) business relations. "All three," I said "take time and effort to cultivate." I proceeded to explain to him my theory how big business and big government isn't all that different from the "kindergarten" games kids play. "We all knew who the bad guys were. We all knew who the good guys were. But, we had a hard time figuring out who the good guys were who turned bad." He said he was looking forward to my proposal.

Re. Personal Property Laws, BG Stock Exchange

SM said that many of the Serbian companies which currently fall into the "drustvena svojina" ("social property") category would soon be going private by issuing shares and selling them to the public. "What's going to remain a 'social property' are the various utilities, just like in the West," he said. "Well," I replied, "that's a great plan, but how can you trade shares without a stock exchange?" "We'll have one in Belgrade soon," he said. "And a major one at that. After all, Belgrade is the capital of the country, not Ljubljana." "How soon?" I asked. "In two to three months."

Re. Belgrade: Turning The 'Brain Drain' To 'Brain Gain'"

As we were leaving his office, I outlined to SM my ideas about having the successful Serbian emigres coming back to teach their trade at the BG U for about one or two weeks each year. "That's a great idea," SM said. "Why don't you talk to Drasko (Milicevic) about that, too?" he suggested²². That's why I came up with another idea of working toward the same goal through the Serbian Academy of Arts and Sciences.

Re. St. Nikola, Serbian Flag In My Office On December 19

As we walked out of his office, in front of his secretary Mira and another man, I said to SM that I had something to show him. I showed him the picture of a wall at my office. The photo depicted a Serbian flag below that of the U.S., and a Serbian 4xS cross. "This is what my office looked like on December 19th," I said. SM took a long look at the picture. He replied, "E, bas je to lepo!" ("Eh, that's really nice indeed!"). The other two people present at the time, of course, could not see the picture. They only heard what I had said to SM.

Overall, I came away with a very positive impression of SM. He is clearly a businessman who became a politician, not the other way around. And he has a good feel for business -- something he must have learned during his years as a banker. Maybe that's why SM and I established an almost instant rapport. In fact, it struck me as if he were not used to talking to people who have a good grasp of business issues. On several occasions, after he stated an opinion about something, he felt compelled to go ahead and prove it with detailed arguments, even though the basic idea itself was clear enough to me without additional verbage. Once or twice, I even had to cut in by saying "sorry to interrupt you, but what you're saying is clear to me and I agree with it. Can we move on to other subjects, please?" And we did.

I think that the man is a rough diamond. With some "spit and polish," who knows how far he could go...

January 9, 1990

Meeting: 13:00-15:00

"Jugobanka"

Immediately following my meeting with Milosevic, I walked into a bank right at the "London" intersection so as to change some travelers checks into dinars. The clerk at the foreign exchange window also asked for my passport (that's not unusual -- in many countries it is the same procedure). She inserted my travelers checks into the passport and put it at the bottom of a stack of other passports. "How long will I have to wait?" I inquired. "Oh, about 15, 20 minutes." But, a woman with cigarette dangling from her mouth, who was actually doing the foreign exchange paperwork, corrected her colleague. "Come on. Tell him the truth. It will be more like half an hour." I asked for my passport and the checks back and left.

²²run the whole show.

January 9, 1990

Dinner: 20:00-03:30

Dinner With MP, MV, BJ At "Francuska 7"

Like MP, MV he enrolled at the BG university in 1967, at the faculty of philology. MV currently writes for "NIN," among other publications. He said that he would see me on Thursday to do an interview for "NIN." MP and MV also invited me to tomorrow's gala premiere of a new play by Dusan Kovacevic, who is apparently a household name as a drama writer in Serbia. "I'll get him (me) a ticket even if I have to take it out of someone else's pocket," the famous playwright asked MP and MV to tell me.

Before dinner at "Francuska 7," the club of the Serbian literary elite, I was heartily greeted by "Ivo," the owner, and by "Rade," the waiter who also served me when I was there last June. Rade even remembered what I had ordered the last time. He gave me his regrets, however, that stuffed cucumbers were "no longer in season."

Visit With Dobrica Cosic

After the dinner, MV drove us to Dedinje, where Dobrica Cosic lives. Cosic is a legendary Serbian writer whom I remember studying in high school. "Ivo Andric (a 1961 Nobel prize laureate) and Dobrica Cosic are the two greatest Yugoslav writers of modern times," said MP, a noted authority in this field. In 1968, Cosic attacked Tito at a Communist party conference, and was summarily "excommunicated." After over 20 years as a dissident, he is now starting to be back "in vogue."

We spent the next five to six hours in general political and philosophical talk, much of which was concentrated on my earlier discussion with Milosevic whom Cosic had not met.

January 10, 1990

Meeting: 14:30-16:15

Meeting #2 At "Politika"

At first JM talked about her adventures in Rumania. She said that even though people were being killed around her, she never really had any real sense of danger. "It seemed as if all those bullets flying overhead were not meant for me," she said. She said that she was more concerned about an accidental shooting by the untrained "revolutionaries" who kept pointing their guns at her inadvertently while checking their papers. She described how she saw one of them actually blow up his whole foot with his automatic rifle while he was giving a TV interview.

After this, I demoed the "Toshiba" for them as SL had asked me. I also learned that PJ is the Communist Party chief for "Politika." But, that's something that they all kid about, including himself. PJ knows more about the Serbian religious holidays than I! We also talked about the name for the new weekly English language edition of "Politika," where JM is now working. I suggested the name "Yugoslav Newsweek." We'll see what they'll decide.

Re. The New Political Parties

NC told me that in Croatia alone, there are 16 different political parties currently active. A similar situation exists in Slovenia. According to the present rules anyway, each party must be registered with the police. The police have 60 days in which to rule about the party's eligibility. They have not yet ruled about the Democratic Party (which was formed on December 11, 1989). But, they have rejected Nebojsa Popov's party in Serbia. So, Popov is now a Serbian leader of a national party which has been registered and approved in Zagreb.

NC told me that he has also heard of formation of an "Attorneys Party" in Belgrade, but that this was still at an early stage. Actually, the attorney who was at my "kum's" place yesterday, told me that he was one of the founding members of such a party.

NC also said that Vuk Draskovic's "Serbian Renewal Party," an extreme right-wing political party, has also applied for a registration with the police. NC said he didn't know what he would do with them since their views are almost fascist. "Let them get registered," I suggested. "If they are really that extremists, the voters would reject them anyway. Just like they rejected the Communists in the U.S. That's real democracy²³." NC said that he wasn't sure if what worked in established democracies would work here. Neither am I.

January 10, 1990

Meeting: 16:30-18:00

Meeting #2 At U.S. Embassy With WZ And RR

Re. My Meeting With Milosevic

At the outset, I explained the nature of my business, so as to illustrate how big a role human character judgment and objectivity play in my work. I also explained to them my "three wins" principle, as well as the "kindergarten syndrome" when it comes to big business and/or politics. Based on this, I elaborated on why I wanted to meet with Milosevic. I told them that, based on my intuition and knowledge of the Serbian psyche, an image of another Stalin which the Western press had created for Milosevic was a piece of a jig-saw puzzle (WZ has one in his waiting room) which just didn't fit. Since I wished to have no part in helping "another Stalin" come to power, I wanted to get the story from "the horse's mouth" as to what SM's real intentions were.

I then went over the two most important points I covered with SM, and in which WZ was interested -- Markovic's economic reform, and the Vlasi trial. WZ said that he was glad to hear that Serbia supported Markovic, albeit with objections. Regarding Serbian woes, he said that other republics have also made sacrifices. "For example?" I asked. "Well," he said, "Croatia is the only oil producer in the country. They are similarly hurt by the price freeze in the basic industries." I replied that, of course, I did not have the specific industry statistics immediately available. But, supposing for the moment that Croatia's oil output was significantly lower than Serbia's volume of other basic industries, it would seem to me that Croatia's "sacrifices" would be proportionately smaller. WZ didn't argue against this opinion.

I then proceeded to explain the five objections which Serbia had to Markovic's reform (as outlined above). For the most part, WZ just listened, while RR took notes. They both agreed with my analysis that Markovic's reforms may cause labor unrest in poorer regions of the

²³have rejected the application of this party as a legitimate political body.

country, notable Serbia, Montenegro and Macedonia. In fact, some of it was already happening as we spoke (in Kragujevac and Valjevo, for example).

Regarding the reasons SM did not want to see WZ, I relayed exactly what SM has said. "That's not true!" WZ replied excitedly. "I swear I never tried to talk any other ambassadors out of attending the Serbian gathering. The 13 ambassadors of the EEC met separately and decided that they did not want to attend. Only the Turkish ambassador attended. As for myself, I never received the official invitation until the day before, although I have to say that we expected to be invited. I chose not to attend because I thought that SM would deliver another inflammatory anti-Albanian speech. I did not want to be, therefore, publicly embarrassed and have to leave the meeting in protest. As it turned out, I was wrong. SM delivered a soothing, conciliatory speech."

I told WZ that I found it regrettable that a country of which I am a citizen (America) and a place of my birth (Serbia) weren't talking to each other. I asked him if he would like me to relay his above explanation to SM. He said that would be up to me. He added that he wanted to thank me on behalf of the United States for what I was doing.

Re. Zimmerman's June/89 Meeting With Bogdan Maglic (BM)

The conversation then switched to our first meeting last June. I told WZ that I recalled seeing BM in the waiting room just as WZ and were saying goodbyes to each other. And that later on that evening, I had met BM for the first time at the "Protokol" restaurant when Branko Milinovic introduced us to each other. I recalled parts of our conversation with BM in which he boasted to have argued with WZ because of WZ's failure to protest some human rights violations of Serbs in Croatia. Subsequently, I said I had written a letter to Milosevic, which among other things, was critical of such tactics. The letter suggested a concerted marketing effort on the part of Serbia. I told WZ that, even if there had been such violations, I disagreed with BM's method. "In business, this would be tantamount to attacking your customer! You may win the argument, but you'll lose the customer." In other words, I thought that such vigilante tactics may harm Serbia more than help it, despite BM's probably best intentions. I sent copies of this letter to some of my prominent American/Serbian friends, including Milinovic. I said I was glad to hear that Milinovic apologized to WZ for BM's outburst on behalf of other American Serbs when he met with WZ last November.

WZ listened very intently. He then opened up. He said that he was indeed flabbergasted by BM's behavior. "You know, this man and I had never met before. Just like you and I had not before last June. But, unlike the civilized tone of our first conversation, as soon as we sat down, BM started yelling at me for not doing my job vis-a-vis Serbia. And for talking to (Ante) Markovic so often rather than to the Serbians." "But, I am a credit to Markovic," WZ explained, "not to Serbia. What would you have me do. Not deal with the government leader to which I am accredited?"

From there, WZ said, things went from bad to worse. "And the next day, I read a story in a Belgrade paper, according to which BM had called for my dismissal from the post to which I had been appointed only a few months before!" a new and a rather emotional WZ surfaced in our conversation.

Re. Zimmerman's June/89 Meeting Helen Bentley (HB)

I first met HB, a congresswoman from Baltimore, last September 22 in San Francisco. We shared a ride in Michael Djordjevic's car to a fund-raising reception for her in Marin County. That's when HB boasted how she had "really leaned into Zimmerman" when they met in Belgrade. WZ brought this up during our today's conversation without my prodding. He said that later on in June, during her visit to Serbian festivities at Gazimestan, HB had also attacked him regarding his lack of support for Serbia. "But, I like Helen," WZ added. ***In other words, with well-intentioned friends like Maglic, or Bentley, it seems that Serbia could use a few straight-forward enemies. Of course, it was very generous of Zimmerman (or masochistic, or dishonest -- take your pick), to say that he "really likes" people who tear a strip off his back. That line may sell in a comic strip, but not to a business/political analyst. No wonder, therefore, that WZ was cheesed off with Serbia. Who wouldn't be? Especially if he had initially already come into the job with negative predisposition because of his former support of Croatians -- as some of my sources have suggested. Which underlines the importance of coordinated clever marketing of Serbia, rather than that of individual headline-grabbing stabs at it.***

January 10, 1990

"Zvezdara" Theater: 20:00-04:00

"Profesionalac" ("The Professional") Premiere

MP and his wife shared a cab ride with me to this two-year old "avant-gard" theater which succeeded a similar "Atelje 212" theater from the 1960s (I watched the musical "Hair" there, for example, in 1968). After we got in, MV told me that I'd be seated next to a member of SM's Presidium. I actually had not formally met this person until much later during the reception. On my left, however, was president of "Jugopetrol."

The show was an outstanding satire on the Tito regime. A former policemen, whose retirement was forced by the arrival of SM's people, brings to a dissident writer, also a participant of the 1968 uprising, 18-years worth of his telephone eavesdropping materials. Over the course of the next hour or so, together, they relive the past 18 years. All the while, the former policeman's tape recorder continues to record everything. By the time they are finished, the writer will have written another piece -- this time a play. All he needs to do is retype it from the tape.

After the play, I met MV during the reception. He looked like an expectant father. "What did you think?" he asked. "It was outstanding," I said. "Well then, why don't you congratulate me?" he asked. "For what?" I asked not knowing what his role in the play was. "How were you involved with this?" I asked. "I am the director of this theater!" he exclaimed.

I told him that I was sorry, but that I did not know it. I then embraced him and heartily congratulated him. During the reception which followed, I talked extensively with Antonije Isakovic, the vice president of SANU, Moma Kapor (a famous satirist) and his young wife (Ljiljana -- an international stewardess with JAT), Slododan Vucetic, the member of the Serbian Presidium responsible for constitutional changes, president of Belgrade's Zvezdara County (in which I was born), Vitezovic (another famous writer), etc.

[January 11, 1990](#)

[14:00-15:30](#)

Telephone Conversations With Milosevic/Zimmerman

I spent about 20 mins talking to SM about WZ. I told him what WZ had said to me in our yesterday's meeting (i.e., that he swore he was not trying to incite a boycott of the Western European ambassadors' against Serbian festivities at Kosovo). And about how WZ arrived himself at a decision not to go (which he later may have regretted).

I told SM how it bothered me to see a rift develop between two of my favorite countries, especially since it may have been based on flawed information. "Hm," replied SM. "I see your point. In any event, you should know that today my (Serbia's) prime minister (Radmilovic) had lunch with WZ." I already knew that (from WZ), but nevertheless I said "that's great!" I also told SM about the play I had seen and recommended that he also ought to see it.

Immediately following this conversation, I called WZ and told him that notwithstanding the fact that he did not ask me formally to intervene, I had relayed his statement about Kosovo to SM. And that, from now on, I was hoping that there would be multi-lateral relations between Serbia and America, including the official government ties, and not just that of the maverick business people like myself. WZ again said that he appreciated all that I have been doing.

I also told WZ about the play I had seen and recommended that he also ought to see it. I told him that he would probably appreciate the Serb's striving toward the democracy better if he saw an example of the freedom of speech -- how a few strips of Tito's skin are being taken off live, and on stage. He said that he was grateful for the suggestion and anxious to go to some cultural events like that. I also recommended that he get a book (script) in advance, so as to be able to follow the play better.

Thereafter, I called MP and MV and suggested that they send personal invitations to the play to SM and WZ. MP and MV both thought that that was a good idea, and promised to do so. *I figured that SM and WZ would each benefit by seeing for themselves how far the freedom of speech in Belgrade has gotten. SM -- because some of his former supporters among the Serbian intellectuals are getting restless. They want full democracy NOW! WZ - - because the play would open up his eyes about how powerful some of the Serbian literary works are. And that Belgrade intellectuals practice what Slovenians and Croatians preach. After all, it was their fearless writing that preceded the political changes in Serbia, not the other way around.*

[January 11, 1990](#)

[16:00-18:30](#)

"NIN" Interview

During our meeting at the "Politika" club, TA asked me again if I would agree to do a regular column for "NIN." I said I would agree to the deal provided that in return I got a 100-year subscription to NIN, "so that my grandchildren could read it, too." "It's a deal," TA said. And as we shook right-handedly on the deal, he added "but, it could be even 200-years if you'd like." "I would," I said, as we also shook left-handedly on the amendment to my original

proposal. The camera flashed. "In that case," I continued, "we don't need to sign any written agreements. The camera has recorded our deal. And before the witnesses at that."

As we walked upstairs into his office for an interview, TA offered to help "in any way possible." "If you need a car, for example, now or in the future, just let me know and NIN will arrange it."

I thanked him, but I said that I didn't need any of the above, for the time being. I said that I was curious, however, about the statement which somebody had made the night before, that "spending two hours with Milosevic was like spending a week with President Bush." "Was SM that inaccessible?" I inquired. "What was the point of this statement?"

The opinions differed. But the one that stuck in my mind was TA's notion that "SM is much smarter than Bush." *In other words, TA thought that SM deserved more respect than the U.S. president. And, that thus he should have been harder to reach. I am sure that the U.S. ambassador to YU would whole-heartedly agree with the latter statement.*

January 11, 1990

20:00-22:30 (Dinner at "Casablanca")

Meeting With DM

Re. Milosevic

DM thinks that SM is "a real Communist." DM claims to have suggested to SM last Fall that he ought to appoint some liberal-thinkers to his cabinet. But, SM has not done so, according to DM. So, DM is sore at him. This confirms my earlier assessment that DM is not very influential with SM. I suggested to DM to be patient. "After all, SM is still your leader," I said. "You may disagree with him about the timing of things, but you should trust his instinct." DM replied that SM is losing the support of the intellectuals.

DM also said that SM opposed the dethroning of Tito at the last Serbian Party Congress (Dec 11-13). "It wasn't until the last minute," DM said, "that we passed the resolution upholding a multi-party system. In facts, at the 8:00 p.m. TV news, for example, a Serbian Party member made a statement reaffirming the monopoly of the Communist Party. Right after that, our resolution passed. So, SM called this person and asked him to retract his earlier statements at the 11:00 p.m. newscast. Which he did.

Re. Zimmerman/Kosovo

DM said that he was the one who informed SM about Zimmerman's trying to talk other Western ambassadors out of going to Gazimestan last June. He said that's what Zimmerman had told him over dinner. DM said that WZ joked about the fact that only the Turkish ambassador was coming. "And they beat you there anyway," WZ allegedly teased DM. DM added that he hasn't been invited to the U.S. Embassy since that time.

Re. Zimmerman/Croatia

DM also told me that WZ was a sympathizer of the Croatian nationalist movement which Tito crushed in 1972. BJ's comment about this? "That's dangerous. People like that don't change easily. Maybe it would be best if we got another ambassador from America."

January 12, 1990

10:00-11:30 (at the Canadian Embassy)

Meeting With Terry Bacon (TB), Canadian Ambassador To YU

Re. His Relaxed Attitude/Good Secretary

When his secretary took me to his office, TB was on the phone to someone. After he hung up and we had the usual small talk, I said I wanted to hear his assessment of the situation in Yugoslavia. When he started to speak he practically did not stop for half an hour! Much of what TB talked about was history with which I was well acquainted. And his opinions were similar to those which WZ had voiced in our first meeting. But he spoke eloquently and intelligently. So, I wasn't bored. When I finally got a chance to tell him that I had already had my meeting with SM, and that in fact I talked to him again after that, TB paused to catch his breath. "So what did he say?" he asked. Finally it was my turn to speak.

Re. The Slovenian Leadership

I told TB almost as much as I had said earlier to WZ and RR at the U.S. Embassy. When I told him of SM's comments about the "real democracy" (versus the apparent one in Slovenia), and the fact that, in my opinion, SM's red (Communist) skin was very thin, TB was at first rather cynical. "That's his post-Rumania skin," he noted dryly.

But, after some of my additional comments, he concluded that "that's very interesting." He said that he recalled questioning questioned Joze Smole, a Slovenian Communist leader, about it. "Suppose you (the Slovenian Communists) were defeated in the elections," TB asked Smole. "Would you relinquish power?" "That's impossible," Smole replied. "We'd never lose." "But, suppose you did?" TB insisted. Still evasive answers. "Finally, after about eight tries from different angles, Smole reluctantly told me that yes, they would give up power."

January 12, 1990

11:40-13:00 (at my hotel)

Meeting With XX And ZZ

Since I had such a hard time shaking the Canadian ambassador off, I was 30 minutes late for the meeting with XX and ZZ at my hotel. Since ZZ had to preside over a 12:00 meeting at the Parliament, we really only had enough time to discuss how, if at all, we could meet again.

Meanwhile, after ZZ had left, XX opened up to me as he had never done before. He said that in 1944, after he ran away from home to join the "partisans" at the age of 17, he was assigned as a guard to an "OZNA" unit. This was the ultimate security agency of the Communist Party. Its name was later changed to UDBA. At the time, XX's mother was imprisoned at Banjica. Later she was transferred to a German concentration camp.

With tears welling up in his eyes, XX told me about the beatings and the murders by the Communists which he had personally witnessed. "Most of our prisoners were only 'guilty' of one thing," he said. "They weren't the Communist Party sympathizers. Many of them were simply good Serbs. For that, they were beaten until their feet were swollen with blisters. Then, they were shot dead with a single bullet to their heads. There were 3,000 of them killed in Zemun alone. That was 10% of Zemun's population at the time!"

XX paused to collect his thoughts. "I know where their graves are. That's what I had just been talking about to ZZ before you came. ZZ told me to write it all down, along with the maps of the mass graves. And to sign my statement. To make it all official. There aren't many of us left -- the live witnesses to these executions," he said. "XX told me that according to ZZ's estimate (of just a few minutes before), in Belgrade, for example, there had been 12,500 people executed for the same reason -- that they weren't Communists, or were suspected to be Communist enemies' supporters ."

XX paused. It was obvious at this stage that XX was dumping a lot of his old past. And that he was hurting. He described the nights in Zemun when his duty was to push the people who had just been shot in the head into the holes in front of them. "You know, dead people are very limp," he explained. "Sometimes, the blood and their brains would splatter all over me before I could shovel them in. But, if they fell back, the OZNA officers would yell at me no end. Afterwards, they would tease me to see how tough I was."

At this stage XX began to cry. He said that he was thinking of committing suicide -- something he had only talked over with his sister at the time. She talked him out of it. He repeatedly asked for a transfer to the front, and finally got it. It was a relief from the job he had, XX said.

By 1946, however, most of the mass killings had stopped, XX said, although the individual persecution continued for decades thereafter. *The Communist Party had obviously established the "dictatorship of the proletariat," so it could afford the generosity of mock trials like that of my father in 1952.* XX was thrown out of the Party in 1951. "I was the first person to have been thrown out of the Party without going to jail," he said.

January 12, 1990

late evening

Conversation With LK

Re. Slovenian Friends

LK said that over the years they had befriended a Slovenian family from Jesenice. They first met in the 1960s during one of their skiing trips to Kranjska Gora. They kept up the correspondence and occasionally visited each other. Usually it was the husband who wrote. Although a Slovenian, he was born in Sremska Kamenica while his father was attending police academy there, and thus could speak Serbian.

Suddenly last year, after the fight broke out between the Slovenian and the Serbian leadership, the wife started writing. She was apologetic about the whole thing and wanted to assure LK that her family's friendly feelings about the Serbs haven't changed. LK read to me

excerpts from a touching letter which this Slovenian lady wrote in December. SK promised to translate it into Serbian and to send me a copy of the letter.

Re. Slovenian Leaders

LK also told me that both Slovenian leaders -- Smole and Stanovnik -- had held diplomatic posts in the U.S.. They still frequently travel to the U.S., LK said. *Which may help explain why the Slovenian marketing has been so much more effective so far than the Serbian.*

January 12, 1990

(From "NIN)

The New "Union of Radical Democrats" (URD)

Separately, according to a NIN (Jan 14/90) article which I read today, another new party, a "Union of Radical Democrats," has just been formed in Novi Sad, under the leadership of **Oliver Novak Novakovic** (an attorney-Novi Sad). Other founding members are **Sinisa Nikolic** (journalist), **Vojislav Devic**, **Ilija Petrovic**, **Olga Trebicnik**, **Ostoja Drazic**, **Kosta Hadzi**, and **Aljosa Milenkovic**. The URD's program may be modeled after the old Serbian "Radical Party," formed in 1882 at Ilijinim Vodama, near Kragujevac.

SUMMARY

January 18, 1990

Trip Plan:	Belgrade:	January 5-14
	Vienna:	January 15
	Paris:	January 16-17

YUGOSLAV/EUROPEAN TRIP OBJECTIVES

1. Assessing the political situation in Serbia/Yugoslavia through face-to-face meetings with Slobodan Milosevic (SM) and my other political/diplomatic contacts in Belgrade. Determining whether SM is really a hard-line Communist (as the Western press had depicted him), or is for a free democratic multi-party system.

2. Assessing the business climate in Serbia/Yugoslavia in order to decide if, when and how to start doing business there.

3. Visiting the family and spending the Christmas and the Serbian New Year's holidays with them. Learning more from the about my own heritage.

YUGOSLAV/EUROPEAN TRIP RESULTS

1. Objective 100% achieved. There is no doubt anymore in mind that SM wants a real multi-party democracy for Serbia/Yugoslavia.

2. Objective 100% achieved. The time to start is now. The wheels are already turning as a result of my discussions with IBM in Vienna and Paris, and the additional conversations with SM and WZ (from Paris).

3. Objective 100% achieved.

ADDITIONAL POSITIVE RESULTS

4. Improved American/Serbian relations. Until now, Milosevic has refused to see the U.S. ambassador. And he has not received the Canadian or any other Western European ambassadors, either. Even before I left Belgrade, however, there had been some tangible progress in the U.S./Serbian relations. Zimmerman met for lunch with the Serbian prime minister Radmilovic on Jan. 11.

5. New contacts with Serbia's cultural/humanistic world. During this trip, I have made new contacts with Serbia's spiritual leaders -- the writers from "Francuska 7" whose outspokenness precipitated the democratization process. Ditto re. meeting with some prominent members of the Serbian Academy of Arts & Sciences, as well as Belgrade's top actors and actresses.

6. New column in "NIN." Also exceeding the initial expectations for this trip is the new deal which I made with "NIN's" editor Andjelic for a regular column. In exchange, he agreed to

provide us with 200-year subscription to this leading Yugoslav weekly ("NIN" can best be described as a cross between "Time" and the "Atlantic" magazines).

7. Over 80 people. Overall, I met with over 80 people in five days, not including my meeting with immediate family.

----- E N D -----