

OHR BiH Media Round-up, 1/11/2002

Headlines in Print Media

Oslobodjenje: BiH companies were selling arms to Burma, Libya

Dnevni Avaz: US Ambassador Clifford Bond – I will not be meeting with SDS, HDZ representatives; Ashdown brings messages from Brussels

Glas Srpski: Srbinje/Foca – Head of Crime Police attacked; Paddy Ashdown-Support to changes

Nezavisne Novine: Catastrophic earthquake in Italy – Dozens of people buried under rubble; What prevent Ivanic's ministers from flying to Baghdad – Half of RS Government at Saddam's; Paddy Ashdown: Government, Customs Administration and VAT priorities in BiH

Blic: Ashdown: To bring Orao case to end; A bomb thrown at apartment of Srbinje Police Chief; Murderers of Buha had connections in RS and Federation; Mijo Anic: Checking of weapon export in three companies

Slobodna Bosna: Lord Carrington 1992-Lord Ashdown 2002- Aristocratic funeral of Bosnia

BH DANI: Avdic vs. Radoncic – system of mutual accusations

NOTE: Due to Catholic holiday "All Saints" Croatian papers are not published today.

Orao affair

The BiH **Council of Ministers** discussed the current situation, which emerged following the latest information on the **Orao** Aviation Institute in Bijeljina, at its session held on Thursday in Sarajevo. It also considered the information on measures implemented concerning the setting up and issuing of licences, the production and control of arms and military equipment trade at state level. Foreign Trade and Economic Relations Minister **Azra Hadziahmetovic** announced this to

journalists following the session. She added that the Council of Ministers was aware of the seriousness of the situation and of the damage done to BiH by the affair. It was also aware of the responsibility and the risks, which may ensue following recent events in connection with the Oraz case, and the indications that there were other companies involved in the illegal trade of arms and military equipment. Minister Hadziahmetovic said that the Council of Ministers had insisted that all competent institutions in the country conduct investigations by the end of the year into all parties involved in these activities and publish preliminary information on the findings by 15 November at the latest.

She added that the Council of Ministers had urged that all those found to have been involved in this process in any way, be severely punished. Given that the recent events represented a breach of UN resolutions and that there are indications that the BiH Constitution and international conventions were violated, the Council of Ministers was urged to re-examine its own role in this case, but also in all other possible cases which could be linked to recent events, in order to prevent a repeat of such cases. When asked whether it was possible that other BiH companies are involved in the sale of arms to Iraq, Minister Hadziahmetovic said that investigations which were currently being conducted at various levels of government, would shed light on the situation, but that there were indications that other companies were involved in breaching international resolutions, involving not only Iraq, but other countries as well. (**Oslobodjenje**, front page, p 3, **Dnevni Avaz**, p 2, **Glas Srpski**, p 3, **Nezavisne Novine**, p 3, **RTRS**, second item)

A senior BiH Council of Ministers Official confirmed in a statement for **Oslobodjenje** that the international officials in BiH had warned the local authorities there were reasonable doubts some BiH companies had violated UN sanctions imposed against the countries such as Burma and Libya. (**Oslobodjenje**, front page, p 3)

"During the meeting with the NATO Secretary General, George

Robertson, which discussed the developments related to Orao affair, we agreed that the investigation should be continued at two stages: all officials responsible for the recent affair should be dismissed and the RS must continue the investigation with the IC's help," The High Representative **Paddy Ashdown**, told a press conference upon his return from Brussels. He repeated Lord Robertson words on ORAO affair: *"The Orao affair represents a flagrant violation of the UN embargo on weapon trade and also reflects the incapability of the state institutions to control the military sector. Therefore, it is of extreme necessity to establish the civil control over the military industry sector in Bosnia and Herzegovina."* (**Blic** p 11, the issue was also covered by **Oslobodjenje**, **Dnevni Avaz** reports on the press conference)

Nezavisne Novine (front page, p 3) reports that 8 members of the **RS Government** and 2 representatives of a Belgrade-based company were supposed to fly to **Baghdad** in March last year. According to the paper, the RS Government wanted to send its delegation to Baghdad on its own without informing the BiH Ministry for Foreign Economic relations about it. The article states that in March last year, the RS Government turned to Milos Prica, the advisor with the BiH mission to UN asking him to approve the flight to Baghdad. The RS Government explained this trip as a part of the Food for Oil program. On March 6th the request for flight was turned down, because the Government did not inform the BiH Ministry for Foreign Economic Relations and Prica was suspended. The paper also gives names of RS Government members who were supposed to go to Baghdad: RS Minister for Foreign Economic Relations Fuad Turalic, RS Deputy Prime Minister Petar Kunic, RS Minister of Energy and Mining Bosko Lemez, RS Minister for Urbanism Nedjo Djuric, Assistant Minister for Foreign Economic Relations Zoran Stjepanovic, interpreter Vesna Stoislavljevic, authorized representative of the RS Government Gavro Drinic, Bosanski/Srpski Brod Oil Refinery General Manager Vojin Mujicic and two representatives of a Belgrade-based

construction company "Estetik", Dragan Vasiljevic and Bogoljub Subotic. The paper states that "Estetik" is a construction company, which left behind many unfinished projects and buildings. Also, a prominent Israeli political magazine "Makhor Rishon", whose researches are based on intelligence gathered by Mossad, claims that there was an option for "Rudi Cajavec" and Kosmos" from Banja Luka to start cooperating with Israel. According to some Mossad intelligence, when Israel was considering cooperation with Cajavec and Kosmos as an option, these two companies were cooperating with Yugoimport and Iraq. Israelis were also investigating the Croatia's role in selling arms to Palestinians. Nezavisne Novine tried to get in touch with Minister Turalic and Assistant Minister Stjepanovic, but they both promised they would discuss this issue later. The main question in this whole thing is why the RS ministers were going to travel to Baghdad and why the RS Government fail to inform the BiH Ministry for Foreign Economic Relations. The article also concluded that Ivanic's government can no longer deny its cooperation with Saddam Hussein's regime.

In Dnevni Avaz on page 2 (Title: Mladen Ivanic last March requested arrangement of special flight for Iraq"), Fadil Mandal wrote that the Orao affair was not the only tie between Republika Srpska and Iraq. According to Mandal, the Government of Mladen Ivanic attempted through official diplomatic channels to establish economic cooperation with Iraq yet in March last year. Allegedly it is about the application for RS participation in the UN "Oil food Program."

Nacional (p 6) learns from a diplomatic source in Sarajevo that a motive for ORAO affair has been found in alleged violation of the UN embargo on weapon trade with Iraq, but the aims of the affair are political ones. The source claims that during the inspection in ORAO, SFOR did not find any valid document that would prove that ORAO violated the UN embargo. *"All facsimiles of contracts published last days in papers which allegedly prove cooperation of ORAO, Yugoimport and some*

Baghdad's firms are of suspicious nature because none of them has stamp, signature or memorandum with firm's name," the source says. Without wanting to claim that Bijeljina's and Belgrade's firms "are clean", the source further says that the affair is heated up in order to help the IC to impose what it has been wanting for a long time, and what it could not explain/justify thus far. "First, they will ask abolition of connections between the Yugoslav and RS Army, which was already done by the High Representative, Paddy Ashdown, in Brussels," the source claims, adding that Bosniak and Croat politicians have been constantly insisting on that, telling that these connections "are constant threat to BiH". Reminding that Novica Simic, RS Army Chief of Staff, is removed, as well as that new removal might be expected, the source says that the new military top of the Army will have to promise that the Yugoslav Army will be treated as a army of neighboring country. Besides, effects of ORAO affair will be reflected in establishing a full civil control over military forces in BiH. After that request for forming joint customs and tax administration on BiH level will follow. The source says that the affair's aim is to put pressure on newly elected representatives of the RS authorities from the SDS so that they agree upon requests the IC has been set before the RS. "The whole affair has been launched by Bosniak political circles in Sarajevo, where Americans were informed about ORAO trade with Saddam Hussein", the source says.

The **FRY government** concluded that the UN Security Council Resolution banning the export of arms and military equipment to Iraq had been violated on several occasions. These involve the general overhaul and the return of the Iraqi aircraft engines for MiG 21 and 23 aircraft, as well as providing certain services in military and technical cooperation. A statement issued by the Federal Information Secretariat said that the Federal government had adopted a report by the commission investigating irregularities in the Federal Defence Ministry with regard to the procedure of issuing licenses for

export of arms and military equipment, which had been set up at the session held on 22 October. The Federal government concluded that the UN Security Council Resolution banning the export of arms and military equipment had been violated in several cases due to lack of precision in the regulations concerning the export of arms and military equipment. All agreements on military and economic cooperation which Yugoslavia signed with the countries under the UN Security Council sanctions have been suspended for as long as the sanctions remain in force. All exports of arms and military equipment to the countries under the UN Security Council sanctions are banned. The import and export of arms and military equipment will be allowed by the Federal government at the proposal of the Federal Defence Ministry. There will be legal changes in the area of arms and military equipment trade soon. (**Blic** p 11, **Vecernje Novosti** p 15, **Nacional** p 6)

Serbian Prime Minister **Zoran Djindjic** said he had been warned several times by Washington that FRY had been selling weapon to countries that were under the UN embargo. *"A year ago I called Jovan Cekovic, director of Yugoimport, informing him there were indications that his firm was selling weapon, and told him to sort it out, because it could cause a great damage to the country. Cekovic told me these were old stories, I should not worry, and he said he would clear it with Americans. When I received concrete proofs it was too late,"* Djindjic said. (**Blic** p 11, **Vecernje Novosti** p 15)

Nezavisne Novine quotes (front page, p 2) Serbian Prime Minister **Zoran Djindjic** as saying that centres of grey economy, drug smuggling, illegal **weapons trade**, cigarette smuggling and oil trade are in Sarajevo, Banja Luka and some places in Monte Negro. *"BiH is one of the countries in which one of the centres of organised crime is and maybe even some other centres of cigarette smuggling, which have recently been cut off in Serbia"*, said Djindjic. Glas Srpski (p 5)

A raid by SFOR in Bosnia two weeks ago uncovered what is

beginning to look like a major Balkan network of traders selling weapons and military services to Iraq, notes **BBC**. Investigations are now under way in both Bosnia and in neighboring Yugoslavia, where another company, Yugoimport, was accused of acting as the middleman. *"We do not know the extent of this matter,"* High Representative **Paddy Ashdown** said on Sunday. *"But my guess is that it is going to be very wide-ranging, it's going to be regional. And it's going to extend into areas which will surprise us."* BBC concludes that part of the **Orao** problem stems from the ill-structured system of government, where two highly autonomous entities have most of the power, at the expense of the central government. *"In the long run, these revelations could be used to strengthen the central government's powers, although it will be politically difficult to unify the armed forces under civilian control."*

In a shorter but prominently placed article, **BH DANI** argues that the **OHR** and **SFOR** must dominantly supervise the ongoing investigation of business in Orao aviation factory. The weekly notes that the High Representative should not be satisfied with the dismissal of small fish in the RS, but ought to remove **Mirko Sarovic**, who as the RS president and as a former member of the Orao Steering Board, has the ultimate political responsibility for the affair. *"Paddy, it's your turn!,"* concludes the weekly.

OHR/International community activities

The High Representative, Paddy Ashdown, addressed journalists in Sarajevo on Thursday upon his return from Brussels where he had discussed the political and security situation in BiH with the top EU and NATO officials. Ashdown emphasized that both EU and NATO were fully supporting the initiated reforms and particularly the reforms of the Council of Ministers, and customs and tax collection system that were crucial for the BiH's accession to the European integration. (Dnevni Avaz, p 2, mentioned on the front page: "Ashdown brings messages from Brussels", Oslobođenje, p 6: "Paddy Ashdown announced faster implementation of military reforms", Glas Srpski, front page,

p 3, Nezavisne Novine, front page, p 4, Blic p 2)

Ashdown's speech to the PSC of EU and NAC (headline: RS to choose between Brussels and Baghdad) regarding ORAO affair is published in **Nacional** (p 6).

In a letter of congratulations sent to the newly-elected BiH Presidency, the EU Foreign Affairs Commissioner, Chris Patten, also emphasized the necessity for fundamental administrative and economic reforms to be carried out in BiH. *"We expect the newly-elected authorities to implement what they have committed to and focus on the plan of reforms introduced by the High Representative of the international community and Special EU Representative, Paddy Ashdown,"* Patten wrote. (Oslobodjenje, p 6)

OHR's quarterly economic newsletter was released on Thursday. *"One of the points which leaps off the page is the fact that BiH exports in the January to July period amounted to 1.158 billion KM. Imports, in sharp contrast, amounted to 4.326 billion KM. That represents a whopping trade deficit of 3.168 billion KM. These figures are frightening. BiH is accumulating a massive trade deficit to add to its huge international debt burden,"* OHR Spokesman **Kevin Sullivan** told journalists in Sarajevo on the occasion. (**Oslobodjenje**, p 14, **Dnevni Avaz**, p 15)

In a five page article in **Slobodna Bosna** (front page splash), Edina Becirevic, Mirsad Fazlic, and Adnan Buturovic provide an analysis of *"destructive greater-Serbia politics of Britain in BiH since 1992."* *"In the Spring 1992, British Lord Peter Carrington was the first foreign diplomat who said that the peace in Bosnia is possible only if the country is divided. Ten years later his fellow-countryman, also a Lord, Paddy Ashdown, assumed an unenviable job of dividing our country,"* writes Becirevic, quoting Balkan experts **Paul Williams** and **Brendon Simms**, and their own writings on the British policy in BiH. *"Main motives of the Great Britain and Russia are identical: it was necessary to preserve the image of their*

status as a great power, however, one should not dismiss the speculations of historical ties between Russia and Britain respectively with Serbia...” Authors mention **Carrington, John Major, David Owen, Douglas Hurd, Malcolm Rifkind, Michael Rose** and finally **Paddy Ashdown** as protagonists of such British policy in BiH, which had for its final aim to ultimately divide the country along ethnic lines. Becirevic quotes Simms as writing that the best illustration of Ashdown’s position - which could often be mistaken for a pro-Bosnian one – is the fact that his preoccupation with the Balkans was always of humanitarian, rather than of strategic nature.

BiH-related news/statements

In a lengthy article in **BH DANI**, Nerzuk Curak argues that it is necessary to undertake a profound transformation of the existing entity intelligence services and introduce a more serious political control of their operations. Curak notes that BIH is presently a state without a functional and institutional intelligence community, which only allows separate and mutually conflicting agencies at the entity levels to flourish and put themselves at service to individual political parties or officials. *“If BiH is so important for the security of the world, then Bosnian security world ought to be profoundly changed and modernized in terms of organization, structure, collection of information, personnel and code of ethics...If Ashdown truly wants to justify Alibabic’s removal, he must put in extra effort to ensure that BiH gets a de-politicized and highly-professional community of intelligence officers who are ready to stand up to most serious challenges put forth by our new age of terrorism...”* Moreover, Curak argues, this new form of intelligence service – preferably at the state level – should also have a new political control by parliamentary assembly and should not be above the system. Finally, Curak notes, High Representative’s decision to remove Alibabic implies that members/officials in the former intelligence agencies cannot be a part of the new structures.

Implementation of the election results

"The United States will remain engaged in BiH, but, if we would have nationalist in power at various levels, that will reflect both on level and quality of our cooperation," The US Ambassador to BiH Clifford Bond said in an interview with Dnevni Avaz (front page, p 5) *"I will not be meeting SDS and HDZ representatives"). "Our assistance is intended for reforms and is aimed to support reforms. The nationalist parties are verbally supporting reforms, but this has not been so (in practice),"* Bond emphasized.

The OSCE Head of the Mission to BiH, Robert Beecroft, said in his report to the OSCE Permanent Council in Vienna on Thursday that the victory of the so-called the nationalist political parties at the general elections in BiH was not worrying fact. *"So called nationalistic parties are nor any more monolith as they used to be tens years ago, and they did not gain support by new voters in the (2002) elections but they even lost some of that support in comparison to the last elections,"* Beecroft emphasized. (Oslobodjenje, p 6, Dnevni Avaz, p 2)

"The President of the RS National Assembly's Constitutional Commission, Miroslav Mikes, described as absurd the situation in which RS Croats will have a RS Vice-president who is supported by only 0.6% of electorate. Mikes concludes that Croats do not have expressed will to actively participate in the RS political life," Zija Dizdarevic wrote in Oslobodjenje In Focus column. *"Mikes' great-Serb cynicism actually represents an intention that the RS fully consumes results of the aggression and genocide,"* Dizdarevic concluded.

The New Croat Initiative (NHI) condemned a statement recently made by the RS Constitutional Commission President, Miroslav Mikes, about an alleged lack of Croat political will to participate in the RS political life. *"All should be aware that Miroslav Mikes is a person who through his actions in the RS Constitutional Commission was doing his best against the establishment of equal status of all constituent peoples throughout BiH,"* the party said in a press release. (Oslobodjenje, p 2)

Headlines in Electronic Media

BHTV 1 (Thursday, 1900)

- Council of Ministers says there are indications on involvement of other companies from BiH in illegal weapons export
- Documents disappeared relevant for the defence of one suspect in the case of illegal weapons storage in Mostar
- Reform of the Council of Ministers, custom system and introduction of the value-added tax at the state level, conditions for BiH's accession to European integration

FTV 1 (1930)

- Council of Ministers has indications that "Orao" is not the only one breaching UN resolution
- EU and NATO are requesting urgent reform of the Council of Ministers, custom and tax system in BiH
- 400 policemen de-certified

RTRS (1930)

- Brussels supports proposed reforms in BiH, says Ashdown
- Council of Ministers discusses "Orao" affair
- Financial control of Air Institute "Orao" begins