OHR BiH Media Round-up, 30/6/2004

RADIO HERCEG BOSNA (18,00 hrs)	BH TV 1 (19,00 hrs)	FED TV (19,30 hrs)	RT RS (19,30)
Bomb hoax in RS	Bomb hoax inBanja Luka	HR to sanction RS	Bomb hoax in RS
HR prepares measures	HR measures	HR on NATO Summit , PfP	Tihic addresses NATO
Sentence to Milan Babic	Milan Babic convicted	Summit of NATO	Hays on possible sanctions
NATO summit	Arnoro airliner's problems	Session of FBiH HoR	Milan Babic convicted

Oslobodjenje	Kalinic to be removed today!		
Dnevni Avaz	Ashdown removes Kalinic?!		
Dnevni List	Dusko Tomic, lawyer of former Al Qaeda officer: Ejup		
	Ganic maintained contacts with people connected to Al		
	Qaeda		
Vecernji List	Ashdown is removing Kalinic today		
Slobodna Dalmacija	BiH again a guinea pig: EUFOR is coming		
Clas Canaka	Ananymous tin distumbed Danie Luke sitizane.		
Glas Srpske	Anonymous tip disturbed Banja Luka citizens:		
	Extinguishing Bengal fire; OHR: Paddy is taking		
	measures		

Nezavisne	Paddy Ashdown to undertake measures following non-	
Novine	admission into PfP: Sanctions against RS officials	
	today; Following false alarm on planted explosive:	
	Police evacuated people from buildings of RS Government	
	and Parliament; BiH Prosecutor's Office: McNair wants	
	to process denunciations against Covic and Bicakcic;	
	NATO Summit ended: EU and NATO will help BiH	
Blic	RS Government building evacuated: Tip on bomb as a	
	crude joke	

BiH-NATO/PfP-EUFOR

Ashdown
dismisses RSNA
Speaker Kalinic,
Interior
Minister Djeric,
"numerous
others"

SRNA — RS National Assembly Speaker Dragan Kalinic has confirmed that High Representative Paddy Ashdown has dismissed him from this post today. Addressing the deputies, Kalinic assessed this "as the most brutal cleansing of the political scene in the SerbRepublic, because apart from me, numerous others have been dismissed and more will be heard about it later". Kalinic said that this was "Ashdown's draconian decision", stressing that "I shall use all available legal means to contest it". According to him, from tomorrow he is banned from engaging in any political or public activity and from entering offices, and his salary has been stopped, as well as his pension and health insurance. "It is paradoxical, but good, that no-one will hold me accountable for what will happen in the SDS and the RS in the future," Kalinic said. He added that he regretted nothing he had done over the past few years and that he was convinced that he did the best he could in the RSNA and the SDS.

BH Radio 1 — RS Interior Minister Zoran Djeric has also confirmed that he had today been dismissed from this post by a decision of High Representative Paddy Ashdown.

'Ashdown removes Kalinic?!'

Dnevni Avaz pg 3, mentioned on cover 'Ashdown removes Kalinic?!' by
E.S., Vecernji List, front and pg 3 'Ashdown is removing Kalinic today',
by Zoran Kresic, Oslobodjenje cover page 'Kalinic to be removed today!'
- Dragan Kalinic, the SDS president and RS National Assembly speaker, is
the first top RS official to be removed by the High Representative over
failure to fully cooperate with ICTY, which prevented BiH's admission
into NATO Partnership for Peace program, say sources close to the
western diplomatic circles.

FTV claims that HR is considering removal of a large number of RS/SDS officials as well as imposition of financial sanctions against SDS.

Oslobodjenje on possible removal of Kalinic

Oslobodjenje pg 2 'Kalinic' In Focus column by <u>Daniel Omeragic</u> — Commenting on the announcement of removal of <u>Dragan Kalinic</u>, the SDS leader and RS National Assembly speaker, Omeragic writes that his removal will probably not change political climate in RS since not a single removal of RS officials made in the past has brought any essential change in the entity.

Ashdown to take measures against obstructionists in BiH

Herceg Bosna Radio, BHTV, FTV, Dnevni Avaz cover page 'Ashdown removes Kalinic?!', pg 3 'HR prepares sanctions against RS', Dnevni List pg 5 'In the next days Ashdown publishes measures against responsible ones', mentioned on cover, by I. Tabucic, Oslobodjenje pg 6 'Ashdown prepares measures against obstructionists', FENA - The High Representative, Paddy Ashdown, is considering what actions to take to reduce the influence of those who want to obstruct BiH's progress towards stability, prosperity, and the Rule of Law, and is also drawing up measures to encourage those who have the information and ability to help ICTY to do so, the OHR spokesman, Oleg Milisic, said at a press conference in Sarajevo on Tuesday. "The IstanbulSummit has demonstrated that NATO has succeeded in its mission to bring stability to Bosnia and Herzegovina. However, Bosnia and Herzegovina has not succeeded in convincing NATO that it is committed to meeting its international obligations to ICTY. NATO leaders recognized the remarkable progress that BiH has made in defence reform. But as they made clear on Monday, BiH has not been invited to join PfP because of its failure to meet its international obligations towards ICTY and will not be invited until this is corrected. And they publicly singled out obstructionists in Republika Srpska in particular for that failure," said the High Representative in a statement made in response to the decisions that NATO took at the Istanbul Summit on Monday concerning BiH's application to join PfP. "The job of the BiH authorities is now to do all they can to turn NATO's No into a Yes. I am also considering what action I can take to assist in this process. I have one aim: to get BiH into PfP as fast as possible, which means convincing NATO that the obstructionism of ICTY has ended, as quickly as possible. So, I am now drawing up measures to reduce the influence of those who want to obstruct this country's progress towards stability, prosperity, and the Rule of Law. And I am drawing up measures to encourage those who have the information and ability to help ICTY to do so," said Ashdown. Slobodna Dalmacija pg 19 'Obstructions form RS only', mentioned on cover, by D. Pasic carried an OHR's press release on the issue.

Comments on possible sanctions against RS and its officials Nezavisne Novine cover and pg 3 'Sanctions against RS officials today' — NN learnt from its source that Paddy Ashdown, High Representative to BiH, will today address BiH public at 12:00 hrs with proposal on measures for sanctioning of RS authorities over the failure of BiH to be invited to join PfP.

NN further carries extracts from yesterday's PR, when HiRep concluded that "we face important and difficult decisions in BiH. The future stability and prosperity of every citizen of this country hangs in the balance. We must not take these decisions lightly — but nor can we afford not to take them. In coming days, I will be weighing up the actions I must take. And as soon as I have finished my deliberations, I will inform the citizens of BiH and those affected". (Glas Srpske carries extracts from yesterday's PR as cover page report 'Paddy is taking measure')

RS politicians commented on possible sanctions.

Dragan Mikerevic, RS Prime Minister, stated that "any measure would leave a trace on reforms processes". He also expressed expectation that possible sanctions would be moderate.

Milorad Dodik, SNSD President, expressed his support to eventual intention of HiRep regarding removals of RS officials. He speculated that Dragan Kalinic, Zoran Djeric and some other officials of RS might be removed. (Glas Srpske carries this statement on pg 2 'Penalties are getting closer')

According to NN inset 1, Dragan Kalinic, RS Parliament Speaker, yesterdaystated that any radical measure against RS would be discouraging for authority officials in BiH and would create environment for uncertain situation. He expressed satisfaction over the NATO press release, which ascertained that Dayton Peace Agreement is a base for peace and stability in Bosnia and Herzegovina. (Glas Srpske carries this statement on pg 2 'Dayton was verified in Istanbul)

According to NN inset 2, Zoran Djeric, RS Minister of Internal Affairs, commenting on his possible removal, stated that it is up to High Representative to pass deliberations, and it is on RS Ministry of Internal Affairs to carry out tasks within its authority. He also said that "MoI has placed maximum efforts to improve cooperation with the Hague Tribunal". Oslobodjenje pg 8 'I am not burdened with eventual removal' also carried Djeric's statement.

According to NN inset 3, PDHR Donald Hays yesterday stated that regarding speculations on possible removals of some RS officials, High Representative is engaged in consultations with the members of the PIC from capitols and that deliberation will be made after all information is compiled. Hays told the press in B. Luka that judging from previous experience, thorough talks, discussions need to be conducted, and decisions are passed only after reaching consensus. Hays also expressed doubt in speculation regarding abolishment of entity Interior Ministries. RTRS also carried PDHR's statement.

(EuroBlic RSpg 1 carries extracts from yesterday's PR issued by OHR and statements by Dragan Mikerevic, Zoran Djeric and Milorad Dodik regarding possible sanctions against RS officials. As inset article, it carries statements by Djeric and Mikerevic regarding abolishment of RS Ministry of Internal affairs.)

Tihic says
government not
to be blocked
following
possible HR's
sanctions
against RS

Dnevni Avaz pg 5 'There will be no blockage of government due to Ashdown's sanctions' by Sead Numanovic — Interview with BiH Presidency Chairman Sulejman Tihic. "I do not expect anyone to resign from government in sign of protest against the High Representative's sanctions. Announcements that some politicians will do so are in my opinion aimed at amortising HR intentions to punish RS and Serb politicians for NATO rejection to accept BiH's application for PfP," said Tihic. Tihic added that he expected Paddy Ashdown to sanction all those who were politically and functionally/operationally responsible for a lack of full RS cooperation with ICTY.

PDP critical of Tihic's statement

Glas Srpske pg 2 'Tihic does it the old way' — PDP yesterday issued a press release, in which it condemned the statement of Sulejman Tihic, Chairperson of BiH Presidency, when he demanded punishment of RS over failure of BiH to be admitted into PfP. PDP release read: "We are well aware of stances Mr. Tihic is representing. However, it does not give him a right to present his own views at sessions of this kind."

BiH Minister Colak on PfP, possible sanctions against RS officials

Dnevni List, page 5 'NATO is not turning back to Bosnia and Herzegovina', by Miso Relota — carries BiH Security Minister, Barisa Colak, who was a member of BiH delegation at the NATO Istanbul Summit, as saying that BiH yesterday had several bilateral meetings with countries that participated in the summit. "Bosnia and Herzegovina has not been accepted in the PfP, but in the same time we have been sent a strong positive signal in sense of support for the overall progress we have made. BiH has the support on that reform road, and it is not an empty phrase that they want to see us and Serbia and Montenegro as members of the PfP as soon as possible", stated Minister Colak, noting when it comes to possible sanctions against RS officials, there were no talks about individual responsibilities during aforementioned bilateral meetings. However, Colak noted: "There will probably be sanctions by the High Representative for BiH".

Tihic tells NATO summit RS should be punished

Herceg Bosna Radio, BHTV, FTV, RTRS, Dnevni Avaz pg 2, mentioned on cover 'BiH must not be held hostage by anyone's obstructions', Glas Srpske pg 3 'Blames rests with RS', Oslobodjenje pg 5 'To sanction the responsible ones and ensure cooperation with the Tribunal', FENA - A significant progress in all fields has been made in BiH, and particularly with regard to defence reforms, Chairman of the BiH Presidency Sulejman Tihic told the NATO summit in Istanbul on Tuesday. Tihic said that out of approximately 500,000 soldiers which numbered the BiH armed forces in 1995, the number nowadays stood at 12,000. He informed the NATO Summit participants that the country has secured a clear chain of command and control, the Joint Command and single Defence Ministry, and that a democratic supervision of the armed forces had also been put in place. He went on to say that out of 60,000 NATO peacekeepers which were stationed in BiH in 1996 there were 8,000 today, and that during this period none of them had been killed. Tihic pointed out that the decision to replace SFOR with the EU forces testified to stability which had been achieved. According to plans, the EU forces will number between 6,000 and 7,000 members. Tihic welcomed NATO decision to retain its presence with HQ in Sarajevo, which along with the involvement of the EU forces would contribute to BiH to swiftly implement reforms and become a full member of not only the Partnership for Peace programme but NATO as well. Regardless of the accomplished progress, BiH's membership of the Partnership for Peace has been rejected. The main reason for this is the RS' failure to cooperate with the Hague Tribunal, Tihic said, adding that decisive measures had to be taken to ensure full cooperation, and that those who were responsible had to be punished. "Our country and citizens can never again be a hostage to anyone's obstructions," he said. Meeting obligations with the Hague tribunal can only be a part of attitude to war crimes and Tihic is if the view that it is not enough to only arrest and extradite war crimes indictees wanted by the Hague tribunal, namely Radovan Karadzic, Ratko Mladic and Ante Gotovina. According to Tihic, is necessary for local judiciary in BiH and other countries of the former Yugoslavia to try thousands of other war crimes suspects in order to regain trust and stability. "War crimes can not be justified in any way, and particularly with the so-called nationalist interests. A war criminal can only be a war criminal and never a national hero. Political leaders of our countries should have a crucial role with respect to this, and they must clearly condemn all crimes and insist on trying all war crimes suspects," Tihic told the NATO summit at the end, adding that he was convinced that BiH was on a good path to also fulfil this condition despite all problems, and that the assistance of the international community would continue to be necessary to this end.

Vecernje Novosti interview with Cavic

speaks of many issues, starting with speculations on possible removals of RS officials. On this, he stresses the cooperation with the Hague Tribunal has become a key condition for any negotiation with international community officials in BiH and outside BiH.

He doubts there would be some sanctions in institutional regard against RS. He also adds pressures against RS would increase, noting that it cannot, in any way, result in abolishment of RS.

On Srebrenica Commission report, he reiterates once more public address was not made as result of pressures, raising a question "how can we, as a people, demand justice, if we ignore injustice towards other?"

On BiH lawsuit against SiCg, he says that RS does not accept this Lawsuit since it is not a product of Dayton BiH.

On "white Al Q'Aeda, he says that the movements of Vehabijas and shehids are expanding in BiH, on which public attention must be diverted on time.

He adds that there are more and more critics throughout the world against the authority High Representative implements.

He denies media speculation RS top leadership is engaged in negotiations with Radovan Karadzic regarding his surrender.

Editorials on possible HR's sanctions against RS

Vecernji List pg 'NATO and RS' by Ilko Barbaric carries an editorial about possible sanctions that High Representative Paddy Ashdown might impose against the RS due to the fact that BiH was not admitted to the Partnership for Peace. The author says that only naïve ones will be stunned by the fact that the HR is now removing some RS leaders rescuing in this way the entity whose creation was based on crime. The author also says that in this way the things, that have been taking place in the Balkans and which were devised in some centers of power and implemented by Clinton, Bush, British lords, Mitterand, James Baker and "the other close business associates of Belgrade in the nineties", continue. The author concludes the editorial by saying that Radovan Karadzic knows what he is doing and removing of Karadzic's disobedient officials by the HR suits Karadzic.

Commenting on the announcements that the HR will impose sanctions against the RS, **Dnevni List** pg 2 'We shall never see better days' by S. Bjelica the author says that we can only hope that the HR will match his words with his actions and that BiH citizens will finally stop believing those politicians who win elections by playing on a national card and give their votes to the politicians who can lead BiH towards Euro-Atlantic integration. The author concludes that BiH will never see better days with the current composition of politicians.

SD on EUFOR coming to BiH

Slobodna Dalmacija front and pg 19 'BiH is guinea pig again: EUFOR is coming' by D. Pasic — Commenting on the withdrawal of NATO forces and coming of EUFOR to BiH, a military commentator of 'Oslobodjenje',

Antonio Prlenda, stated for SD it is pity for BiH that the EU forces will come to BiH and learn about their new mission here since in this way BiH will serve again as a guinea pig to the International Community for new projects within peace-keeping missions.

Security/investigations/legal proceedings

Dusko Tomic
says Ejup
Ganic
maintained
contacts with
people
connected
with Al Qaeda

Dnevni List, front and pg 3 'Ejup Ganic maintained contacts with people connected to Al Qaeda', by Miso Relota — With regards to reports that speak about an inmate in the Zenica prison, who claims to be a former Al Qaeda officer (see Cropress summary from June 24, 2004), today's DL carries his lawyer, **Dusko Tomic**, as confirming the existence of his letter that had been sent to BiH authorities and COMSFOR, Gen. Virgil Packett. "My client wants to tell the truth after seven years in prison (...) Today he is actively writing about details that will be important to unveil activities of Al Qaeda in these areas. I informed general Virgil Packett about the facts, and we want to raise our voice in order to warn the BiH public and institutions that they must protect this man in the prison. General Packett made a public promise that SFOR would work on this case", said Tomic, adding that he would ask the FBiH President, Niko Lozancic, to declare himself about the amnesty request his client has filed. "I wonder why **Ejup Ganic** ignored his amnesty plea if you know that my defendant was cooperative even back then. Ganic granted amnesty to many, including Saber Lahmar who was connected to Al Qaeda and who is now at the Guantanamo bay base in Cuba as a member of the socalled Algiers group. My knowledge from two years ago says that Ejup Ganic had very good relations with people who turned out to be connected to Al Qaeda", notes Tomic.

Inset entitled 'Why is Paddy Ashdown keeping quiet?', carries Tomic as saying that his client wrote two letters to the High Representative for BiH, Paddy Ashdown. "In his second letter, he gave his outlook how to fight Al Qaeda in BiH, in which he presented dangers in ten points. It is interesting that Ashdown has not shown interest for claims of my client to date (...) We hope he will react after this story, and if he does not, then perhaps Ashdown does not suit the truth. My client clearly says he is an Al Qaeda officer, but it is obvious he is not taken seriously", notes Tomic.

Vecernji List, pg 3 'Car-bomb in Mostar as not activated by Ali Hamad?', mentioned on front, by Zdenko Jurilj — unlike Dnevni List, Vecernji List notes the Al Qaeda officer in question is Ali Ahmed-Ali Hamad, who activated a car-bomb in Mostar in September of 1997. However, Ali Hamad claims that he has nothing to do with the car-bomb and that the brains behind the operation is Saber Lahmar. Dusko Tomic says: "My client was tricked by the then Police leadership of FBiH, headed by the Assistant Interior Minister Faik Lusija. They promised him they would set him free if he told them secrets on activities of Islamic terrorists in BiH and background of the bomb attack in Mostar. After the testimony, Ali Hamad ended up in jail instead of Lahmar. I think my client is not guilty. I analyzed more than 500 pages of documents and submitted them to the court in Zenica to review claims that charge my client".

Prosecutor
McNair takes
over criminal
proceedings
against Covic
and others
from Soko
group?

Slobodna Dalmacija, pg 24 'Summon Covic and 40 suspects before BiH Court', by Fena, Vecernji List, pg 2 'Prosecutor McNair wants ICTY suspects too', mentioned on front, by Dejan Jazvic, Dnevni List, pg 7 'Prosecutor McNair takes over criminal proceedings against Covic and others from Soko group!?, mentioned on front, by <u>N. Dedic</u>, **Nezavisne Novine** cover and pg 5 'They want processes against Covic and Bicakcic', **Dnevni Avaz** pg 5 'McNair requests taking over of 10 criminal investigations against 40 persons from the Courts in Sarajevo and Mostar', Oslobodjenje pg 3, mentioned on cover 'State prosecutor to be in charge with investigations against Covic and Bicakcic?' mentioned on cover 'McNair takes over 10 big investigations' - The Special department for organized crime and corruption of the BiH Prosecution has sent the BiH Court a proposal requesting a transfer of several cases from Cantonal Courts in Mostar and Sarajevo onto the BiH Court. These cases include ten different criminal investigations against suspects which include, among others, Dragan Covic, Edhem Bicakcic, Valentin Coric, Marinko Gilja, Midhat Arifovic, Miroslav Prce, Marko Tokic, Ante Vidacak etc. All of them are suspected of abuse of office or authority, forgery of official documents, tax evasions and embezzlement, stated the BiH Prosecution. One of investigations is related to business operations of several legal entities, including 'Soko' of Mostar, and role of Dragan Covic in privatization of this company.

RS officials on police reform in BiH Nezavisne Novine pg 3 'Dragan Mikerevic: There will be no unified police' — below are some comments on media speculations that High Representative to BiH, Paddy Ashdown, would ask from Police Reform Commission to abolish entity interior ministries.
Dragan Mikerevic, RS Prime Minister, claims not a single official of RS would support abolishment of MoI, noting "there is no chance for seeing a unified Interior Ministry established at BiH level, and such thing would not be supported by any RS official, regardless of who will be leading RS Government."
He also said a meeting would take place in Sarajevo on Thursday, which will discuss police reform in BiH. Oslobodjenje pg 6 'We will not accept a single Interior Ministry', Dnevni List, pg 3 'Bosnia and Herzegovina without single MoI', not signed also carried Mikerevic's statement.

Zoran Djeric, RS Interior Minister, yester stated he has no information regarding eventual establishment of a single Interior Ministry at BiH level. He also said that he has recently seen a project of the European Commission entitled "Police structures of BiH until 2010", which makes no reference to abolishment of entity ministries. He stressed the cooperation between RS MoI and the Hague Tribunal is getting better and better. (Statements by Djeric and Mikerevic on a single BiH police force were carried in one article in Glas Srpske on pg 2 'One police to each')

Zoran Glusac, Spokesperson of RS MoI, yesterday stated there are some announcements regarding establishment of a BiH Police Reform Commission. He said: "I think this is, first of all, political, and then professional issue."

Njegus cancelled legal services to two special police officers

Nezavisne Novine pg 2 'Shortly before bringing of indictment,
Njegus cancelled defence of special policemen' — Dusko Tomic,
defence attorney of two RS special police officers, who
participated in Visegrad action (when Novica Lukic was murdered)
and have been suspected of murder, yesterday confirmed to NN that
RS Police Director, Radomir Njegus, yesterday cancelled services
of Tomic. Tomic said: "After two and a half months, Njegus
cancelled my services, explaining that RS Ministry of Internal
Affairs has no resources to finance my defence services. This
decision is scandalous. because Njegus personally has engaged me
to defend these boys."

He also said: 'I will not give up - I will stay to defend these guys. They can only be charged with murder on duty, since top leadership of RS MoI sent them to death."

He added that **Njegus** betrayed two men, who carried out his orders, because he is afraid of truth and what these men could say.

False alarm on bomb in B. Luka

Herceg Bosna Radio, BHTV, FTV, RTRS, Glas Srpske cover page story
'Extinguishing Bengal fire'; Nezavisne Novine pg 4 'Buildings of
 RS Government and Parliament evacuated' mentioned on cover
 'Police evacuated people from buildings of RS Government and
Parliament'; EuroBlic RSpg 2 'Search for the bomb' mentioned on
 cover 'Tip on bomb is a crude joke'; Vecernje Novosti pg 3 'Tip
 on a bomb emptied Government building', Oslobodjenje back page,
Dnevni Avaz pg 2 - RS Government building was yesterday evacuated
 at 15:15 hrs, owing to anonymous tip that explosive device was
 planted inside the building. Zoran Glusac, Spokesperson, of RS
MoI, confirmed that "police is investigating into information on
 jeopardy at some official sites in Banja Luka. Those are
 facilities of RS Government and Parliament."

RS Special Police members investigated this site, but also the facilities of RS Parliament, Banja Luka Public Security Centre, RS Interior Ministry, District and Basic Courts in Banja Luka.

Rade Mutic, Spokesperson of the B. Luka PSC, confirmed that following few-hours search, police established alarm was false. He also said that "police is already on the trace of the person, who may have been responsible for the false anonymous tip. Police knows as well that call was made from cell phone number."

Mikerevic meets with Srebrenica Commission members Herceg Bosna Radio, FTV, RTRS, Glas Srpske pg 3 'Historic work';
Nezavisne Novine pg 8 'Priority is to establish the number and
identity of victims', Dnevni List pg 15 'Findings of Commission
determine future of BiH and the whole region' by NINA - Following
 the publication of Srebrenica Commission Report, the priority
 task in the coming period of Srebrenica Commission would be to
 establish the number and identity of victims. This was yesterday
 stated by Smail Cekic, Co-Chair of Srebrenica Commission,
 following the meeting Srebrenica Commission members had with
 Dragan Mikerevic, RS Prime Minister.

Cekic also said the names of those responsible for crimes committed at Srebrenica would not be disclosed in public, owing to ongoing investigations and trials and upcoming trials against them before BiH Courts or ICTY. He also told the press that Commission yesterday received findings from DNA analysis in Sarajevo , which is of great importance for its work. He also announced that final report on Srebrenica events might have been completed by the end of July.

The meeting agreed that Commission should prepare information on current and future steps Commission would undertake.

Oslobodjenje pg 3 'Names of the perpetrators will not be publicised', Dnevni Avaz pg 2, FENA also reported on the meeting and carried Cekic's statement.

Update to OSA

Nezavisne Novine pg 5 'Future intelligence officers under investigation' — NN source at BIH Intelligence and Security Agency (OSA) claims that Almir Djuvo, OSA Director, will appoint intelligence officers to the most responsible positions at this Agency, against whom Sarajevo Cantonal Prosecutor's Office is running investigations regarding "coup d'etat" affair. According to the same source, former FOSS officers worked as members of Commissions in charge of merging two former entity intelligence agencies.

Update to Orao trial

Nezavisne Novine pg 4 'Verdicts for Orao case be passed on 2 July' — The Prosecutor and Defence attorney in the Orao trial yesterday made closing arguments before Bijeljina Basic Court . The Court Panel is to pass verdicts against all 17 suspects on 2 July.

Political developments

Covic and
Lozancic sign
petition for
establishment
of Croat TV
program in
BiH

Slobodna Dalmacija pg 20 'Covic and Lozancic signed petition for establishment of Croat TV program', mentioned on cover, by A. Zoric — Federation of BiH President Niko Lozancic and Croat member of the BiH Presidency Dragan Covic signed the petition for the establishment of a BiH Croat TV program on a BiH Croat TV channel. SD says that this initiative was launched a few months ago by **Stjepan** Jurkic. According to SD, Lozancic and Covic also promised that they would urge the HDZ Presidency to support this petition and Croat MPs in both the FBiH and BiH Parliament to draft and forward in the parliamentary procedure a proposal of the law that will come into force and on the ground of which the Croat program on the Croat channel in BiH will be established.

Elvir Jahic
onlast week's
session of
CoE
Parliamentary
Assembly

Dnevni List pg 4 'Way of election of BiH Presidency members is obvious example of human rights violation' by V. Vujovic, Nezavisne Novine pg 5 'Change of BiH Constitution demanded, because it dopes not protect basic human rights', Oslobodjenje pg 9 'Dayton Constitution represents problem/obstacle for the state' Commenting on the last week's session of the Council of Europe Parliamentary Assembly, Vice President of the BiH Parliamentary Assembly delegation with the Council of Europe, Elmir Jahic, stated that after the Council of Europe Parliamentary Assembly discussed the report about BiH two Resolutions were adopted. Asked whether they talked about concrete guidelines for constitutional changes, Jahic stated that the Resolution does not give explicit solutions but it only concludes that there are certain shortcomings that might be an obstacle to further reforms. Jahic also believes that some parts of the BiH Constitution are opposite to the European Charter on Human Rights and Freedoms saying that the way of election of the BiH Presidency members is an obvious example of human rights violations where members of the others are discriminated as well as all 3 BiH peoples, that is, Serbs in the Federation of BiH and Bosniaks and Croats in the RS.

Economic/social issues

RS
Parliament
adopted Law
on pay out
of internal
debt

RTRS, Glas Srpske pg 2 'July as makeup examination'; Nezavisne Novine pg 5 'Deadline for pay out of foreign currency savings set' - At vesterday's special session, RS NA adopted Law on pay out of internal debt of RS, which stipulates that the internal debt of BAM 1.761 billion is to be settled in two ways — through payment in cash and issuance of bonds. In his address to RS MP"s, Branko Krsmanovic, RS Finance Minister, stated that "internal debt of RS has resulted from years-long accumulation of internal obligations of RS and might jeopardise macro-economic stability and fiscal sustainability of RS." At the beginning of yesterday's session, RS Government withdrew proposed Action Plan on revival of production from parliament production. Dragan Mikerevic, RS Prime Minister, explained this was done following suggestions of International Monetary Fund (IMF).

Kalinic
meets with
PDHR Hays:
Economy made
a step
forward

Glas Srpske pg 3 'Economy made a step forward' — According to press release yesterday issued by RS National Assembly, Dragan Kalinic, RS Parliament Speaker, and Donald Hays, PDHR, yesterday in Banja Luka agreed that BiH has accomplished a progress in reforms of economic and fiscal systems, by means of which BiH has got closer to a complete fulfilment of EU prerequisites. Oslobodjenje pg 9 'Significant progress in fulfilment of EC requirements', Dnevni List pg 15 'Progress in area of reforms of economic and fiscal systems achieved' not signed also reported on the meeting.

EC's Daviddi on small and medium size businesses

Dnevni List, pg 2 'High taxes and contributions reasons behind grey market in BiH', by <u>Indira Tabucic</u> — Deputy Head of EC Mission to BiH, Renzo Daviddi, presented the BiH Deputy Minister for Foreign Trade and Economic Relations, Momir Tosic, a report on implementation of European charter on small and medium size companies for countries of western Balkans in Sarajevo yesterday. According to Daviddi, the report says that the main problems related to starting a business in BiH are slow and expensive registration of companies, despite the progress made in past year and a half. Daviddi also noted that the contributions on salaries were big, which encourages employers to higher workers illegally. "Taxes on companies are also big, which is also one of reasons for existence of grey economy", warned Daviddi. Deputy Minister Tosic stressed the dedication of BiH authorities in giving support to development of small and medium size businesses in BiH.