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## BiH State-related Issues

### **BiH Delegations returns from Moscow; Russian Federation supports multinational BiH**

Upon the return of the BiH Delegation from Moscow, the chairman of the BiH Council of Ministers, Zlatko Lagumdžija, held a press conference in Sarajevo and said that the visit to the Russian Federation was very successful. "As the Foreign Minister [Igor] Ivanov said, the Russian Federation openly stands behind the concept of a joint, multinational and democratic BiH," Lagumdžija said, adding that Russian senior officials emphasized their support to the process of strengthening of the BiH state institutions. "We also agreed that all bilateral communication must be developed on the state level and via the legal state institutions," Lagumdžija said. Although the purpose of the press conference held yesterday in Sarajevo was to inform the public about the diplomatic results of the visit of the BiH Delegation to Moscow, most media representatives wanted to know whether the negotiations about gas with Russian partners bore any fruit. Lagumdžija refused to provide any details about this matter, but implied that BiH will not be without its gas supply from January 1<sup>st</sup>, Oslobodjenje reported on its front page.

## **BiH and FRY Agree to Sign Free Trade Treaty**

Both Banja Luka dailies report that the BiH and the FRY delegation agreed that the two countries should sign the free trade treaty as soon as possible. The participants of the meeting concluded that the agreement should reflect the needs and economic interests of the FRY and BiH. It should also comply with the basic principles of free exchange, and particularly loosen the conditions for trade and its promotion, the FRY Information Bureau stated.

## **Hercegovacka Banka-related News**

Compilation of articles relating to the pay outs of deposits in the Hercegovacka Banka, and which appeared in the Croatian and Croat press was prepared by the Mostar OHR

## **Hercegovacka Banka: Names of suspects to be published in a few weeks**

Spokesman of the Provisional Administration in Hercegovacka Banka, Johan Verheyden, said on Wednesday that several dossiers about the suspects charged with committing fraud and illegal transactions in this bank will be forwarded to the Federation Prosecution within several weeks. "The names of the suspects will be announced after all the documents are submitted to the responsible Courts," Verheyden said in a statement for the OSCAR C Television. (Oslobodjenje also carries excerpts). He explained that the employees in the Provisional Administration offices are presently preoccupied with the payment of deposits to the bank's small depositors. "At this time, this is our priority," Verheyden stressed. In the meantime, the Provisional Administrator, Toby Robinson, announced that that small depositors in Tomislav-Grad and Grude will be paid their money today, while Capljina branch will start the pay outs on Friday.

## **Dnevni List: Provisional Administration places over a hundred persons on pillar of shame**

Dnevni List quotes Filip Andric, a former Prime Minister of Canton 10 and former Director of the Federation Customs Administration, as saying: "The information is really shocking. You buy a newspaper in the morning and read someone is nailing you to the pillar of shame without any arguments whatsoever."

Andric says not only the persons on the list, but also their families are punished, and other people are blackmailed to sign a statement of no kinship to those persons as a condition to withdrawing up to 5,000 KM of their savings. He says it is sham justice. "After eight months of futile search for major crime, they want to justify their actions this way, thinking they need no arguments, like they needed none eight months ago when they started the tank audit of Hercegovacka Banka," says Andric. He will seek protection of his human rights, and if it is impossible to be done in this country, he will address international institutions of justice.

Ivica Karlovic, the former Director of Hercegovacka Banka, stated that all of the deposits amount to a total of 13 million KM, and there was 40 million KM on the account on April 6, 2001, so that the deposits could have been paid out in the full amount in April.

Karlovic says no criminal actions have been detected in the eight months of investigation in this Bank. He considers the lists to be a method of confusing the public and creating additional problems in the Bank.

Dnevni List quotes the Spokesperson for the Provisional Administration, Johan Verheyden, as saying that the process is being conducted in accordance with the Federation Banking Law, which was published in the Federation Official Gazette, edition 39/98 and 32/00. The Law Article 57 was amended by the

High Representative's decision dated November 6, 2001. Verheyden explains it refers to the persons who are linked to the Bank by being members of the Bank Management or the Steering or Supervisory Boards, so that they or their close relatives up to three removes, as defined, cannot withdraw their money at this time. In answer to the question if this process may be discriminatory, Verheyden says: "It could be discussed, but law is law."

The persons on the list are practically labeled in advance, but Verheyden says it is just about the implementation of the Law.

"Those are mostly the officials who are not paying back their debts on any basis and they have thus contributed to the deterioration of the situation in Hercegovacka Banka, and this fact and the Banking Law proscribe us from pay out those persons. One of the names on the list, for instance, is Stipe Prlic, the Director of the HPT Mostar. HPT Mostar, according to our findings, is a Bank shareholder, but Prlic started managing this company after the appointment of the Provisional Administration in Hercegovacka Banka. The same applies in the case of Slavo Kukic, who was elected the Chair of the HPT Steering Board after the appointment of the Provisional Administration."

Dnevni List says they tried to contact some of the persons on the lists (the daily carries both of the lists in today's edition), but did not manage to get hold of any of them. They comment it remains to be seen which of them will react after Verheyden said those are officials who are not paying back their debts, thus contributing to the deterioration of the situation in the Bank.

**Vecernji List: Slavo Kukic, the Chair of the HPT Steering Board – Robinson wants to use HPT to**

## **'erase' Bank's minus**

Slavo Kukic, the Chair of the HPT Steering Board, is on the list of persons who cannot withdraw their money from Hercegovacka Banka.

"I never had a deposit of 5,000 KM in either Hercegovacka Banka or any other bank. Still, even if I had, Hercegovacka Banka would be the last I would have trusted my money with," said Kukic.

Kukic says since Toby Robinson put him on the list of "magnificent ones," he is forced to explain why she has done it.

"It is correct that I am the Chair of the HPT Steering Board. It is also correct that for the last few months I have been engaged on the return of 51% of the capital that the HPT invested in the establishment of the Eronet. Unfortunately, it is also correct that the former Director and former Steering Board Chair transferred this share in the Eronet into the ownership of three private companies, contrary to the legal procedure and to the detriment of the company they represented. Finally, it is correct that the Privatization Agency declared those actions null and void and instructed the HPT Steering Board to restore this share in its books," says Kukic.

He is convinced the operation of restoring the share in the capital would not have been much of a problem as far as these companies are concerned, had it not been for the problem with Hercegovacka Banka and Toby Robinson. Kukic explains that a part of the share was transferred from the HPT to Hercegovina Osiguranje and Croherc, and it is exactly Hercegovacka Banka that owns the majority ownership package in both companies. Therefore, the decision is up to the Provisional Administrator only.

Instead of returning the share, Ms Robinson would rather sell

it to the HPT because she would use that sale to compensate the minus created by the entry into Hercegovacka Banka, says Kukic.

## **Vecernji List: Reactions do not abate after publishing of the list of persons 'unsuitable' for Toby Robinson – People make fun of the list and see us all as crooks**

One of the persons from the first list told Vecernji List that those who let the press publish the lists are nothing but criminals. He said people are now making fun and see all of them on the list as crooks.

The daily tried to get a comment from Ante Jelavic, who is on both lists, but he said he would not state his opinion in public. The Economic Board with the HDZ Presidency sent a statement to the paper, saying that the decision to make a list of 'unsuitable' persons, which includes some dead persons as well, is a culmination of discriminatory attitude and human rights violation. "Most of the persons on the list are neither shareholders nor members of the Bank Management or Steering Board. It is a culmination of the act of discrediting people without evidence, but also a sort of proof that the current international administration, for not being able to prove any illegal actions and justify their tank audit of the Bank, are resorting to this sort of action," reads the statement from the HDZ Economic Board.

Stolac Mayor Zeljko Obradovic, who was a member of the Bank Steering Board, first asked Vecernji List not to quote him, but said after all that it all borders on stupidity.

## **Vecernji List: Collapse for many successful companies**

One of the shareholders who wanted to remain anonymous told Vecernji List that he became a member of the Hercegovacka

Banka Supervisory Board some 15 days before the raid of the Bank, "when it was already known that it would take place." He says he took no loan, and did nothing illegal, but a considerable amount of money has been frozen on his account.

"The company I am running has come into a difficult position and the competition could destroy me. Wolfgang Petritsch, via Toby Robinson, has found no excuses for what he has done. No irregularities have been detected, nothing more than what happens in other banks as well. As one of the major mistakes of the Bank, Toby Robinson has stated that the Bank was developing too fast. If the Bank was to be used to destroy Jelavic or Rojs, why do other shareholders have to suffer the consequences?," he said.

He added that the policy of the Provisional Administrator and the High Representative will destroy many of the small businesses, associations and others. He says they found out that some names of the shareholders, Management members and loan beneficiaries were not included in the list. The source of Vecernji List did not give a positive answer to the question if they were left out of the lists for being "players" or "favorites" of the international community.

## **Vecernji List: Shareholders hold assembly meeting today**

Vecernji List says Toby Robinson put an ultimatum to the shareholders: Sell your shares without any interest rate, at the 1:1 ratio. Unless you do it, liquidation will follow!

The names of the future shareholders are unknown. The shareholders have been pressed against the wall and must come up with their position by 20 December. Today they are holding an assembly meeting to decide what to do, says Vecernji List.

## **Johan Verheyden, the Spokesperson for the**

## **Provisional Administration of Hercegovacka Banka – It is about loans, not HDZ**

Vecernji List carries an interview with Johan Verheyden, the Spokesperson for the Provisional Administration of Hercegovacka Banka, in which he says most of the persons on the second list are those who have not paid back their loans. To the interviewer's remark that it is interesting that the second list also includes persons who have nothing to do with the HDZ, Verheyden said it really has nothing to do with the HDZ, but with the fact that those persons or companies took loans.

"It is not directly related to the HDZ, but we do not deny the fact that there are some persons on the list who are either members or senior officials of the HDZ and, at the same time, have certain functions in Hercegovacka Banka. I was amazed myself when I saw how many different bodies and functions there are in the structure of Hercegovacka Banka. Hercegovacka Banka looked well according to the papers, but it was only on the surface. We have discovered that the Bank took huge risks in crediting a small number of companies. At one stage, the Bank gave to the Monitor M Company a loan amounting to 50% of the overall capital of the Bank. The company was not doing well, it rarely paid back its debts and took new loans to pay back its old ones, etc. In order to reduce the exposure of the Bank to the Monitor M Company, they started giving loans to other companies, but the money was, in fact, going to Monitor M. That is absolutely illegal, and similar examples are countless," stated Verheyden.

He said that liquidation would be the worst option, and that the most acceptable option would be bringing in fresh capital in the Bank, capital from the people who are ready to accept the basic banking principles – justice and legality. "Hercegovacka Banka could be of use for the region and could become a regional bank. It is clear now already that we will have to write off some of the loans because it is unrealistic

to expect that they will be paid back,” stated Verheyden in conclusion.

## **Federation**

### **Federation Parliament's House of Representatives passes revised re-balanced budget**

Federation media report that, during a session on Wednesday, the Federation Parliament's House of Representatives passed a revised re-balanced budget for the year 2001. The Federation Finance Minister, Nikola Grabovac, explained that the re-balance will secure additional budget funds in the amount of 195,7 million KM. This, in turn, will make possible the payment of one additional backlog pension by the end of the year, as well as additional assistance to intelligence agencies in the Federation.

**Slobodna Dalmacija: Scandal in the Parliament: Representatives postponed a debate on the budget revision due to the lack of live broadcasting: TV cameras are more important to them than pensions and disability allowances!? (provided by OHR Mostar)**

Written by Emir Felic

Although the budget revision, on whose adoption the payment of overdue pensions and disability allowances depends, was on the agenda, by postponing the debate, representatives of the House of Representatives have shown that it is more important to them that their faces appear on a TV than to deal with the problems on whose resolving existence of thousands citizens of the BiH Federation depends. The session was suspended at the request of Adnan Terzic, the President of the SDA Caucus, who demanded the session suspension until live broadcasting is

provided. He admitted: 'If we had known that there would be no broadcasting today, we could have done yesterday what we had planned for today.' By this statement doubts that a speaker's platform is being used for a pre-election campaign and not for the things, that as the elected representatives they are supposed to do, were confirmed. The House of Representatives' Board has passed the decision to send a letter to the Federation TV Management and demand that competent persons are hold responsible for this situation. Also, from the speaker's platform a demand on the removal of Marija Topic-Crnoja, the Editor-in-Chief came.

By such behavior the House of Representatives of the Federation Parliament has shown once again that they very much interested to have influence on the Federation TV, although the material position of the Federation TV, which started with its work mostly thanks to the IC and Federation TV employees, has never been an item on their agenda. They should judge by themselves how great their role was in this process.

Vecernji List carries on the same issues that the Federation Television management will request, because of some FTV journalists and cameramen having been subjected to insults by some MPs in the Federation HoR, the OHR, OSCE Mission and all journalists' association to sanction this and similar behaviour. Just because of presenting the fact that the MPs need up to 9 hours alone to adopt the agenda, some FTV journalists who follow the work of the Parliament were insulted by SDA and BOSS MPs. "Some MPs were almost threatening our journalists, calling them the Alliance's journalists and ignoramuses. That's why we shall request the OHR, OSCE and relevant journalists' associations to declare themselves (...) If somebody just conveys facts, and the viewers could see, he/she cannot be subject to criticism", said editor-in-chief of the FTV, Marija Topic Crnoja (...) "We could not cover the session because of technical reasons. Bearing in mind that we are shooting Christmas, Bajram and New Year's

shows, all of our mobile studios were engaged. We informed relevant structures of the Parliament of it. Not being able to agree upon the agenda, that's their problem. A one-day-trip of our mobile studio to the Parliament costs 12.000 KMs. Those are enormous costs that we cannot cover due to somebody's negligence", explains Marija Topic Crnoja, reads Vecernji List.

## **Civil Military Service without limitations**

The Commission for the Civil Military Service at its Wednesday session in Sarajevo made decisions related to the civil service in the Federation, with a proviso that this process should develop without any limits. The civil service is a choice of the recruit not to serve in uniform and weapons, but in humanitarian, health and other institutions of humane character. President of the Commission Marko Pejcinovic told reporters that, according to the current law on defense from 1996, there is a possibility that the service is served in the army but without contacts with weapons. "We today, through the Federation Justice Ministry, sent an initiative to the entity Government to launch a procedure of changing the law to fully harmonize it with the provisions of the international conventions that are mandatory for our country," Pejcinovic said. He explained that the civil service would be in line with the Defense Policy document made by the BiH Presidency, which defined that a small and professional army be formed soon with a focus on the civil military service. The Commission was formed three months ago by the Federation Government, and this was its first session. Original ONASA news was carried by most media in the Federation.

## **Poll: Federation government must be firm about military apartments**

A poll conducted by Avaz agency indicates that nearly 90% (89%) of the Federation citizens believe that the Federation government must be firm in rejection of the Human Rights

Chamber's ruling on military apartments. According to the same poll, only 2% of the polled persons did not think this way, while 9% had no opinion on the matter.

The telephone poll was conducted among 300 residents of Sarajevo, Tuzla and Mostar using a method of random Sampling.

## **Alija Izetbegovic hospitalized**

All Federation media report that the former BiH President and the former leader of the SDA, Alija Izetbegovic, has been hospitalized on Wednesday due to an unstable heart condition. Oslobodjenje and Dnevni Avaz write, however, that Izetbegovic's life is not in danger.

## **Republika Srpska**

### **Former Premier's Party Says Bosniaks, Croats Should Be in Government**

Both Banja Luka dailies quote SNSD deputy chairman, Krstan Simic, as saying that the Party of Independent Social Democrats (SNSD – led by former RS Prime Minister Milorad Dodik) believes that the RS must ensure that Bosniaks and Croats are represented in the executive authorities of this entity but not on the basis of the 1991 census. He added that it would be best if a new census were to be carried out in BiH in order to establish a realistic basis for solving the issue of the Bosniak and Croat representation in the RS executive authorities. Simic told a news conference that non-Serbs should have the equal right to employment in the RS. "All citizens in the RS must have equal rights," the SNSD deputy chairman said. Expressing his dissatisfaction with the living standards in the RS, Simic said that 46 per cent of the population did not have the opportunity to get enough food and that more people were dying than being born every year in the RS. "This is the best indicator that we have reached the

bottom," Krstan Simic said.

## **Democratic National Alliance Slams Initiative to Include Non-Serbs in Government**

Both Banja Luka dailies quote spokesman of the Democratic National Alliance (DNS), Ostoja Barasanin, as saying that he is concerned and unhappy with the initiative of the High Representative that non-Serbs should participate in the executive and legislative authorities of the RS, in accordance with the 1991 census. "This initiative is contradictory to all principles of democratic elections in the RS," Barasanin said at a news conference in Banja Luka, adding that election results should set the criteria for participation in the RS authorities at all levels. Barasanin emphasized that "there were no non-Serb nationals in any coalition blocs in the RS" and that "this shows clearly that they do not want to represent the RS and its interests adequately". "This initiative can only lead us into a new labyrinth," Barasanin said, wondering "when the end to international experimenting in BiH will come".

## **International Community**

### **Petritsch Says Reforms or Elimination of RS**

Nezavisne Novine and Dnevni Avaz carry today excerpts from an [interview](#) the High Representative, Wolfgang Petritsch, gave to the Independent Television Studio 99, and in which he discussed his views of the future in BiH, the results of the International Community, the future of the RS and the reform of the SDS. Petritsch said that the RS leadership should know that that it is necessary to have a multi-ethnic government, and that this applies to this entity as well. "This is possible to achieve and I promise and say that this has to be achieved in the RS because I want to see a normal life there

as well, Petritsch said, adding that the RS ought to reform itself if it wants to survive in the forthcoming period. "Otherwise, the International Community will eliminate it," he said.

"If the reforms are not implemented, there will be no RS...Therefore, I will be watching very carefully the developments there during the next couple of weeks," he stressed. For the full text of the interview, see the attachment.

## **Brcko Supervisor Henry Clark Says Minister Micic Does Not Do His Job**

Today's edition of "Nezavisne novine" quotes Brcko District Supervisor, Henry Clarke, as saying that RS Refugee Minister, Mico Micic is not qualified for his job, because he is not interested in humanitarian work. Commenting on Micic's announcement that the RS will request the District to pay 5 million KM, which had been invested in reconstruction of destroyed houses of Bosniaks that Serbs now have to leave, Clarke said that the announcement is insulting. "These houses were reconstructed because the RS Army had destroyed them during the war in order to prevent the Bosniaks from returning to their homes. The post-war policy of the RS and the SDS was aimed against the process of return and that is why the IC declared the Brcko District", said Ambassador Clarke.

## **Editorials (provided by OHR Mostar)**

### **Dnevni List: Choosing between relatives and savings**

Written by Antonela Pehar

Dnevni List carries an editorial about the payouts to the depositors of Hercegovacka Banka and says since "the

international community started to rule in BiH, laws logical only to them apply.” The daily says as far as Hercegovacka Banka is concerned, everything but one formality is organized normally. After waiting in line for the payout, the depositors had to do another thing, and that was to look at the list of 48 Bank shareholders and see if they are related to them. “But that is not all. There is also a long list of those who affected the Bank’s operations in one way or another. No one knows who tried those persons and where. This move comes right after the International Day of Human Rights, and where is the law and justice?

Among those on the lists, Dnevni List found out, are persons who had nothing to do with the Bank (Slavo Kukic), as well as persons who are not shareholders (Mijo Brajkovic). The criterion applied in making the lists remains a mystery, but that seems to be unimportant. After all, what does kinship means, and what removes does it imply? If the number of shareholders and ‘suspects’ is over 100, the number of those who can withdraw their money is practically reduced, and perhaps that is the essence of it all. Perhaps another possibility might be offered: a piece of paper for depositors to sign and disown their ‘improper’ relatives in exchange for their savings,” reads Dnevni List.

## **Slobodna Dalmacija: Is Human Rights Charter valid in BiH – Croat Taliban**

Written by Dino Mikulandra

(...)Jelavic’s letter sent to non-government, trans-national organization, after a series of failed attempts to find a just solution to ‘a Croat issue’ in the Federation Parliament or cabinets of the international protectorate, only testifies as to how deep and impassable is the mud of non-human rights of the people smallest in the number. Generations of the Croats were dreaming about a state of a national equality, economic progress, political freedoms...Such BiH remains only a virtual

project, because it is hard to believe in an alleged indisputable equality, when elected Croat representatives are being treated as Taliban terrorists.

While American President Bush is establishing court-martials because 'the enemy must not be allowed to use a Forum of Freedom to destroy the freedom itself', by a decree Bosnian Governor Petritsch has practically abolished the Pact on Civic and Political Rights. Even 160 officials, at all levels, have been deprived of the right on political and public work, without a right to be elected and all this have been decided without a verdict and a possibility to lodge an appeal!

There is the international Human Rights' Charter and Petritsch's local self-will and Marx would say that in a conflict of two rights the stronger one wins...

How to believe in an independent judiciary, when due to 'the alleged pulling down of the constitutional organization' leaders of the Croat National Assembly are being brought before the non-competent Cantonal Court in Sarajevo, when there is a striking resemblance between this process and hard times of the Communist regime... when at the same time Petritsch openly admits that there is no room for robust politics and punishing of proved SDS hard-liners since 40% of the RS citizens support this party, then it is clear to everyone that the Croats, as the people smallest in the number, have been elected, against their will, to be a connective tissue in BiH and they are not supposed to pose unnecessary questions such as, as to where have their constitutional, national and civic rights, disappeared in this imposed integration? (...)

New York Times carries a proposal according to which Afghanistan has to be broken up in 'federal independent states, since 'amalgamation of ethnic groups into a nation has not taken place'. No, this is not a right place to pose a question whether such analyses also refer to BiH 6 years after Dayton. No, the right question is whether such doubt can be

stated in public and that BiH citizen does not end up before the Court on the ground of accusations that he was pulling down the state? However, let's first hear as to what the Helsinki Committee for Human Rights will answer to Jelavic.