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## **BiH State-related Issues**

### **OHR: Local authorities need to implement the Constitutional Court ruling**

Today's edition of Nezavisne Novine quotes OHR Spokesperson, Alexandra Stiglmyer, as saying that the High Representative expects the local authorities to implement the BiH Constitutional Court ruling on constituent status of all three peoples in BiH by the end of March. When asked whether the information that the High Representative proposed a new body to be formed instead the House of Peoples is true, the Stiglmyer said that the OHR cannot follow everything that BiH media report. "The High Representative and we as the OHR want to see the CoCo ruling implemented. We want that all three nations have fair representation in both entities and that all three peoples have the same rights in both entities. There are different ways to achieve that and it is up to political parties and Entity parliaments to discuss it. This means that it is not the OHR that is going to say that this or that is the only way to achieve it", said Stiglmyer. She also said that the OHR wants to see the CoCo ruling implemented as fully as possible with or without the House of Peoples being formed in the RS National Assembly. "The OHR has never said that the House of Peoples is the only possibility. This is a historical decision and it is not true that the OHR will not interfere in negotiations. The High Representative has already discussed this issue with representatives of all parties and now he is trying to initiate inter-entity talks", said Stiglmyer. When asked whether there is a possibility that the High Representative imposes the CoCo ruling if the local authorities fail to reach an agreement , Stiglmyer said that there is always a possibility that something like that happens. "Such possibility would be the less favorable option,

because the CoCo ruling will change the internal structure of entities. If the parties fail to reach a compromise, then it is not excluded that the High Representative will react at the end", said Stiglmeier.

## **Secret meeting between Petritsch and Silajdzic**

Dnevni Avaz and Oslobođenje report on their front pages about a "secret" meeting between the founder and the former leader of the Party for BiH, Haris Silajdzic, and the High Representative, Wolfgang Petritsch. The two met last night in the Lebanese restaurant in Sarajevo to discuss the legal and constitutional framework of BiH, the reduction of the state apparatus and the formation of multiethnic assemblies and governments in both entities.

## **Lagumdzija lobbies Britain for a more lax visa regime for BiH diplomats**

The chairman of the BiH Council of Ministers, Zlatko Lagumdzija, said at a meeting with the British Home Office Minister for Citizenship and Immigration Jeff Rooker, that BiH values British aid and support in the fight against terrorism and prevention of illegal migration. Lagumdzija informed Rooker about the initiative to have BiH join the Schengen visa regime, suggesting as the first step in this direction that Britain do away with visa requirements for BiH citizens traveling on state business. Nearly all media in the Federation and the RS reported about Lagumdzija's visit to Great Britain.

## **Federation**

## **Federation TV analysis: A year in power for the ruling coalition (full transcript)**

Exactly a year ago, the Democratic Alliance for Change was

formally forged. At that time, representatives of 10 parties signed a public statement on joint post- election activities. Turbulent political and economic events have deflated the initial optimism, but have also ushered in a more realistic outlook on the future of the Federation and Bosnia-Hercegovina.

A year after its constitution, the Alliance for Change is still susceptible to teething problems. Party leaders used to state at the time that the Alliance would turn over the trend in BiH's politics, that it would participate in the work of the RS government, that it would form the government without the parties which used to hold power till then, and that the main criteria in the division of power within the Alliance would be the election results of each party. The last mentioned point was where the Alliance started to stall.

The clash between the increased appetites of small parties which were conscious of the importance of every vote in the parliaments and the vanity of the big ones started to escalate more and more at the lower levels of power. Bad decisions with regard to staffing, insistence that the judiciary and administration of justice should finally start functioning, accompanied by necessary, but not always very well timed, moments and reasons to resist the international community's decisions, have caused the absence of the patiently-awaited results of the announced and promised activities.

It is true that some good things have happened. Conditions for stabilizing the pension system have been created, the budget has improved to a certain extent, and the distribution of aid to returnees has been better organized. It has not been easy to correct the things in which the predecessors used to fail for years.

It is also encouraging that the Federation government has shifted its priority towards employment programmes. However, this has not helped resolve the inner-coalition wrangling. The

Alliance has promised that this will soon be resolved. This had better be the case, as we shall hold elections this year and the Alliance will have a chance to secure another mandate from the voters.

## **Alliance: wider pre-election campaign or individual party programs?**

Sarajevo newspapers began widely speculating about the future pre-election engagement of the Alliance for Changes. As the very nature of the ruling coalition is post-electoral, it is not clear whether the Alliance will run at the General Elections scheduled for October 2002 as a coalition or as individual political parties. This issue has been vaguely addressed within the Alliance coordination, however, it appears that party leaders have not yet given any serious consideration to this matter. Ibrahim Spahic of the GDS (Civic Democratic Party) and the president of the Coordination came out on Sunday with the idea that the Alliance runs as a coalition at the upcoming elections, however, this has not been a great deal of enthusiasm on the part of individual political party leaders. Safet Halilovic of the Party for BiH said it is too early to make any decisions. "It's been only eight months since the formation of authority, and some Alliance actors have not passed the test with respect to our joint aims, such as the abolishment of parallel institutions, fight against corruption, etc. Party for BiH does not want to run with such actors," Halilovic said. Ivo Zivkovic of the NHI (New Croat Initiative) was of similar opinion. "The NHI has not yet analyzed this option. It is still too early to talk about this especially because there are numerous problems within the Alliance," said Zivkovic, adding that the NHI may not be able to continue cooperation with certain parties.

Strajo Krsmanovic, the deputy president of the LDS (Liberal Democratic Party) said that his party is interested in all joint Alliances projects, but stressed that it is still too early to more concretely entertain this idea. BPS (Bosnian

Patriotic Party) and the Republicans termed the notion as “interesting” or “cute”, but added that the Alliance will have to settle all the outstanding internal disputes before such an idea could be seriously considered.

Commenting on the idea, Sead Avdic, who is in charge of the Election strategy of the SDP, said that such notion needs to be approached very seriously but cautiously, in particular because analyses showed that wide pre-election coalitions rarely achieve significant results. “The sum of the individual party votes is always higher than that of coalitions.

### **Kresimir Zubak: Rasim Kadic cannot eliminate us from Alliance**

President of the New Croat Initiative (NHI), Kresimir Zubak, called on the President of the Liberal Democratic Party (LDS), Rasim Kadic, to launch an initiative and try and eliminate the NHI from the Alliance for changes if he had political courage to do that, reads Dnevni List. “Kadic wants to present our struggle for equality of peoples as some sort of imaginative lobby. If he has evidence to prove it and has political courage, we call on him to launch an initiative to eliminate the NHI from the Alliance”, says Zubak. Zubak also said that some parties within the Alliance were after prestigious posts, stressing that the best developments were achieved in the areas that are being led by the NHI Ministers. “Some people are ready to crush the Alliance for their own interest. Some have thought that the NHI could be used to worsen the position and rights of the Croat people. This has come as a test as to which parties we can cooperate with in the next elections”, says Zubak, reads Dnevni List.

Slobodna Dalmacija quotes Zubak as saying that the NHI will not make the same political mistake the HDZ made when it walked out of the Institutions of authority, regardless of the tremendous pressure. He said that some of the parties joined the Alliance only to preserve their positions in the

authorities, and have done little or nothing to contribute to the process of reforms. According to Zubak, the NHI, as a Croat party, was expected to abolish parallelisms in the authorities, which the NHI ministers did with much effort, but now that the parallelisms have been abolished for the most part, they are working to have those Croat cadres removed and replaced. "When our ministers were dealing with the situation and talking about the problems on the Croat side, they got tapped on the shoulder. When our ministers do so much as try to address the problems on the partner side, they immediately get their wrists slapped," said Zubak.

## **Halilovic question resolved?**

At a press conference held on Monday, the president of the Alliance Coordination, Ibrahim Spahic, said he hopes that the BPS (Bosnian Patriotic Party) will make a right decision and act in accordance with conclusions made at the meeting last Friday, when the controversial issue of Sefer Halilovic re-assuming his ministerial post was addressed.

The president of the NHI (New Croat Initiative), Kresimir Zubak, stressed yesterday that Halilovic can no longer be a minister in the Federation government as he has officially been stripped of this function by the president and the vice president of the Federation. "In addition, the return of Halilovic would be highly counterproductive," Zubak said, adding that this havoc about Halilovic needs to be settled once and for all. "This has become a main topic of discussion, as the fate of the Alliance or BiH depend on it. Many have hoped that this issue will break the Alliance, but it stayed united," said Zubak on Tuesday.

## **Bosnian Croat general's lawyers appeal against Hague sentence**

The defense counsel of General Tihomir Blaskic, sentenced to 45 years in prison by the ICTY's trial chamber, has requested

Blaskic's acquittal or a retrial, attorney Anto Nobile said on Monday. In a telephone conversation with Hina news agency, Blaskic's attorney said that the appeal consisting of 200 pages would be sent by fax to The Hague from Los Angeles, from the office of Russell Hayman, an American lawyer who, together with Nobile, is representing the former Bosnian Croat Defence Council (HV0) and Croatian Army general. The appeal is founded on new documents found in the archives of the Croatian Intelligence Service, the Croatian President's Office and the Bosnian Army General Staff. "That these are exceptionally important documents can be seen by the fact that during the time of (former Croatian president Franjo) Tudjman's rule, they could not be obtained by either the defence attorneys or the Hague tribunal, not even following a subpoena," Nobile said. The first 10 pages of the appeal consist of introductory notes, followed by 60 pages of text in which the attorneys explain the faulty application of justice in the verdict of first instance with regard to the command and direct responsibility, as well as the international character of the conflicts in Bosnia-Herzegovina. The remainder of the appeal consists of facts and a reconstruction of events in central Bosnia from late 1992 and the first half of 1993. This section supplements earlier evidence with new documents, Nobile said. The appeal process, according to attorney Nobile, should be completed by the end of this year. Croatian President Stjepan Mesic confirmed today that the government's office for cooperation with the Hague Tribunal had been given all documents requested to appeal Blaskic's sentence. The tribunal will decide how much the documents will be of use to General Blaskic, Mesic said, adding the presidential office would continue to cooperate with the tribunal.

## **Operations in the new Federation pension Fund blocked because of disputes**

Following the recent statement of Adnan Terzic, deputy president of the SDA, in which he said that the provisional



director of the newly created Federation Pension Fund (PIO Fund), Bozo Misura, is planning to lay off about 300 employees, mostly Bosniaks, numerous Bosniak organizations of pensioners expressed their concern and dissatisfaction with the new director. Oslobodjenje quotes several letters it received from Bosniak Veterans Organization, Bosniak employees in the PIO Fund, as well as the Federation Pensioner's Union, all of whom strongly object to Misura's appointment, pointing out to his ties to the illegal Herceg-Bosna. They are also dissatisfied with the decision to move the new PIO Fund from Sarajevo to Mostar, a move, they say, would be counterproductive and detrimental to pensioners. "Sarajevo is the geographical center of the state," said Enver Sarajlic, the president of the Executive Board of the Pensioners' Union, adding that PIO offices in Mostar do not have capacity or equipment to secure an effective work of the Fund.

## **Federation lost over 60 million KM because of crooked oil companies**

While investigating the business of large private companies focused on import or distribution of oil in the Federation, inspectors of the entity Tax Management discovered data which indicate that some of those companies have been engaged in a major tax fraud or tax evasion. Oslobodjenje notes in its front page story that the Federation lost over 60 million KM because of the illegal import or of oil and its byproducts. The director of the Tax Management, Midhat Arifovic, could not confirm the exact amount, stressing that such details could not be revealed at this stage of the investigation. He did say, however, that some 250 "phantom companies" engaged in illegal import and transfer of oil in the Federation have been found. The daily adds that the investigation is presently focused also on ten strongest oil companies in the entity – Zovko, Circle International, GA-GI, Eurobenz, Oil Oktan, Kuna, Petrol BiH Oil, Kalen, Cavkanovic, Holdina and Simbra.

## **How was the HDZ Vice President using the State Budget while he was the Federation Deputy Prime Minister**

Slobodna Dalmacija carries a reminder that Dragan Covic, former Federation Deputy Prime Minister and Minister for Finance, and Edhem Bicakcic, former Federation Prime Minister were subpoenaed by the Cantonal Court in Sarajevo last August over the suspicion of committing the criminal act of unconscientious work and abuse of office.

The daily says Covic used his positions in the Federation Government to make sure that the Mostar Company Soko (Falcon) that he used to manage, does not make it to the list of companies of Federation importance. Selling of the Soko property started as far back as August 1997, when Covic, as the General Manager of the Company, formed the incorporated company Eurobus – Soko d.d. The company did not produce buses, but only assembled them using bus parts imported from other countries. This job was entrusted with tested mediators who were importing those parts to sell them to Eurobus – Soko at a much higher price. One of them was a close relative of Covic's wife who imported bus parts from Hungary to sell them to Eurobus – Soko.

It was just one of the ways in which this company that was once big and powerful and employed a few thousand people, was split up and destroyed in order to allow individuals from inside the company, as well as those gathered around it, to make huge amounts of money.

This was a sort of "reference" for Covic in terms of his further rise in the party hierarchy and executive authorities and he made it all the way up to the position of Jelavic's chief financial expert. This is evident in the catchphrase "Cova will transfer it," which was circulating in the HDZ jargon for a long time and was uttered whenever someone would ask how to provide funds for some party project.

Covic, according to the daily, was working together with Bicakcic on having the Payment Operations Bureau abolished in order to make it possible for Hercegovacka Banka to take over these operations in the Croat part of the Federation.

All cantons where the HDZ was in power, as well as public companies either controlled or managed by the party, had to do their business transactions through Hercegovacka Banka, which resulted in incalculable consequences for the entire financial system after SFOR raided the Bank's offices.

This business also involved Covic's relatives, that is his brother-in-law, Ivica Djogic, who was the Chair of the Steering Board of the Payment Operations Bureau in Mostar and a member of the Steering Board of the Federalna Investicijska Banka (Federation Investment Bank).

From the position of HDZ Vice President, Covic worked on installing his people, especially those who used to work in Soko before the war, to certain positions within the party and executive authority functions. The most evident examples of this are the President of the HDZ City Board in Mostar, Ante Vidacak, the Prime Minister of the Herzegovina-Neretva Canton, Miroslav Coric, and a former Mayor of the Municipality Mostar-Southwest, Stipe Maric.

## **Covic to take over as the HDZ leader?**

According to a member of the so called genuine faction of the HDZ, which is very much resistant to the ruling "communist-general's" lobby in the HDZ, Covic wants to take an active role in the high political circles again with the help of his people and Ante Jelavic himself, as well as to formally take over the position of HDZ President. This source of Slobodna Dalmacija explains his allegation by stating the fact that the international community no longer counts on Ante Jelavic, and on the other hand, Jelavic trusts Covic very much.

The allegations that Josip Merdzo, the current Secretary

General of the HDZ BiH, would assume the position of party president are incorrect because they only wanted to “buy” him with the position Secretary General in order to be able to appoint Covic’s man Miroslav Coric in Merdzo’s previous position of Canton 7 Prime Minister. Being on that position, Coric, along with Ante Vidacak, Stipe Maric, Rade Bosnjak, Ivan Mandic and other people loyal to Covic, will be even stronger in lobbying for him.

Such a development within the HDZ BiH would probably suit individual circles within the Alliance for Changes and the international community because Covic as their potential partner in future relations would not be too tough a nut to crack because the criminal charges are still “hanging” in the air, waiting to be “pulled.”

This would also suit the currently subordinate faction within the HDZ, which is also called genuine faction, since that would be one more argument for them in their intra-party fight with the “communist-general’s” faction.

## **Federation House of Representatives to hold extraordinary session on Tuesday**

The Federation House of Representatives is to hold an extraordinary session on Tuesday to discuss the decision on temporary financing of the BiH Federation for the first three months of the year. The decision, which foresees 253 million KM for financing the Federation in the January-March period, was adopted by the House of Peoples on December 21 last year. The House of Representatives will also discuss the draft budget for 2002.

**Republika Srpska**

## **RS Prime Minister: Only RS National Assembly can change the RS Constitution**

The RS Premier, Mladen Ivanic told SRNA news agency that in the discussion on the constitutional changes in the entities, international institutions in BiH , should have the role of a mediator and insist on a compromises, instead of assuming the role of judges. He also emphasized that the constitutional position of the international community in BiH can not be accepted in any variant, especially not the position of any individual representative of institutions. "I think that their determination in this sphere is not useful for the establishment of the atmosphere of understanding, cooperation and compromise, and that it strengthens exclusively one side – the requests that are coming from Sarajevo. For that reason, we will strongly insist on the fact that the Constitution of the RS can be changed only by representatives of the RS National Assembly, because only such a change is legal and can be implemented", warned Ivanic.

## **International Community**

### **Wolfgang Petritsch leaving already in May?**

Dnevni Avaz reports that the High Representative, Wolfgang Petritsch, will likely leave BiH and his post already in May, when he will be succeeded by the British politician and the former leader of the Liberal Party, Paddy Ashdown. "It is possible that the High Representative will leave from this post in May, or early June, so as to enable the new High Representative to prepare for new challenges, such as the upcoming elections which will follow the summer recess and the vacation period," said OHR spokesperson, Alexandra Stiglmeier. Although it is nearly certain that Ashdown will be the new High Representative, the Peace Implementation Council still needs to officially nominate him for the post, while the UN

Security Council has to confirm the nomination. Stiglmeier explained that whoever comes to this important position must have enough time to adequately prepare for the elections in October. "It would not be productive to have this shift in August, as that is too short of a period," she said, adding that Wolfgang Petritsch will certainly not leave BiH in a time of crisis or some important moment for the country. Stiglmeier also said that Petritsch and Ashdown have frequent and friendly telephone contacts with each other and often discuss the situation in BiH.

## **Drazen Budisa: Petritsch considers BiH Croats a minority**

After Mate Granic, the President of the Democratic Center of Croatia, stated that the Republika Srpska should also form the House of Peoples in order to ensure the constituency of all three peoples across BiH, the High Representative Wolfgang Petritsch ironically said he is glad that the discussion which has been ongoing in BiH for several months, has also begun in Croatia and that the problem of the constituency of three peoples in BiH is thus becoming a regional issue.

Provoked by Petritsch's statement, Drazen Budisa, a candidate for the position of HSLS (Croatian Social Liberal Party) President and a deputy in the Croatian Parliament, reacted to it in a statement for Vecernji List: "This statement by Wolfgang Petritsch is impudent and disgraceful and it very well illustrates his idea of the constituency of all three peoples in BiH. This statement shows that Petritsch treats the Croat people in BiH as a national minority," said Budisa.

## **Editorials**

### **Feral Tribune: Cross and Rage**

**By Mile Stojic**

There is no need to point to the obvious because, to be honest, the whole of Herzegovina is now a failed experiment, the place where the advocates of so called big civilization ideas first drove the poor and uneducated local people to the edge of mutual extermination, and then went out of harm's way. We have not moved a single millimeter ahead if the tyranny of the five-pointed star has been replaced with that of the cross, because – following the same paradigm of authority – the two universal symbols have turned into their negations. The Christian Europe has not just one, but as many as twelve five-pointed stars (and the USA has fifty!) on its official flag, whereas here this symbol has lost its universality and has become a mere symbol of a dictatorial regime. The same thing might as well happen to the cross, or is, in fact, already happening.

The newly erected giant cross on the hill of Hum overlooking Mostar, for some of its citizens, represents only a ghostly symbol of a place from which the city was systematically bombed and destroyed. It sheds ghostly light over the Mostar ruins, no longer as a sign of a universal idea, but as a token of a defeated political idea. Caring for Christianity in a multi-confessional city can only be caring for the well being of all its citizens. However, in practice, it is only reflected in caring for bare power because never have the Mostar defenders of the cross, such as Bishop Peric and Franciscan priest Sevo, raised their voice for the restoration of the Orthodox cross that would be overlooking this city, although this cross, too, is a symbol of the religion they preach.

No, they just weep over the damaged Catholic religious facilities while they could not care less for the Orthodox Church in Mostar that was leveled to the ground, or the Monastery in Zitomislici, both of which had crosses on their towers. Therefore, their fighting for the cross resembles crusades rather than affirmation of the idea of Gospel, says

Stojic in his Feral Tribune column.

## **Headlines**

Nezavisne novine:

-Armed conflict between Islamabad and New Delhi looming – Pakistan preparing nuclear rockets + big picture of an Indian soldier;

-Ibrahim Spahic – Alliance for Changes in a permanent crisis;

-Reign of terror of the Potkozarje mobster – Milakovic terrorizing citizens of Prijedor;

-TTU from Tuzla has got a new owner – The factory sold for 1 KM;

Oslobodjenje: Oil Business: Tax evasions of over tens of millions KM

Dnevni Avaz: Why are Zubak and Kadic arguing; Secret meeting between Silajdzic and Petritsch

Jutarnje Novine: Evictions on temperature of -8

Tax Controls: Oil import companies first on the list