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## **BiH State-related Issues**

### **Serb member of BiH Presidency rejects a law regulating powers of state and entities**

At a press conference in Banja Luka held on Tuesday, the Serb member of the BiH Presidency, Zivko Radisic, said that the BiH Presidency supports the initiative to regulate relations between and powers of the state and the entities in order to avoid the blurring of authority at different levels. He pointed out that there were dozens of associations, groups and institutions which were misappropriating the state of BiH but were incapable of carrying out their tasks in either entity. "An attempt is under way to transfer as many powers as possible to the level of Bosnia-Herzegovina. To avoid this, we must sit down and do an inventory. I am deeply opposed to the attempt to do this by way of the law. I think that, unless prevented, this could even turn out into a kind of abuse of power by the Democratic Alliance for Change," said Radisic. He also denied rumours on the establishment of a joint army and BiH Defence Ministry, saying that only a joint system of coordination and

communication would be set up through the standing committee for military issues.

## **Viennese law firm to represent BiH client in the case against Ljubljanska Banka**

All Sarajevo media reported today that the Viennese law firm will represent BiH clients in the case against Ljubljanska Banka who refused to compensate its BiH customers for the old foreign currency savings trapped in the bank at the beginning of the war in former Yugoslavia. The expert team will include 45 Austrian and ten local lawyers with offices in Sarajevo, Mostar, and Banja Luka.

## **Federation**

### **Wim Timmermans: "Steering Board of Aluminij was illegitimate"**

Today's issue of Oslobodjenje quotes excerpts of a farewell letter written by Wim Timmermans, the leader of the audit team in the Aluminij Factory in Mostar, addressed to his colleagues and the OHR, in which he writes that the final audit report is a "well balanced document based on which the interested parties will be able to take necessary action." The daily notes that this Timmermans' statement is a clear indicator the purpose of the audit in this company was not to legally clear all disputed issues, but to balance all the gathered information. Furthermore, it claims that Timmermans' letter to Jean Jacques Vllbrecht, OHR Economic Advisor on privatization, reveals that he believed that it would be virtually impossible to reach a consensus on conclusions and recommendation in the report. Timmermans allegedly further commented that there was a clear split among the local members of the audit team as to the legitimacy of the Aluminij Steering Board and its decisions. Oslobodjenje notes that he resolved his own confusion on this matter by simply omitting certain paragraphs from the report and by comprehensively revising its contents.

## **Kresimir Zubak: "One should not topple down Aluminij because of Mijo Brajkovic"**

In a shorter interview with Dnevni Avaz, Kresimir Zubak, the president of the NHI (New Croat Initiative), said the Alliance member parties have never discussed the issue of Aluminij Factory in Mostar, and stressed that his party rejected the media and political campaign undertaken by the Party for BiH and the SDP on this issue. He said the all political instances should first analyze the audit report well and then decide on their future steps. He also stressed that if the audit indeed shows that there have been irregularities in the privatization of the company, such irregularities should be fixed.

## **Hasan Becirovic, Federation Minister of Industry, Energy and Mining: "Timmermans' recommendations do not reflect the facts mentioned in the report"**

The Federation Minister of Industry, Energy and Mining, Hasan Becirovic, told Dnevni Avaz that he is satisfied with the facts enumerated in the audit report, however, not also with conclusions and recommendations made by the team leader Wim Timmermans. "Timmermans made political compromise and conclusions which do not reflect the actual state and which indicate that he failed to understand the genesis of the social and state into private property, or the laws applying to this process," said Becirovic. He added that the vocal distancing of the OHR from this report indicates that the OHR is also not satisfied with conclusions of the audit. "I believe that the OHR is aware of the failed endeavor with Timmermans, " he said, adding that it would be quite irresponsible if the OHR would stand behind such a "tendentious and amateur report".

## **Safet Halilovic says that BiH Authorities will not accept the Audit Team report**

Since the OHR published that an independent Audit Team, led by

Wim Timermans, completed the Aluminij audit, political and media pressures exerted against this Company have not stopped, notes Slobodna Dalmacija. Safet Halilovic the Vice President of the BiH Federation and a member of the Party for BiH, stated that the Federation Authorities will never accept the report of the independent Audit Team because this would be the greatest robbery in the BiH Federation (he gave this statement without any evidence). Karlo Filipovic, the President of the Federation and a SDP member, sent a message that the Federation will know how to protect its property. Mujo Hodzic, a former worker of Aluminij and a Commissioner of the Aluminij Syndicate stated in a TV show that he will pull down Aluminij if he does not realize his rights, and that this act will not be only defense of property and rights but also a defense of BiH as a state. People from Aluminij claim that Mujo Hodzic falsified his documents in order to get back his work place.

Jure Musa, a Deputy of the Aluminij General Manager, stressed that Aluminij has not received the audit report yet. He stressed that during unofficial talks some IC officials stated that they are surprised by the statements, which appeared in the media. Musa added that by the statements about Aluminij they are trying to create a negative climate and they are playing games in order to destroy it. He is surprised because some parties did not issue press releases when other Companies, especially Textile Industry Djuro Salaj or Zenica Steal, in which 250 million Marks were invested and their result was zero, were at question. During the campaign against Aluminij they keep saying that Aluminij was privatized, and the fact that Aluminij was co-capitalized and not privatized is widely known, and these are two completely different things. By all accounts, it might be concluded that the Aluminij greatest sin is that it is a very successful Company and incompetent Managers and politicians cannot forgive it to Mijo Brajkovic and the Aluminij leadership.

## **Mijo Brajkovic, 'Aluminijum' General Manager – State of BiH wrecks the most successful company**

In an interview for Vecernji List, Mijo Brajkovic, the General Manager of 'Aluminijum' Mostar, stated that many often asked him why he allows so many repeated audits in the company, but he told them all that they had nothing to hide.

Asked to comment on the political reactions to the "OHR report" and the accusations that they legalised a crime, Brajkovic said he would ask everyone to let them work and stop involving the company in politics. He hopes someone will finally raise the issue of the 'Djuro Salaj' factory in the east part of Mostar, for instance, which used to employ 6,000 people before the war."

According to Brajkovic, the purpose of the intrigues related to the Aluminium Factory is to make sure that the searchlights of the International Community are pointed at the Croat people and companies at all times. He asks how the five billion Dollars of the donor's money was spent and says once this issue is opened, many will have to answer.

## **Croat Co-ordination parties will not participate in the Rama meeting on constitutional changes in BiH**

Members of the Croat Coordination comprising several moderate Croat parties from BiH, as well as a number of non-governmental organizations, will not participate in a Rama meeting on constitutional changes in BiH, scheduled for Wednesday by the President of the Croat Community of Herceg-Bosna, Vladimir Soljic.

The leader of the Croat Peasants Party (HSS) and the chairman of the Croar Co-ordination, Ilija Simic, told Onasa that the Rama meeting, which is to gather representatives of Croat political parties and prominent officials from the ruling Alliance for Changes, was discussed at the Coordination meeting held on Tuesday in Sarajevo. "Our conclusion was that

we will not take part in this meeting since certain preconditions for such gathering are not met,” said Simic and added that one of them is the return of the HDZ to all institutions of the system.

### **Payment of backlog pensions in August still uncertain**

Despite earlier promises of the Federation government, the payment of outstanding pensions by the end of August is still uncertain. Oslobodjenje reports that the needed 42 million KM have not been secured yet, although officials in the Federation PIO (Pension Fund) are still optimistic that several public companies, including the PTT, HPT, Sarajevo Brewery and Tobacco Factory, will donate the necessary funds thereby enabling the timely payment.

Dnevni Avaz, however, finds out that one late pension should be disbursed on September 1<sup>st</sup>.

### **Ante Jelavic appears before the Cantonal Court in Sarajevo**

The dismissed president of the HDZ, Ante Jelavic, appeared today on a hearing before the Cantonal Court in Sarajevo. Following the hearing behind the closed doors, Jelavic addressed a vocal crowd of around 300 supporters and informed them that his next session is scheduled for September 17<sup>th</sup>. He also dismissed the entire process against him and his other party colleagues. “This is one absurd and faceless process. Everything is possible in Petritsch’s protectorate, but I believe that Petritsch’s protectorate is ending, :” said Jelavic.

### **Slobodna Dalmacija: Interview with Ante Jelavic – Prosecution is passing judgment in the rigged process**

In an interview for Slobodna Dalmacija, Ante Jelavic stated that he will face the court in Sarajevo because he is a legalist and recognizes judicial institutions, in spite of the

fact that he does not think the Cantonal Court in Sarajevo has the jurisdiction over this case and although this, in his opinion, is a rigged trial. In answer to the question as to who pulls the strings in what he called a rigged trial, Jelavic said "if we start from the assumption that BiH is a protectorate, and Petritsch's protectorate, then probably it is he who has the crucial influence on the judiciary, but it is also a part of the current international administration, as well as a part of the Alliance authorities..." He does not think there were any arguments for any conflict between the High Representative and him. Speaking of the last meeting he had with the High Representative, Jelavic says he does not think there was any sort of conflict between them at that time but that the HR was on "such a position and that he was forced, others did not give him room to do anything else but to take that course." [See full translation!](#)

**Vecernji List: Interview with Ante Jelavic on the eve of the Sarajevo hearing due today – I would not be surprised if they took me to The Hague straight from the Court building in Sarajevo**

Interview conducted by Jozo Pavkovic

Pavkovic notes at the beginning of his that Jelavic did not look like someone whose life could significantly be changed today.

Jelavic says his family hopes his attorney Josip Muselimovic will not get too much material to write a book titled "How I Defended the President" or perhaps a synopsis for a new theater play.

"Speaking of the current judicial system, I must say openly that BiH is far from a state of law and constitution. I must also say that what we have here is the worst form of neocolonial protectorate where the basic human rights and freedoms, the right to political activity are denied and the



right to political thought and activity endangered. In BiH today we have a protectorate with the positions of prosecutor, judge, juror and executor all concentrated in one person. He passes laws even in the realm of judiciary," said Jelavic.

Asked to say if he fears the charges could be extended, Jelavic said: "I have not thought about that. I have already said that this is the worst sort of protectorate with a sham justice. I would not be surprised if the indictment should be extended by the Leutar case and even if they took me to The Hague through another door as soon as we enter the building."

Jelavic said everyone in the HDZ is convinced the case is politically motivated. "We have to be prepared for any possible option, including my detention. It should be said clearly that the party will function normally with or without me. In any case, we will have a session of the HDZ Central Board soon where we will decide on all party moves – from its functioning to the question of how we will organise the Assembly, and if we shall organize it at all," said Jelavic.

Vecernji List carries what they call a 'chronology of conflicts between the HDZ BiH and the International Community', from the passing of the new election rules by the OSCE, through the Hercegovacka Banka action and the transfer of the Bank-related cases to the Cantonal Court in Sarajevo, to the hearing of Ante Jelavic.

### **Bishop Komarica on the role of the Catholic Church during the war and after it**

Bishop Komarica responded to the invitation of Communion e Liberazione, and participated in the work of a great gathering 'Friendship among Nations', which was held in Rimini. Talking about the role of the Catholic Church during the war in BiH, Komarica stated that he does not want to deny that there were individuals and groups which were ascribing the name of the Catholic Church to themselves and they were committing crimes,

but these individual crimes cannot be ascribed to the Catholic Church. Talking about the return process he stated that hundred thousands of BiH citizens are not able to realize their right on homeland, home, property and many other rights. Komarica stated: 'Five and a half years after the Dayton Agreement was signed almost a half of Catholics from BiH are out of their homes and their parishes. Out of 70 000 of displaced persons and refugees from a wider Banja Luka region, only 1488 persons returned. Is not it a shame for domestic and international politicians?

## **Republika Srpska**

### **RS President: Days of arrest of Bosniaks are near**

The RS President, Mirko Sarovic, said that one can expect the beginning of arrests of Bosniaks who committed war crimes against Serbs during the war. Sarovic also said he expects that The Hague Tribunal will indict Alija Izetbegovic and a number of other political and military Bosniak officials who had crucial decision-making and command roles in the war. Commenting on the BiH election law, Sarovic said that "it is better to have any sort of an election law than no election law at all. The adoption of the election law was preceded by a tremendous pressure, and if by some chance the law had not been passed, the RS would have been blamed. Now it remains to prove before the Constitutional Court that certain provisions are discriminatory," Sarovic said in yesterday, stressing that it is the International community who is imposing solutions in BiH.

## **International Community**

### **European Commission donates 3 million Euros for development of entrepreneurship in BiH**

The European Commission will donate 3 million Euros (some KM 6 million) for regional development and development of entrepreneurship in BiH, reports the office of the European Commission. This project will help companies confronted by numerous limitations such as state ownership, lack of management accountability, outmoded equipment, poor product design, poor marketing, lack of legal, regulatory and fiscal support.

### **The Hague Tribunal denies Krajisnik's motion for provisional release**

The Trial Chamber of the Hague Tribunal on Tuesday denied Momcilo Krajisnik's motion for provisional release to attend his father's funeral, the Beta news agency reported. The Trial Chamber, presided over by British Judge Richard May, denied the motion because two of three judges were not convinced he would return. Judge May said the guarantees of the Republika Srpska Government do not have the strength they would have if the authorities have ever arrested any war criminal. He said that Krajisnik has not voluntarily surrendered, that accusations against him are very serious and that this was a very complex procedure

## **Editorials**

### **Oslobodjenje: Vague statements of international organizations' spokespeople further confuse the Transparency International issue**

In a shorter commentary, Oslobodjenje's Amra Kebo notes that vague statements of some spokespersons for international organizations just further mystified the atmosphere surrounding the issuance of Transparency International report on corruption in International Community circles. She writes that it would be more appropriate if organizations mentioned at the TI press conference would make a statement informing

the press if they had any contacts with the TI prior to the publication of the report or which organizations and ambassadors discussed it. Kebo notes that OHR spokesperson Alexandra Stiglmayer indeed confirmed that there had been some bilateral talks between heads of several IO and ambassadors of countries represented in BiH. However, Kebo, writes, all other spokespeople refused to provide any more details about those contacts. "Acting in this manner, spokespeople further deepen the divide between the local authorities and international community," she notes, and adds that even OHR spokesperson Patrik Volf mentioned the work "pressure" on several occasions during yesterday's press conference, although we was not even asked about it.

### ***Jutarnji List: Alliance reduced the protectorate***

Written by Gorden Knezovic; partial translation

The refusal of the ruling Alliance to accept the tender for the concession of the third GSM operator imposed by the OHR, under which the concession-holder would pay 10 million Marks for 15 years, showed that the new authorities in Sarajevo do not accept the role of the International Community the way the previous coalition government of national parties (SDA, SDS and HDZ) did. Although it consists of 15 parties of various ideological and social orientations, the new government in Sarajevo showed to be stronger than the previous one, reads Jutarnji List editorial.

In spite of the fact that it was practically the International Community that enabled the Alliance's coalition government to take power, they still stood up against the High Representative Wolfgang Petritsch. The opposition of the leading politicians in Sarajevo, by the method and the vocabulary used in uttering mutual accusations, does not differ from the conflicts between the international representatives and the once ruling coalition of national parties that prevailed until recently.

The Chairman of the Council of Ministers told Petritsch that whoever gets the third GSM concession would be undesirable in BiH. Under such conditions, the two strongest contenders, Hrvatski Telekom and Mobilcom Austria, were forced to withdraw their bids from the tender, and the OHR accused the Council of Ministers of causing BiH lose 400 million Marks worth of investments and hundreds of new jobs. As opposed to similar conflicts before, the High Representative did not dismiss any of the domestic politicians this time, but gave in instead. The international tender for the third GSM operator has been annulled for an indefinite period of time. The main reason for such a development is the fact that the conflict between the current government in Sarajevo and the OHR started over the economy, as had been the case before. From this, one can draw a conclusion that the government has the political support from the International Community in taking charge of the situation in BiH. The major problem for the government in Sarajevo is not the OHR or international organizations in BiH, but the still strong influence of the national parties.

The real challenge to both the Alliance government and the International Community in BiH, has been opened with the case of Aluminijum Mostar, i.e. the issue of the ownership of what is by far the most profitable company in BiH. (...) Apart from its huge economic importance, there is a political background to the case of the ownership of 'Aluminijum', as it reflects the existing political conflict in BiH, conflict of the national parties that lost the power last November and the new government of the Alliance for Changes. The coalition authority of the SDA and HDZ shared their interest spheres at a time. The Aluminijum case is a test to the government in Sarajevo, but also to the International Community representatives, the OHR in particular, in terms of what stand they will take towards the powerful foreign companies such as Glencore and Daimler Chrysler.

Those companies are too powerful to be excluded from the final

solution of the issue of the ownership of Aluminium. Representatives of Daimler Chrysler have already been to Sarajevo and talked to the representatives of the government. Not even much richer countries than BiH would reject the offer that the German company presented to the Sarajevo government. The BiH public does not know what Daimler Chrysler asked in return. (...) The success of the Alliance for Changes is in that the dispute over the ownership share in Aluminium will not be solved between the government in Sarajevo and the HDZ BiH political representatives, but between the government in Sarajevo and the companies that control the aluminium production in Mostar.

As media have carried recently referring to diplomatic sources, the conflicts over the allocation of the third GSM operator concession and the ownership of Aluminium are a part of a wider plan of investments from Deutsche Telekom, Glencore and Daimler Chrysler in BiH. This refers to 500,000,000 Dollars worth of investments into profitable companies, primarily those in the Croat-majority territories in BiH, i.e. purchase of the Croatian Government's ownership shares in Herzegovina companies. The plan is aimed at pacifying Croats in BiH by means of improving the economic conditions and marginalizing the financial influence of the HDZ BiH, i.e. by means of depriving the party of its main funding resources, which allowed it to have the major political influence on Croats in BiH.