

Yugoslav embargo fuels smuggling

Gas sales net profits for some in Yugoslavia

Associated Press

VATIN, Yugoslavia — Hazy gasoline fumes mingling with the oppressive August heat wafted over a parking lot near the Romanian border that has become an impromptu gas station.

Cash-hungry Romanians siphon fuel from their cars and sell it for about \$4 a gallon to gasoline-short Yugoslavs suffering under a U.N. embargo.

All across the frontier, merchants are poking holes in the embargo on most trade with Serbia and Montenegro, the only republics remaining in Yugoslavia.

The West is threatening to tighten the sanctions but such a move would likely meet with only limited success.

Where there is a profit, there is a way.

Yugoslavia's neighbors say they are complying with the trade sanctions, imposed May 30 to punish Yugoslavia for its role in fomenting the war in Bosnia.

Greece suspended all fuel exports across its northern border to prove it's not turning a blind eye. That has

left Macedonia, a former Yugoslav republic sandwiched between Greece and Serbia, strapped for fuel as well.

Romania, traditionally Serbia's ally, appealed for international monitors to observe its compliance and set up a telephone hot line for citizens to report violations.

But poverty, corruption, and the chaos wrought by war and the fall of Communist governments make full application of sanctions nearly impossible, whether in petty cases like gasoline smuggling or more serious ones.

Yugoslavs in motor boats regularly putter up to ships from former Soviet republics that traverse Serbia on the Danube River. Not only gasoline is getting through on the river, Europe's second longest.

Romania says it has prevented 26 Romanian and foreign vessels that have called in its ports from carrying goods to and from Yugoslavia since the sanctions took hold. But officials say their hands are tied if the ships stay out of port in the Danube's international waters.

It is difficult to verify that ships are unloading in Yugoslav ports. At Pancevo, south of Belgrade, where a large oil refinery is located, the gate guard politely but firmly refused to allow reporters to enter the port.

Yugoslavia, which has only meager crude oil deposits, has stepped up its production but is still meeting only about 25 percent of demand, ac-

ording to the respected economic weekly *Ekonomaska Politika*.

Smugglers also circumvent the embargo by declaring on waybills that goods shipped to Yugoslavia are in transit to third countries, say diplomats and businessmen familiar with the procedure.

Some of the goods supposedly are bound for Bosnia, on trucks carrying Bosnian license plates and accompanied by shipping documents adorned with Bosnian stamps.

But such license plates and stamps are relatively easy to procure from Serb-controlled areas of Bosnia.

Macedonia, with its porous borders to Serbia, is another leak in the sanction wall.

On the Romanian border at Vatin, 60 miles northeast of Belgrade, Romanians and Yugoslavs do a brisk business.

At a parking lot near the border crossing, Romanians measured gasoline from their tanks in old soda or detergent bottles. Romanians who have installed 26-gallon tanks in their cars meet Yugoslavs hauling trailers with empty oil drums concealed under tarpaulins.

After the sanctions were imposed, gasoline was rationed in Yugoslavia to 5.2 gallons per month at about \$5.40 a gallon.

The Romanians who buy theirs at \$1.24 per gallon make a tidy 300 percent profit at Vatin.