

OHR BiH Media Round-up, 24/10/2002

Print Media Headlines

Oslobodjenje: Bogic Bogicevic - only competition to Lagumdzija as leader of SDP

Dnevni Avaz: Orao Affair - BiH to face sanctions?

Nezavisne Novine: RS Government admits that Aeronautical Institute "Orao" exported military equipment to Iraq: "Orao caught in No Fly Zone; Paddy Ashdown address to UN Security Council: The world must not give up on BiH; Banja Luka University: students win the battle for lower tuition fees

Glas Srpski: BiH and international terrorism: 'Last Supper' in Travnik; Banja Luka; 53 million KM laundered

Slobodna Dalmacija: In education and state institutions domination of Bosnian language is being achieved: Full stop is being put on Croatian language

Dnevni List: Due to involvement of airplane company Orao in sale of weapon to Iraq: Sanctions threaten BiH?

Vecernji List: Action of Croatian Police and Intelligence Services in Rijeka Port: Weapon for Iraq seized

Blic: RS Government: ORAO delivered weapon to Iraq, to sentence responsible

Nacional: Indictment against Vojislav Seselj prepared; Iraq affair: Montenegrin lobby in FRY Government sells weapon all over the world

Vecernje Novosti: ORAO falls in export

Orao Affair/Mostar Mortars

RS government admitted on Wednesday that the **Orao** aviation factory indeed sold weapons parts to Iraq in violation of two UN resolutions on this country. *"Present information points to the existence of a violation of the embargo and (the government) believes that penalizing of responsible people from Orao, the military headquarters and the defense ministry is necessary,"*

government spokesperson **Cvijeta Kovacevic** told journalists. Kovacevic explained that the information was presented to the government by a commission which launched a probe in September after the US alleged Orao was supplying Baghdad with spare aircraft parts and that members of staff had traveled to Iraq to help with airplane maintenance. The government had demanded an urgent audit of the company's finances, Kovacevic said, adding that the RS supreme defense council is due on October 28 to hold an extraordinary session to discuss the scandal and the government's request for penalties against those responsible. (**Dnevni Avaz** front page, **Oslobodjenje** front page p. 7, **Dnevni List** front, **Jutranji List** front, **Vecernji List** front, **Vjesnik** page 10, and **Slobodna Dalmacija** p. 3, **Nezavisne Novine** p. 2, **Glas Srpski** p. 3, **Daily Telegraph**, **The New York Times**, **Independent**, first item in last night **BHTV 1**, **FTV**, **RTRS** prime time news)

Outgoing RS president **Mirko Sarovic** said he hoped the authorities' reaction would save the country from serious consequences, insisting that the scandal *"did not implicate RS institutions but only individual employees of Orao"*. *"Both the RS and BiH in general are determined to respect the (UN) Security Council's resolutions,"* Sarovic told **AFP**, stressing the *"authorities' resolve to sanction the culprits"*.

High Representative **Paddy Ashdown** pledged on Wednesday to use his extensive powers to act against RS officials who sold weapons to Iraq in violation of a UN arms embargo. *"The straightforward answer to him is yes,"* Ashdown told the **UN Security Council** after a US diplomat asked in a public session whether he would *"use his powers to remove sanctions-busters."* Ashdown said sales to Iraq by the Orao firm, were chiefly a matter for the UN and for the SFOR. *"But I stand ready to use my powers to back up any action they require in cases of international law-breaking,"* he said. (**AFP**)

AFP and **TANJUG** report that Yugoslav authorities have widened their inquiry into allegations that a state-run company Jugoeimport made secret military sales to Iraq and had formed a committee to investigate the affair also involving an RS-based company Orao. Earlier in the day, the government ordered dismissal of **Ivan Djokic**, assistant to FRY defense minister in charge of military exports, and Jugoeimport chairman **Jovan Cekovic**.

The **US** on Wednesday welcomed the measures taken by Belgrade to end the sale of weapons by a Yugoslav company **Jugoeimport** to Iraq and urged BiH authorities to do the same. State Department spokesman **Philip Reeker** called the investigation significant and said Washington had offered *"its full support and cooperation"* to Yugoslav authorities. (**Oslobodjenje** p. 2 in OP-ED)

Mostar mortars

In **Slobodna Dalmacija**, Leo Plockinic (front page) reports that Salamander Division of SFOR, headed by Spanish peace-keeping forces, is still searching for 4000 mortar shells hidden in the Mostar region. According to the author, the only thing SFOR knows for certain is that they are located on the eastern bank of the Neretva river, where Bosniaks make the majority population. Unofficially, the SFOR HQ has criticized the mode of work of the troops tasked for discovering explosive and its de-activating. The author finds it interesting that SFOR has still not offered a reward for useful information, which is their regular practice. SD source reveals that the search is at the moment focused on a wider industrial zone which has not been sufficiently searched, but also on the Muslim religious facilities, mosques, as there are indications mosques are perfect places for hiding. It has been discovered that new religious facilities are being build with enormously huge underground spaces which is unusual for these religious facilities. In order to carry out an inspection of any facility in BiH, SFOR is waiting for a reliable and accurate data on the basis of which, resorting to the DPA, they can carry out the needed inspection. This case is a specific one as the international peace forces do not want to raise tensions within any of the peoples in BiH, particularly when it comes to the sensitive issue of religious heritage.

Post-election coalitions

Speaking at a press conference in Sarajevo, the leader of the **Party for BiH, Safet Halilovic**, invited all political parties to form authorities in line with the principle of proportional representation. Halilovic explained that S BiH is ready to form executive government at all levels with **SDA, HDZ** and **SDP**, as well as the parties from the RS, apart from SDS – although he did not entirely rule out this possibility. *"The starting line for the formation of new government will be Ashdown's plan of reform and reform programs of S BiH and partner-parties. Some political parties from the RS have already expressed their dissatisfaction with the formation of state government and the introduction of VAT at the state level, thereby practically excluding themselves from the future authority."* Halilovic also said that **Haris Silajdzic** has not yet made a decision as to whether he will accept a task of forming the new government. (**Oslobodjenje** p. 4-5, **Dnevni Avaz** p. 8, **Vecernji List** p. 2, **Jutarnji List** p. 6, **FTV, BHTV 1**)

In a statement for the press, **SDP's Karlo Filipovic** said that this party is ready for the formation of the so-called Alliance for Reform with all but nationalist parties and their satellites. *"We will do our best to persuade S BiH and our other former coalition partners to enter into a partnership."* (**Oslobodjenje** p. 4, **FTV, BHTV 1**)

Oslobodjenje (front page) reports that a member of the SDP Presidency **Bogic Bogicevic** could be the only serious competitor to **Zlatko Lagumdzija** for the post of the party president, which will be decided at the upcoming SDP congress.

In an editorial in **Oslobodjenje**, Gojko Beric says he is skeptical about the work of new authorities, especially because Serb and Croat parties and their representatives have clearly demonstrated that they are not concerned a great deal about BiH. *"When asked which is their favorite country, Dodik, Sarovic and Ivanic said 'Yugoslavia' without hesitation, while Dodik said during pre-election campaign that Sarajevo will not matter much in terms of decision-making; 'all major decisions are anyway being made in Zagreb in Belgrade'....It will be interesting to see how new authorities will handle all the issues pressing BiH citizens...One should not disturb them in their work – they are already punished enough by being in power together."*

In an editorial in **Globus**, Mirjana Kasapovic argues that the High Representative **Paddy Ashdown** has been

writing "silly letters to European journalists trying to explain them that the big national parties (SDA, SDS and HDZ) seemingly won but in reality lost the parliamentary and presidential elections on October 5, 2002". She writes that Ashdown is wrong in saying that the national parties lost the support they once had, saying that the number of eligible voters in BiH is not as high as in 1990. "National parties have really won again, and won convincingly. But despite winning an absolute majority they cannot have a simple parliamentary majority and cannot form a coalition government", says the author and in this context puts "the catastrophic election law" at fault. In connection to the BiH election law she says that the compensatory system has been copied from the Scandinavian countries but with big differences adding that the BiH model, unlike the Scandinavian one, has been turned upside down. "All this puts the legitimacy of the elections and the future authority in question. The authority can be formally legal but in reality illegitimate", says the author and concludes that "institutional-political engineering of the expensive European consortium for reconstruction of the Bosnian state suffered another defeat".

Dnevni List (p. 2) reports that "there are forces within the International Community who believe that the new elections would not change anything and **Paddy Ashdown**, the High Representative, is, allegedly, among them". The daily notes that "according to some BiH media, OHR is in favor of forming the state Government in which all parties would participate".

OHR/IC activities

High Representative **Paddy Ashdown** and Special Representative of the UN Secretary General **Jacques Paul Klein** addressed on Wednesday the UN Security Council about the present situation in BiH and the ongoing reforms. "Ashdown came to the US to lobby for BiH. He, once again, stressed that there is no danger of BiH not continuing with reforms, that foreign investors should not fear to put capital in BiH and assured the Council members that all parties have promised to implement reforms," OHR chief spokesman **Julian Braithwaite** told **Avaz** (front page). He said that Ashdown is trying to assure the Council that BiH is not heading backwards, and that the past elections have shown that people are asking for more rapid implementation of reforms. **Oslobodjenje** (p. 3) reports that Ashdown and Klein also said that one of the greatest problems in BiH is the fact that indicted war criminals like Radovan Karadzic and Ratko Mladic are still at large. **Nezavisne Novine** (p. 2) write that **Ashdown** called the member countries not to give up their support to BiH too quickly. He said that in spite of significant progress in stabilization, the country is now facing an economic crisis. "Young people are leaving the country. 92 000 young people left in the period between 1996 and 2000. Opinion polls show that if they have a chance, some 60% of young people would leave now. (FENA, HINA, BHTV 1, FTV not very prominently, **Associated Press**, **AFP**, **Dnevni List**)

Dnevni Avaz (p. 3) reports that **OHR** is preparing a plan for finalizing the implementation of its plan and an exit strategy for the near future. "This will not be the end of international presence in BiH, because this presence will, from then on, be manifested through the increasing number of foreign investors, special representative of the EU and his team in BiH, NATO and PfP," **OHR's Julian Braithwaite** told the daily. He explained that the OHR is trying to create a functional economic space in BiH and free and democratic system. "These are the two pillars which will be base for our aims, which have to be fulfilled before we can go...Once this is done, BiH will be capable of deciding about its own future and the way it will follow."

SRNA news agency reports (also carried by **BH Radio 1**) that the SRS **Jacques Klein** said in New York that the presence of some 200-400 **Mujahedeen in BiH** did not represent a problem and danger for the country and that for the entire world it was safer if they stay in BiH. "Once, it was suggested that we deport them, but then it was concluded at the international level that it was safer for the whole world if we keep them in BiH, because we then know where they are," Klein told a news conference following his address to the UN Security Council.

BiH State-related developments

Federation and the RS signed in Sarajevo an agreement on registration of taxpayers and the Brcko District Tax Administration will sign the same agreement in two days. In March last year the RS completed the process of registering taxpayers and their activities. The Brcko District will end this

process by the end of the year while the same process has just started in the Federation. Directors of the entity Tax Administrations Midhat Arifovic and Milica Bisic said at a press conference held in Sarajevo that cooperation between tax agencies in BiH has improved and that cooperation has been established to the lowest level with tax clerks exchanging information on a daily basis. (prominently reported in **BHTV 1, FTV, RTRS, FENA, ONASA, Federation Radio, Nezavisne Novine**, p. 2)

RS-related Issues

If the RS budget rebalance was not adopted, on which the High Representative is to give final word, it would be most likely that no payment or pensions would be paid by the end of this year, warned the RS Minister of Finance, Simeun Viledecic. He stressed that the RS Government would not be paying resources to budget users beyond the planned budget, adding that it was the reason why the RS Government requested the budget revision for this year. Speaking of 12 laws declared by the High Representative to BiH, Paddy Ashdown, Viledecic stressed that three concern the RS. Regarding this, he expressed his opinion that the implementation of these laws would not have any negative consequences for the RS. According to him, Ashdown should introduce a special tax of 15 penning per liter on 1 liter of fuel sold in Brcko, which is currently being charged in the RS and the BiH Federation. Minister Viledecic also expressed expectation that the BiH Federation Government would annul the special tax on fuel, as the RS Government did. However, this decision has not still been published in the RS Official Gazette, although the decision has been passed three weeks ago. **(RTRS)**

Reactions to OHR initiatives

PDV

Milica Bisic, RS Tax Administration Director: *"VAT will be introduced, but it is not clear yet whether this will be on the entity or state level. This is a political question."*

Mithat Arifovic, Federation Tax Administration Director: *"I support urgent introduction of VAT at the state level. To do this at the entity level would simply create a chaos in the field."* (**Oslobodjenje** p. 8)

Dnevni Avaz (p. 10 by Edina Sarac) quotes an unnamed source, who participated in Monday's meeting between **PDHR Donald Hays** and representatives of 15 political parties, as saying that most parties from RS, most vocally Ivanic's PDP, were against the introduction of VAT at the state level and the transformation of the Council of Minister into the BiH government. "Among the most adamant critics of everything with the prefix 'BiH' was Mladen Ivanic, who unequivocally stated that PDP is against the BiH government and against the collection of VAT at the state level...Moreover, there was no consensus among parties about the direction of reforms," said the source. The daily notes that the pompously announced meeting in OHR took place but no major progress was noted.

The Director of the Banja Luka Brewery (also President of DPS, Democratic Patriotic Party, and war time Mayor of Banja Luka) **Predrag Radic**, does not share High Representative's optimism that the new set of economic laws will *"significantly improve business environment and open the way to investors to open new jobs here"*. *"If laws solve all the problems, than we would only sit and write laws, without doing anything else."* According to Radic, only quick and efficient administration, with lower number of employees can attract foreign investors. Radic said that it is unacceptable that the High Representative imposes laws, in his view, laws should be passed by authorized institutions. (**Glas Srpski**, p.4)

Vecernji List (page 2, by G.K.) reports that the recent package of economic laws enacted by the High Representative will affect the area of telecommunications i.e. that the new laws will bring new rules to the mobile phones operators. According to the daily, all the providers will have to be present in whole of BiH i.e. they would have to cover at least 80% of the BiH territory. VL's conclusion is that the new rules will increase the competition between the operators thus decreasing the prices of services.

Miscellaneous

Vecernji List (front and page 3) reports that Bosniak and Serb returnees' associations in areas of Capljina and Stolac have so far on many occasion asked the OHR to stop the construction of housing facilities in these

municipalities, claiming that the municipal authorities are allocating their land to the expelled Croats from central Bosnia, thereby changing the composition of the population. The returnees asked the High Representative to pass decision which would return the land to them and remove the already built facilities in Tasovcici, Domanovici, Muminovaca, Bivolje brdo near Capljina and Bobanovo selo, Vidovo polje and Hodovo near Stolac. VL says that some 2000 houses have been built in the aforementioned settlements. The daily learns from a well-informed source in the OHR that the requests are being carefully examined and the OHR is ready to appoint a special commission which could, after touring the sites, start with sealing of the facilities.

Electronic Media Headlines

BHTV 1

- RS Government admits that the Air Institute "Orao" was violating UN embargo on selling weapons to Iraq
- FRY Government removed Director of "Jugoinport" due to involvement in selling weapons to Iraq
- 212 women, victims of trafficking discovered in "Mirage" operation
- Earthquake at Adriatic Sea

FTV

- RS Government admitted that parts of the weapons were exported from Institute "Orao" to Iraq
- USA requested from BiH and FRY to cease selling of the equipment to Iraq
- After Sarajevo, Carla del Ponte visits Zagreb
- USA decided to release certain number of prisoners from the base on Cuba

RTRS

- RS Government - "Orao" violated UN embargo on weapons export
- Yugoslav Government requested closedown of Jugoinport's branch in Iraq.
- SFOR found store with 100 anti-tank mines in Canton 10.
- President of the ICTY Claude Jorda reported Yugoslavia to the UN Security Council for failing to cooperate with tribunal.
- RS Government followed student's demands - lower costs of studying.