

OHR BiH Media Round-up, 31/10/2002

Headlines in Print Media

Oslobodjenje: Meat lobby has stolen millions of marks? Carla Del Ponte's accusations – RS officials protect Karadzic's financiers

Dnevni Avaz: Hays following his meeting with Ivanic – There will be more removals over Orazo affair

Dnevni List: Hays announcing new removals following Orazo investigation: OHR supports Mostar as the Federation Capital

Vecernji List: New 49 indictments from ICTY, 97 in total

Slobodna Dalmacija: Fresh discussion on BiH's partition?!; Siroki Brijeg meat industry rejects accusations of 47-million tax evasion – Lijanovici found "holes" in the law; Ashdown in NATO – reforms necessary for RS

Glas Srpski: Masovic violating rules; Sarajevo-Minister makes damage to budget

Nezavisne Novine: Serbian Police prevent assassinations on Djindjic, Seselj, Labus...; PDHR – BiH has to start controlling arms trade; Ashdown requests cessation of cooperation between RS and FR Yugoslavia armies

Nacional: Lyons: Kostunica and Djindjic bear responsibility for weapon trade with Iraq; Affair Orazo: Paddy Ashdown threatens Sarovic with removal

Blic: State owes 1.26 billion of old saving; Sarovic: We will show that we respect the UN resolutions; Planned assassinations on Djindjic, Seselj, Labus...

Orazo affair

"I made it clear to all Republika Srpska officials that the Orazo investigation, that will follow, will result in more removals. If it is determined that there is a political responsibility, there will be appropriate repercussions regardless of about which officials it is about," the Principal Deputy High Representative, **Donald Hays**, said in Banja Luka on Wednesday, following a meeting with the RS prime Minister **Mladen Ivanic**. Hays met Ivanic in the capacity of the international community's coordinator for the case of UN embargo abuse. The RS Prime Minister, for his part emphasized it was in the RS interest that a full investigation into the matter is conducted, as well as that the arms export/import operations are controlled from the level of the state. (**Dnevni Avaz**, front-page, p 4, news item ranked 1st on **RTRS, ATV, Bel TV, NTV, Nezavisne Novine** p 4, while **Glas Srpski** was not very explicit in putting the PDHR's message this way, **Blic** p 2, **Nacional** p 6, **Dnevni List**, front and p 3)

According to **RS media**, **Hays** in the course of the day also met with RS National Assembly Speaker, **Dragan Kalinic**. There were no statements made to the press after the meeting, but the RS NA Speaker's Office issued a press release, which states that Kalinic and Hays discussed yesterday the continuation of the investigation into the Orazo affair as well as the activities of other military equipment producers in both entities. The meeting concluded that the legislative and executive authorities in the RS and BiH federation should be formed within the deadlines set by the law and that political parties should be able to achieve that on their own without any intervention by the OHR. The meeting also discussed possible legal solutions to VAT and the obligation of the future RS authorities to strictly comply with the Law on Civil Service.

In an interview with **Nezavisne Novine** (p 4), **PDHR Donald Hays** said the whole country is held responsible despite the fact that the omission in the **Orazo** affair was made by entity bodies. He said that BiH is the UN member not the RS. Hays also said that he would not be surprised if he found out that apart from the Orazo Aviation Institute some other companies from Croatia, BiH Federation, Serbia and Monte Negro are involved in the arms trade.

Glas Srpski (p 2, "RS understands damage") quotes RS President **Mirko Sarovic** as saying that by dismissing RS Defence Minister and RS Chief of Staff a big step has been made towards the resolution of the Orazo affair. "With

the RS Supreme defence Council's Conclusions we should show to the world that we comply with UN embargo on weapons export to Iraq as well as to demonstrate decisiveness of the RS top institutions", said Sarovic. (Blic p 2, Nacional p 6, Vecernji List, p 2, Branka Stevandic)

Vecernje Novosti (p 15) quotes Sarovic as saying that most probably "certain structures" in Yugoslavia had been monitoring Orao case for a long time, but the story was launched at the moment they deemed appropriate. *"There is disproportion between Orao case which has been marked as a planet issue, and some other cases such as discover of weapon in Konjic, list of the Islamic humanitarian organisations connected with terrorism, etc. that have not lived for a long,"* Sarovic said. (**Slobodna Dalmacija**, p 14)

Nacional (p 6) reports that High Representative **Paddy Ashdown** is planning to remove member of the BiH Presidency **Mirko Sarovic**, because of his responsibility in Orao affair. The West deems removal of the RS Army Chief of Staff and Minister of Defence as a protection of those who have been on the highest positions for years. That is mostly refers to Mirko Sarovic who has been the Supreme Commander of RS Army and who bears the greatest responsibility to what has been going on in the military industry. Therefore, Sarovic might be the first on Ashdown's list for removal.

The BiH Federation Defence Ministry will do everything that needs to be done to re-examine all foreign contracts related to the import and export of arms and military equipment in line with the government's conclusion, Defence Minister **Mijo Anic** said in a statement told journalists in Sarajevo on Wednesday. He added that an expert team which would do this had already been set up, and that it included a number of employees of the special-purpose (military) industry and officials of the Defence Ministry's main inspectorate. In the next few weeks the team will examine the situation in all of the eight special-purpose industry factories in the Federation. Anic said that the public would be informed about the result of the probe in due time, adding that according to the information available to the Defence Ministry, there is no indication of any abuse. Anic said that the Ministry had not granted any export licence for countries on which the arms embargo had been imposed. (**Oslobodjenje**, p 7, **Dnevni Avaz**, p 4)

Head of the RS Tax Administration **Milica Bisic** said on Wednesday that the authorized Tax Administration officers today started the analysis of the material-financial situation in the Orao Aviation Institute in Bijeljina. She said the officials would assess first how much time they will require for the completion of the quality analysis of the operations in Orao. Bisic added they would try to complete it within the set deadline that is before 27 November.

Authorized officials of the Tax Administration launched the control in accordance with the conclusions of the Serb Republic government and its Supreme Defence Council, which ordered the administration and Serb Republic chief auditor to control the business operations of Orao. (**Oslobodjenje**, p 7, **Dnevni Avaz**, p 4, **Glas Srpski** p 3, **Nezavisne Novine** p 3, **Blic** p 7)

Nezavisne Novine(p 4) quotes RS Prime Minister **Mladen Ivanic** as saying that the RS will request SFOR and other international organisations for assistance in the Orao affair

"SFOR has not received an official request from the RS Government to participate in the implementation of the conclusions reached by the RS Supreme Defence Council related to the investigation into the case of the "Orao" Aviation Institute", SFOR Spokesperson **Yves Vanier**, said. He confirmed that SFOR would help the RS authorities to solve this case. (**SRNA, RS Radio, Blic** p 2)

Federation companies "Bratstvo" in Novi Travnik and "Vitezit" in Vitez reject the accusations that they have been violating the UN embargo on weapon trade with Iraq, as well as that they have any kind of business relations with Orao and Yugoimport. (**Vecernje Novosti** p 15)

Director of Belgrade's office of the ICG, **James Lyons**, says that chain of those responsible for weapon trade with Iraq leads inevitably to the FRY President, although there are some signs that the Serbian Prime Minister is involved as well. *"Noone claims that Kostunica and Djindjic are directly responsible, but intelligence officers of the Yugoslav Army should have known about Yugoimport deal with Iraq as well as Yugoimport's Steering Board headed with Dusan Mihajlovic (Serbian Minister of Interior Affairs). Due to that all of them should be immediately removed",* Lyons says. (**Nacional** p 7)

The commander and first mate of the **Boka Star** ship, on which more that 208 tones of explosive were found, were on Wednesday charged and taken before Rijeka County Court. Police are still searching for two other suspects,

Yugoslav citizens. The ship's commander, Josip Nikolic, and first mate Damir Balabusic, both Yugoslav citizens, were taken to the court's investigating centre. Croatian Interior Ministry spokeswoman Zinka Bardic said that police had filed criminal charges with the Office for Combating Corruption and Organized Crime (USKOK) against four Yugoslavs, as part of an investigation into the Boka Star cargo. (**Vecernje Novosti** p 11, **Blic** p 17, **Nacional** p 6)

International community activities

The High Representative, **Paddy Ashdown**, and the former SFOR Commander, **John Sylvester**, informed in Brussels on Wednesday the EU Political and Security Committee and the North Atlantic Council on the current situation in BiH with particular regard to the Orao affair. *"There must be a full public enquiry, with the necessary input from the state, so that those who bear political responsibility for BiH breaching international law are held fully accountable. I say to the RS authorities: you have a choice to make in this matter – whether to take the road to Brussels or to Baghdad,"* Ashdown said. (**Oslobodjenje** p 7, mentioned on the front page: "Bosnia faces the most difficult crisis since the end of war," **Dnevni Avaz**, p 2: "It is up to Banja Luka to decide whether to take the road to Brussels or to Baghdad", **Guardian**: "Ashdown says arms row may hit Bosnia")

Vecernji List (page 3, by Zoran Kresic, titled "HR in Brussels: "RS has to sanction perpetrators by itself") and **Slobodna Dalmacija** (page 14, by E. Felic, titled "HR in Brussels with leaders of NATO on Orao affair: Ashdown in NATO: Reforms are necessary in RS") also report on the issue.

Glas Srpski (p 3) and **Nezavisne Novine** (front page, p3) quote **Paddy Ashdown** as saying that the ambassadors of EU countries told him yesterday in Brussels they were convinced that the RS authorities realised how detrimental is everything that happened in connection with the Orao affair and how necessary it is to take immediate action. Ashdown said that this is the most serious test of BiH's international credibility since the end of the war, adding that his interlocutors were shocked with the lack of civil control over the army and military industry and that all these things are happening at entity not at the state level. *"They said this requires a short-term tough action and a long-term investigation. In order to gain the IC's trust, it is necessary to come up with temporary results as soon as possible, while the details should be gathered and released in a longer period of time. That is why BiH institutions have to be reformed so that arms control is set up at the state level,"* said Ashdown. Ashdown also said that there has to be a firm and full cessation of cooperation between the armies of RS and FRY.

In today's **Financial Times** article titled "People's servant faces crucial task in Bosnia", Judy Dampsey notes that the High Representative **Paddy Ashdown** has one of the most unenviable and difficult task in Europe – *"to move the territory [of BiH] towards statehood with a proper institutional framework and international perspective."* Noting that the Dayton Peace Agreement has endowed him with great powers, Ashdown said that they really don't make him feel *"too comfortable."* *"They can lead you into temptation. They can create dependency culture by the people. The IC can become dependent on those powers too. It can be very patronizing."*

The Chairman of The Hague Tribunal, Claude Jorda, and the Tribunal's Chief Prosecutor, Carla Del Ponte, told the UN Security Council in New York on Wednesday that FRY, Croatia and Republika Srpska were not fulfilling its obligations towards the international court. *"Karadzic and other war crime indictees are protected and financed by those who are dealing with human, drug and arms trafficking, and the corrupted officials are cooperating with them,"* Del Ponte said. (**Oslobodjenje**, p 3, mentioned on the front page, **Dnevni Avaz**, p 2, AP via New York Times, **Blic** p 2)

Vecernji List (front and pages 2, 15, by Marko Markovic and Dejan Jazvic) carries that the **ICTY** Prosecutor's Office delivered another 49 bills of indictment for war crimes that Serbs had committed over Croats in Bosanska Posavina in 1992 and 1993. Together with recently delivered 48 bills of indictment against Serbs and Croats, the total number of the bills of indictment delivered in the last few days is 97 indictments. The author says that most of the indictments carry mark "B" and "C", and this means that they require additional investigation. However, the author (Markovic) expects more indictments against Bosniaks for crimes committed over Croats in Novi Travnik, Mostar and Bugojno. The author says that it is not known to the public as to what a Serb liaison officer with the ICTY has brought from The Hague.

At a press conference held on Wednesday, Supervisor of Brcko **Henry Clarke** stated that the Meraje issue was of

legal nature and it should be solved in a peaceful and tolerant manner. *"This is a legal dispute on land and should be solved through a court procedure"*, Clarke stated. Mayor **Sinisa Kisic** invited Brcko citizens to respect dignity, tolerance, compromises and reconciliation, without which there would be no development not only within the District but also within the entire region. Kisic, on behalf of the District Government, condemned any violent and vandal behavior, especially if it contributes destabilization of the District. Although expected, the representatives of SFOR have not participated to the press conference, and in relation to the recent arrest of a mujahedeen inhabited in Gornja Maoca, Supervisor Clarke stated that he was not familiar with the details regarding the arrest. (**SRNA, Glas Srpski**, p 2, **Blic**, p 8, **Oslobodjenje**, p 3, **Dnevni List**, p 3)

Statements related to High Representative's initiatives

RS Tax Administration Chief **Milica Bisic** said on Wednesday that the introduction of VAT at the state level has been politicised, because the main issue is the level at which the VAT will be collected, while the technical requirements are being neglected. She said that the technical issues are far more important since they will ensure the efficient application of the VAT. Bisic told reporters that conditions for entity tax administrations to implement this job, that is, full electronic identification of taxpayers, need to be set up first. According to her, the RS Tax Administration needs at least two years to get ready for this task, while the Federation Tax Administration needs even more. *"Without meeting the technical requirements, the VAT would cause significant damage, even disaster"*, said Bisic. (**ONASA, SRNA, RS Radio, Blic** p 7)

Nezavisne Novine quotes (p 3) **Paddy Ashdown** as saying that the EU fully supports the process of reform in BiH in its three crucial issues: Council of Ministers, customs administration and VAT, which are being agreed on with the EU. Ashdown clarified that the IC needs an efficient partner, which practically means that the CoM has to be reformed. *"BiH has to ensure customs fees collection at the state level. We have to ensure that turnover tax is transformed into VAT. If BiH is committed to these reforms, then we can continue with our support to BiH"*, said Ashdown.

BiH/FRY relations

The President of FR Yugoslavia **Vojislav Kostunica** on Wednesday sent a letter to the newly elected members of the **BiH Presidency**, Mirko Sarovic, Dragan Covic and Sulejman Tihic.

"I am convinced that in the time ahead of us, our mutual efforts would contribute to further strengthening of good neighbour and friendly relations and to the development of overall co-operation between FRY and BiH. This is in the best interest of our countries, peace and stability in the region", was stated in Kostunica's letter. (**Vecernje Novosti** p 5)

The agreement on **dual citizenship** between BiH and Yugoslavia, which was signed on Tuesday, has opened a debate in the Bosnian public. The question is whether it was moral at this moment in time to sign an agreement with one country alone if it is well-known that because of the discriminatory Law on Dual Citizenship, BiH might lose several hundred thousand of its citizens by the end of the year. The BiH diaspora has asked for help, officials in charge claim that the law must apply equally to all, while the Office of the High Representative (OHR) believes that this is an issue which should be dealt with by Bosnian politicians. (**BH Radio 1, Dnevni Avaz**, p 10, carries an article on the essence of the agreement)

The BiH Foreign Ministry believes that the agreement on dual citizenship with FRY might have been signed prematurely and Foreign Minister **Zlatko Lagumdzija** says that the law must equally apply to all people in BiH. *"We have a law on citizenship in BiH which should equally apply to all the BiH citizens on the whole of the planet, in all countries. The law makes it possible for them to be both the citizens of BiH and the country in which they currently live. Another solution would be not to have bilateral agreements with any country,"* Lagumdzija said. He added that if the discriminatory agreement signed with FRY be ratified by the BiH Parliament without prior amending the current citizenship law that would be the continuation of ethnic cleansing by other means. (**BH Radio 1, Oslobodjenje**, p 8, **Dnevni Avaz**, p 10)

Glas Srpski (p 3) quotes RS Pension and Disability Fund Director **Ostoja Kremenovic** as saying that the **BiH-FRY**

Agreement on pension, health and social insurance will ensure the fulfilment of rights by a large number of citizens who earned part of their pensions in BiH and FRY. He said that after the ratification of the agreement by the parliaments of BiH and FRY, citizens would be able exercise their rights on part of their service for retirement earned in the present Yugoslavia and BiH.

RS Health Insurance Fund Dragutin Ilic(**Glas Srpski** p 3) said that the BiH-FRY Agreement on health insurance does not bring many changes to the RS health system, because the RS Health Fund has already signed agreements with FRY health institutions. *"Given that the RS and FRY have already solved this problem through the RS-FRY Special Relations Agreement, this new agreement is more important to those BiH citizens living in the Federation"*, said Ilic.

RS-related news

Nezavisne Novine quotes (p 5) reports that the Head of the SNSD caucus in the former RS NA, **Branko Neskovic**, sent an open letter to the **High Representative** asking him not to give in to requests by the RS Finance Minister **Simeun Vilendecic** and impose the budget rebalance for 2002. Minister Vilendecic said two days ago he expected the High Representative to revoke the rebalance of budget. Neskovic thinks that the budget rebalancing is the issue that should be discussed by the new RS NA. (**Blic** p 2)

Nezavisne Novine also quotes (p 5)OHR Spokesman **Oleg Milisic** as saying that the issue of RS budget rebalancing was introduced into the parliamentary procedure too late for the previous RS NA to consider it. *"This issue will therefore be addressed by the new RS NA. If this is the case it then it means that the issue of VNI would not be an issue for the OHR, given that new mechanisms for protection of vital national interests are to be introduced"*, said Milisic.

Glas Srpski (p 3) quotes **Doboj Mayor** Obren Petrovic as saying that the destruction of some houses in **Kotorsko** will start on November 1st. He said that roofs on two houses will be destroyed on Friday, because they were built after the construction ban had come into force, while the rest of the 65 constructed houses will not be touched since there is no reason for that. The paper quotes **OHR Spokesman Oleg Milisic** as saying that the responsibility for Kotorsko case rests with the local authorities who approved construction and that citizens should take local authorities to court for compensation of losses incurred as a result of bad advice. **Nezavisne Novine** (p 10), **Oslobodjenje** (p 4) reported on the same issue.

Affairs in the Federation

The BiH Federation Customs Administration has been for a longer time now together with the CAFAO and OHR teams investigating into the all actions by former Federation Finance Minister and the current Croat member of the BiH Presidency, Dragan Covic, which had allegedly made it possible to meat importers to make illegal profits through non-payment of special customs contributions. According to **Oslobodjenje** (front page, pages 4-5), the customs officers' findings indicate that Covic made it possible to meat importers to gain illegal profit amounting up to 70 million KM by his at least tendentious interpretation of the customs laws and regulations.

Vjesnik (page 10), **Dnevni List** (page 6), **Vecernji List** (page 2), **Sarajevo dailies** and **Slobodna Dalmacija** (page 15, by Miroslav Landeka) carry a reaction of "Lijanovici" company in which they deny the press release of the Federation Customs Administration, which said that this company damaged the Federation budget for 47 million Marks. The press release issued by Lijanovici says that *"this company was respecting the customs procedure and it met all obligations towards the state"*.

Slobodna Dalmacija (front and page 18, by Miro Skobic) carries an article, which analyses the idea of Mostar as the capital of Federation BiH. The article says that the idea that is four years old, and was originally launched by American diplomat **Richard Hoolbroke**, is in focus again, due to the efforts of Mostar Deputy Mayor **Neven Tomic**. *"I have re-actualised the idea because I estimate that we are entering in period of strong reforms"*, Tomic said. **Jadranko Prlic**, who had supported the idea in 1998, stated that it is HDZ to blame, because they proposed

Travnik, as a possible capital of Federation. OHR South Spokesperson **Avis Benes** stated: *"We are supporting the idea in principle, but some things must be solved in advance. Mostar, namely, can not remain divided city with parallel system of authorities"*.

Headlines in Electronic Media

BHTV 1 (Wednesday, 1900)

- Donald Hays announced new removals after the investigation in "Orao" case
- Commander and first deputy of the ship "Boka Star" arrested
- SDS and PDP established new parliamentary majority

FTV 1 (1930)

- Reaction of meet industry Lijanovic to allegations about tax evasion
- High Representative in Brussels informed NATO Ambassadors on reflections of Orao affair to the situation in the country
- Hays stated in Banja Luka investigation in Orao case will result on more removals

RTRS (1930)

- New removals possible over Orao scandal
- IC expects the preliminary Orao investigation results in three weeks