

FOIA MARKER

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Folder Title:

Milosevic [4]

Staff Office-Individual:

Kosovo Office-Schulte, Gregory

Original OA/ID Number:

1708

Row:	Section:	Shelf:	Position:	Stack:
39	1	7	1	V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	For Samuel Berger from Greg Schulte. Subject: [Our Strategy] [Record ID: 9830287] [with cover sheet; copy 1 of 6] [Duplicate of vz6251_004b, this case] (3 pages)	11/25/1998	P1/b(1)
002. report	Subject: "FRY": [More Problems] [page 13 only] (1 page)	11/27/1998	P1/b(1)
003. cable	re: Milosevic Dismisses Military Chief Perisic. (2 pages)	11/25/1998	P1/b(1)
004. report	Balkan Update, Issue No. 1433 [with fax cover sheet] (5 pages)	11/25/1998	P1/b(1)
005. report	BTF Memo. Subject: [FRY Bartering] [with fax cover] (3 pages)	11/20/1998	P1/b(1)
006. report	[The Balkans and the International Community] [with fax cover sheet] (16 pages)	11/16/1998	P1/b(1)
007. report	"FRY": Milosevic Fires Army Chief. [page 5 only] (1 page)	11/25/1998	P1/b(1)
008. email	White House Situation Room to Michael Hurley, Greg Schulte, et al. Subject: [Balkan Crisis: Established Procedures not Followed]. (3 pages)	11/25/1998	P1/b(1)
009a. draft	Subject: [Milosevic] [See 9830298, vz6261_002d and vz6337_001c and 007c, this case] (2 pages)	11/00/1998	P1/b(1)
009b. draft	Paper: [Annex I: Democratization] [See 6261_002d, vz6337_001d, and vz6337_003d, this case] (4 pages)	11/00/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Kosovo Office (Schulte, Gregory)
OA/Box Number: 1708

FOLDER TITLE:

Milosevic [4]

2008-0994-F

vz6339

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
009c. draft	Paper. [Annex II] [See Record ID: 9830299. Near or duplicate of vz6261_002e, vz6337_001e, vz6337_003e, vz6338_007d, this case] (4 pages)	11/00/1998	P1/b(1)

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Schulte, Gregory L.

From: WHSR
Sent: Thursday, November 26, 1998 12:30 PM
To: Allen, Charles A.; Bell, Robert G.; Braden, Susan R.; Brown, Keirn C.; Butler, Lawrence E.; Clarke, Richard A.; Davidson, Leslie K.; Dowling, John N. (Nick); Flanagan, Stephen J.; Gordon, Philip H.; Guarnieri, Valerie N.; Hawley, Leonard R.; Hurley, C. Michael; McEldowney, Nancy E.; Schulte, Gregory L.
Subject: FEDERALREPUBLICOFYUGOS
CLASS: INTERNATIONAL
ORIG: FBIS
PREC: RUSH
TOR: 981126113345

F6192
FBIS

192NOV26
UNCLAS 2Y

FEDERAL REPUBLIC OF YUGOSLAVIA: Yugoslav Army Chief on

Inappropriate and Illegal' Removal LD2611163798 Belgrade Radio
B92 in Serbo-Croatian 1600 GMT 26 Nov 98

[FBIS Translated Text] Colonel General Momcilo Perisic, the dismissed
chief of the general staff of the Yugoslav Army, made a public statement
today. The following is the text of his statement:

Officials with integrity who think for themselves are not to
the taste of the current authorities. I was removed from my post as
chief of the general staff of the Yugoslav Army, without any prior consultatio
ns, in an inappropriate and illegal way. I do not accept the offer of
a nonexistent post in the current federal government. I will remain
at the service of my army, state, and people, Colonel General Momcilo
Perisic said in his public statement.

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ON IS PROHIBITED WITHOUT PERMISSION OF THE COPYRIGHT OWNERS.) 26 NOV
1637z FBIS NNNN
FBIS 11/26/98 11:37:00
<^TOR>981126113345

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004. report	Balkan Update, Issue No. 1433 [with fax cover sheet] (5 pages)	11/25/1998	P1/b(1)
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OA/Box Number: 1708

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005. report	BTF Memo. Subject: [FRY Bartering] [with fax cover] (3 pages)	11/20/1998	P1/b(1)

COLLECTION:

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National Security Council
Kosovo Office (Schulte, Gregory)
OA/Box Number: 1708

FOLDER TITLE:

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The Outer Wall of Sanctions

The outer wall of sanctions was devised at Dayton - and communicated to Milosevic - to retain leverage over areas which were not resolved at the peace conference.

The original version said that the U.S. would prevent Serbia and Montenegro from:

- 1) Having full diplomatic relations;
- 2) Joining international organizations (particularly the UN and OSCE);
- 3) or joining the International Financial Institutions

until they:

- 1) Made progress in Human Rights, particularly in Kosovo;
- 2) Moved towards a settlement of outstanding succession issues among the former states of the SFRY;
- 3) Cooperated fully with the ICTY.

The original conditions have been amplified by Amb. Gelbard and others to include: cooperation with Dayton implementation and progress on internal democratization issues.

Schulte, Gregory L.

From: WHSR
Sent: Wednesday, November 18, 1998 8:11 AM
To: Braden, Susan R.; Davidson, Leslie K.; Dowling, John N. (Nick); Flanagan, Stephen J.; Hurley, C. Michael; McEldowney, Nancy E.; Schulte, Gregory L.
Subject: SLOVENE PRESIDENT CONTACTS AMONG SERBIAN

CLASS: ~~CONFIDENTIAL~~
DTG: 131521Z NOV 98
MSGTO: RUEHC/SECSTATE WASHDC 5290
ORIG: AMEMBASSY LJUBLJANA
PREC: ROUTINE
SSN: 3255
TOR: 981118075449 M3563291

DECLASSIFIED E.O. 13526
Department of State Guidelines, November 6, 2015
By VL NARA, Date 4/30/2024
2008-0994-F-3

~~CONFIDENTIAL~~ LJUBLJANA 003255

EXDIS

FOR EUR GROSSMAN
NSC FOR FLANAGAN

E.O. 12958: DECL: 11/13/98
TAGS: PREL, PHUM, SI
SUBJECT: SLOVENE PRESIDENT CONTACTS AMONG SERBIAN
OPPOSITION

REF: LJUBLJANA 3040

(U) CLASSIFIED BY AMBASSADOR ELY-RAPHEL. REASONS: 1.5
(B) AND (D).

1. ~~(S)~~ THE FOLLOWING IS A LIST OF THE SERBIAN
OPPOSITION MEMBERS WHO VISITED SLOVENE PRESIDENT MILAN
KUCAN THE WEEK OF OCTOBER 19 AND WHOM KUCAN COMMENDED TO
THE AMBASSADOR (REFTEL).

2. ~~(S)~~ BEGIN TEXT:

ACTUAL OPPOSITION BLOC IN SERBIA

PRESIDING:
MR. MILAN PANIC, BUSINESSMAN FROM THE USA AND
FORMER PREMIER OF THE FRY

FOUNDING MEMBERS:

- MR. DRAGOSLAV AVRAMOVIC, EARLIER GOVERNOR OF THE
NATIONAL BANK OF YUGOSLAVIA
- MR. ZORAN DJINDJIC, PRESIDENT OF THE DEMOCRATIC
PARTY, MP
- MR. VUK OBRADOVIC (EX GENERAL), PRESIDENT OF THE 
SOCIAL DEMOCRATIC PARTY
- DR. V. BATIC, LAWYER, PRESIDENT OF THE CHRISTIAN 
DEMOCRAT PARTY
- MR. MILORAD SAVICEVIC, EX-MP, BUSINESSMAN,
DEPUTY PRESIDENT OF THE CHRISTIAN DEMOCRAT
PARTY
- MRS. VESNA PESIC, MP, PRESIDENT OF THE CITIZENS
UNION
- MR. NEBOJGA COVIC, EX-MAYOR OF BELGRADE,
PRESIDENT OF THE DEMOCRATIC ALTERNATIVE
- MR. VELJA ILIC, EX-MP, MAYOR OF CACAK, PRESIDENT
OF THE NEW SERBIA PARTY
- MR. M. UZUNOVIC, PRESIDENT OF THE PANIC MILAN

ALLIANCE

MEMBERS:

SUBOTICA DEMOCRATIC MOVEMENT
DEMOCRATIC MOVEMENT OF PANCEVO
SERBIAN DEMOCRATIC CLUB "ODBRANA" ("DEFENSE")
DEMOCRATIC CENTER (MICUNOVIC)
UNION OF ROMY ORGANIZATIONS
REFORM PARTY OF VOJVODIN HUNGARIANS
LIBERAL PARTY OF VALJEVO
INDEPENDENT SYNDICATES
PENSIONERS PARTY

THE LIST IS OPEN

ELY-RAPHEL

Schulte, Gregory L.

From: WHSR
Sent: Tuesday, November 17, 1998 12:18 PM
To: Bouchard, Joseph F.; Braden, Susan R.; Butler, Lawrence E.; Clarke, Richard A.; Davidson, Leslie K.; Dowling, John N. (Nick); Flanagan, Stephen J.; Hammonds, D. Holly; Hurley, C. Michael; Lee, Malcolm R.; McEldowney, Nancy E.; Schulte, Gregory L.
Subject: WHO RUNS MILOSEVIC'S ECONOMY?

CLASS: ~~CONFIDENTIAL~~
DTG: 171608Z NOV 98
MSGTO: RUEHC/SECSTATE WASHDC IMMEDIATE 0263
ORIG: AMEMBASSY BELGRADE
PREC: IMMEDIATE
SSN: 9001
TOR: 981117121202 M3561649

DECLASSIFIED E.O. 13526
Department of State Guidelines, November 6, 2015
By W NARA, Date 4/30/2024
2008-0694-E.3

~~CONFIDENTIAL~~ SECTION 01 OF 05 BELGRADE 009001

E.O. 12958: DECL: 11/16/08
TAGS: ECON, EFIN, PGOV, PINR, SR
SUBJECT: WHO RUNS MILOSEVIC'S ECONOMY?

REF: BELGRADE 3534

1. (U) CLASSIFIED BY GREGORY S. BURTON,
ECONOMIC/COMMERCIAL OFFICER. REASON: 1.5(D).

2. (C) SUMMARY: SERBIA'S ECONOMY IS MANAGED TO MAXIMIZE SLOBODAN MILOSEVIC'S POLITICAL CONTROL OVER THE FRY. ECONOMIC EFFICIENCY IS REGULARLY SACRIFICED IN FAVOR OF THIS CONTROL. THE EXECUTORS ARE A RELATIVELY SMALL GROUP OF OFFICIALS WHO IMPLEMENT THE DESIRES OF THEIR BOSS. THIS CABLE FOCUSES ON MILOSEVIC'S TOP EIGHT ECONOMIC LIEUTENANTS AND SKETCHES EACH OF THEIR ROLES. THE GROUP'S PRIMARY CHARACTERISTIC IS LOYALTY RATHER THAN ABILITY. THE MEMBERS OF THIS GROUP -- THOUGH NOT THE ONLY IMPORTANT ECONOMIC PLAYERS IN THE COUNTRY -- COMPRISE THE FIRST LAYER OF ECONOMIC CONTROL. SOME MEMBERS ARE OVERTLY POLITICAL, AS WELL AS ECONOMIC, POWERS, WHILE OTHERS ARE MORE TECHNICALLY ORIENTED. THIS CABLE IS THE SECOND IN A SERIES ON ECONOMIC AND POLITICAL POWER IN SERBIA. END SUMMARY.

GROUP PORTRAIT

3. (C) REFTEL CHARACTERIZED SERBIA'S ECONOMY AS ANOTHER TOOL FOR MILOSEVIC'S POLITICAL DOMINATION OF THE FRY. THE NOTABLE USE OF GOVERNMENT MINISTERS TO SIMULTANEOUSLY RUN THE LARGEST FIRMS WAS ALSO HIGHLIGHTED. NORMAL MEASURES OF ECONOMIC PROGRESS ARE NOT MILOSEVIC'S GOALS, AS HIS PRIMARY FOCUS HAS BEEN ON TIGHTENING HIS GRIP ON POLITICAL POWER. THIS CABLE EXAMINES THE TOP LAYER OF THE ECONOMIC ELITE AND ITS ROLE IN MAINTAINING MILOSEVIC'S ECONOMIC CONTROL. THE GROUP IS FIERCELY LOYAL TO MILOSEVIC AND HAS BEEN WITH HIM THROUGHOUT THE 1990'S. THE GROUP MANAGES EVERYTHING FROM ENERGY IMPORTS AND DISTRIBUTION TO MINING AND EXPORTING RASPBERRIES. THEY ALSO COURT THE FRY'S FRIENDS, SECRETLY DISTRIBUTE FUNDS, AND CONTROL BANKING AND MONETARY POLICY.

4. (C) THE FOLLOWING INDIVIDUALS COMPRISE MILOSEVIC'S TOP EIGHT ECONOMIC EXECUTIVES:

MIRKO MARJANOVIC -- PRIME MINISTER OF SERBIA, PRESIDENT OF PROGRES;

DRAGAN TOMIC -- SPEAKER OF SERBIAN PARLIAMENT, PRESIDENT OF NIS JUGOPETROL;

DRAGAN TOMIC (THERE ARE TWO) -- MINISTER W/O PORTFOLIO, PRESIDENT OF THE SIMPO HOLDING COMPANY;

NIKOLA SAINOVIC -- FRY DEPUTY PRIME MINISTER AND PRESIDENT OF THE BOARD OF RTB BOR COPPER MINE;

DUSAN VLATKOVIC -- GOVERNOR OF THE NATIONAL BANK OF YUGOSLAVIA (NBY);

MIHALJ KERTES -- HEAD OF FRY CUSTOMS;

NEDELJKO SIPOVAC -- FRY MINISTER OF AGRICULTURE; AND,

BORKA VUCIC -- PRESIDENT OF BEOGRADSKA BANK.

5. (S) A SINGLE GLANCE AT THE LIST REVEALS THAT THE ECONOMIC POWER STRUCTURE HOLDS IN COMMON SEVERAL OF THE LEADERS OF THE POLITICAL STRUCTURE. THIS IS NO ACCIDENT BUT IS RATHER A BUILT IN PART OF THE SYSTEM. ALL EXCEPT FOR BORKA VUCIC ARE OFFICIALS OF EITHER THE SERBIAN OR FEDERAL GOVERNMENTS. IN ADDITION TO THEIR ALREADY POWERFUL GOVERNMENT, AND IN SOME CASES CORPORATE ROLES, MOST OF THESE OFFICIALS ALSO ARE HIGHLY RANKED WITHIN THE SOCIALIST PARTY OF SERBIA (SPS) OR YUGOSLAV LEFT (JUL) PARTIES. THE MEMBERS OF THE GROUP CARRY ADDITIONAL WEIGHT THROUGH THEIR MULTIPLE POSITIONS ON THE BOARDS OF LARGE SOCIALLY OWNED ENTERPRISES IN SERBIA. THROUGH THIS COMBINATION OF LEVERS -- AND ULTIMATELY THROUGH THEIR RELATIONSHIP TO MILOSEVIC -- THE GROUP'S MEMBERS EXERCISE OVERWHELMING POWER OVER THE SERBIAN ECONOMY.

MIRKO MARJANOVIC

6. (S) BESIDES EXERCISING DAY-TO-DAY POLITICAL CONTROL IN SERBIA THROUGH HIS POSITION AS PRIME MINISTER, MIRKO MARJANOVIC PLAYS A KEY ROLE IN THE FORMULATION OF ECONOMIC POLICY. MARJANOVIC HAS BEEN A MEMBER OF THE EXECUTIVE BOARD OF THE SPS SINCE 1995. THE PRIME MINISTER'S PROGRES FIRM HAS A VIRTUAL MONOPOLY ON IMPORTS OF NATURAL GAS INTO SERBIA. THIS FIRM IS THE CHIEF IN A
~~CONFIDENTIAL~~ SECTION 02 OF 05 BELGRADE 009001

E.O. 12958: DECL: 11/16/08
TAGS: ECON, EFIN, PGOV, PINR, SR
SUBJECT: WHO RUNS MILOSEVIC'S ECONOMY?

REF: BELGRADE 3534

CONSORTIUM OF SERBIAN-GOVERNMENT CONTROLLED FIRMS (PROGRES, SARTID, OIL INDUSTRY OF SERBIA, AND BEOBANK) WHICH SIGNED A CONTRACT WITH RUSSIA'S GASPROM IN 1996 TO DEVELOP NEW GAS PIPELINES IN SOUTHERN SERBIA. SERBIA HAS FALLEN INTO SIGNIFICANT ARREARS FOR ENERGY IMPORTS FROM RUSSIA AND HAS RELIED ON POLITICAL CONNECTIONS TO MAINTAIN A FLOW OF GAS. MARJANOVIC HAS CONTINUALLY PUSHED FOR CLOSER TIES TO RUSSIA AND IS BELIEVED TO HAVE CLOSE LINKS TO FORMER RUSSIAN PRIME MINISTER CHERNOMYRDIN.

7. (C) MARJANOVIC, BORN IN KNIN IN 1937, SERVED AS A TRADE REPRESENTATIVE TO MOSCOW IN THE 1970'S. THIS INITIAL RUSSIAN LINK HAS LED TO OTHERS. PROGRES ALSO PLAYS A KEY ROLE IN MOST SERBIA-RUSSIA TRADE -- INCLUDING IN A WHEAT DEAL IN 1996 THAT DEMOCRATIC PARTY LEADER ZORAN DJINDJIC CHARGED WAS CORRUPT. THE FIRM HAS BRANCHED OUT BY MUSCLING ITS WAY INTO FIELDS SUCH AS THE PROFITABLE RASPBERRY EXPORT BUSINESS. PROGRES ALSO HAS DEVELOPED A CONSTRUCTION FIRM, WHICH HAS DONE WORK IN RUSSIA. MARJANOVIC HAS SERVED AS PRIME MINISTER SINCE MARCH 1994 AND MOST LOCAL ANALYSTS CREDIT HIS SELECTION TO HIS CLOSE RELATIONSHIP TO MILOSEVIC'S WIFE MIRA MARKOVIC. MARJANOVIC IS A MEMBER OF THE BOARD OF BEOBANK, WHICH HAS NOW BEEN SLATED FOR MERGER INTO BEOGRADSKA BANK. BEOBANK IS RUN BY ZLATAN PERUCIC, A MEMBER OF JUL'S EXECUTIVE BOARD AND EXTREMELY CLOSE TO MIRA MARKOVIC.

8. (C) MARJANOVIC IS BRIEFED ON THE ECONOMY ON A DAILY BASIS BY BELGRADE UNIVERSITY ECONOMIST AND MEMBER OF THE ECONOMIC INSTITUTE JURIJ BAJEC, WHO CHARACTERIZES MARJANOVIC'S UNDERSTANDING OF ECONOMICS AS SOLID. NONETHELESS, HE IS KNOWN TO HAVE SUPPORTED THE USE OF "CONTROLLED INFLATION IN 1994 AND 1995 IN ORDER TO SPARK ECONOMIC PRODUCTION. HE HAS, HOWEVER, COME TO PAY AT LEAST LIP SERVICE TO THE CURRENT (FALSE) MANTRA -- "FIRM DINAR AND LOW INFLATION." HE WAS THE LAST OFFICIAL TO DEFEND PUBLICLY THE DINAR'S EXCHANGE RATE IN THE CLOSING DAYS OF MARCH 1998, JUST PRIOR TO ITS DEVALUATION AND EXCORIATED "SPECULATORS" FOR THE INSTABILITY. HE ALSO IS THE PRESIDENT OF THE IMPORTANT SOCCER CLUB "PARTIZAN" AND IS WIDELY BELIEVED TO HAVE ACCUMULATED PERSONAL WEALTH THROUGH HIS APPARENTLY LUCRATIVE GOVERNMENT SERVICE. HE IS KNOWN FOR CONSPICUOUS DISPLAY OF A LARGE GOLD ROLEX.

DRAGAN TOMIC

9. (C) LIKE MARJANOVIC, DRAGAN TOMIC PLAYS POWERFUL ECONOMIC AND POLITICAL ROLES. TOMIC IS THE SPEAKER OF SERBIA'S PARLIAMENT (SINCE FEBRUARY 1994) AND IS KNOWN FOR BENDING AND BREAKING PROCEDURAL RULES TO DELIVER A PARTICULAR LEGISLATIVE OUTCOME FOR HIS BOSS. HIS PRIMARY ECONOMIC ROLE IS THROUGH HIS POSITION AS PRESIDENT OF NIS JUGOPETROL, WHICH DISTRIBUTES GASOLINE AND PETROLEUM DERIVATIVES. JUGOPETROL CONTROLS A MONOPOLISTIC 75% OF THE SERBIAN MARKET. HE HAS HELD THIS POSITION, IN WHICH HE IS ABLE TO DIRECT FLOWS OF GASOLINE AND OTHER PETROLEUM PRODUCTS TO SUIT ENTRENCHED INTERESTS, SINCE 1990. HE SITS ON THE EXECUTIVE BOARD OF THE SPS AND OF THE IMPORTANT "CRVENA ZVEZDA" SPORTS CLUB. ALSO LIKE MARJANOVIC, TOMIC'S FIRM HAS ENTERED THE PROFITABLE RASPBERRY EXPORT BUSINESS. NIS JUGOPETROL ALSO HOLDS A 30% STAKE IN THE BELGRADE HYATT HOTEL.

10. (C) TOMIC IS BELIEVED TO BE CLOSE TO MILOSEVIC BUT ALSO ON GOOD TERMS WITH MIRA MARKOVIC. TOMIC APPARENTLY FIRST GOT TO KNOW MARKOVIC WHILE HE HEADED BELGRADE'S "SOCIALIST ALLIANCE OF WORKING PEOPLE" IN THE LATTER 1980'S. HE HAS ATTENDED THE OPENINGS OF THE VARIOUS BUSINESS ENTERPRISES OF MILOSEVIC'S TWO CHILDREN, MARKO AND MARIJA.

(THE OTHER) DRAGAN TOMIC

11. (C) THE OTHER DRAGAN TOMIC IS OFFICIALLY A SERBIAN GOVERNMENT MINISTER WITHOUT PORTFOLIO, BUT HAS CARRIED

THE QUASI-FORMAL TITLE OF "MINISTER COORDINATOR" SINCE DRAGOSLAV AVRAMOVIC'S 1994 STABILIZATION PROGRAM. THE ROLE CARRIES AN ILL-DEFINED RESPONSIBILITY FOR COORDINATING THE WORK OF THE VARIOUS MINISTRIES INVOLVED IN FORMULATING AND IMPLEMENTING ECONOMIC POLICY. TOMIC WAS ALSO A SERBIAN GOVERNMENT DEPUTY PRIME MINISTER. HE IS A HIGHLY RANKED SPS MEMBER, WHO SITS ON THE PARTY'S EXECUTIVE BOARD. TOMIC RUNS THE LARGE "SIMPO" HOLDING COMPANY, WHICH IS PRIMARILY BUT NOT EXCLUSIVELY INVOLVED IN THE PRODUCTION, DISTRIBUTION, AND SALE OF FURNITURE

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AND OTHER HOUSEHOLD GOODS. THIS FIRM HAS BEEN SAID TO HAVE BENEFITTED MASSIVELY FROM THE FLOW OF NEW DINARS INTO CIRCULATION DURING THE 1993 HYPERINFLATION. THE CENTER OF GRAVITY OF SIMPO, AND TOMIC'S POLITICAL BASE, IS IN THE SOUTHERN SERBIAN CITY OF VRANJE. TOMIC WAS BORN NEAR THIS CITY IN 1937.

12. ~~(S)~~ TOMIC SITS ON THE BOARD OF GOVERNORS OF THE NBY, WHERE HE ASSIDUOUSLY REPRESENTS THE INTERESTS OF THE LARGE STATE-OWNED OR STATE-CONTROLLED EXPORTERS. HE ALSO HOLDS POSITIONS ON THE BOARDS OF THE PARTIZAN SPORTS CLUB, BEOBANK, AND ASI BANK. HIS WIFE PUBLISHES A MAGAZINE BY THE TITLE OF "MY HOME," WHICH FEATURES LUXURY HOME FURNISHINGS. IN ONE ISSUE, THE MAGAZINE DID A SMARMY FEATURE ON MIRA MARKOVIC'S POZAREVAC HOME. TOMIC HAS PROCLAIMED THAT HE WOULD TURN SOUTHERN SERBIA INTO A LITTLE SWITZERLAND THROUGH THE CREATION OF A NETWORK OF SMALL AND MEDIUM FIRMS LINKED TO SIMPO. SOME OF THESE ARE MAKING CHOCOLATE AND CANNED FOODS, EXPORTING RASPBERRIES, AND BOTTLING MINERAL WATER. AT THE SAME TIME, HE HAS PUBLICLY QUESTIONED THE NEED FOR PROGRESS ON PRIVATIZATION, ABHORRING THE "TERRIBLE EXPERIENCE OF EASTERN EUROPEAN TRANSITION." TOMIC'S SON RECENTLY BOUGHT A CONTROLLING BLOCK OF SHARES IN THE STEEL PLANT IN SKOPJE FOR A REPORTED 35 MILLION GERMAN MARKS. TOMIC IS ALSO KNOWN TO HAVE PROVIDED FINANCIAL SUPPORT TO FUND MIRA MARKOVIC'S BOOK.

NIKOLA SAINOVIC

13. ~~(S)~~ NIKOLA SAINOVIC HAS BEEN FRY DEPUTY FEDERAL PRIME MINISTER SINCE SEPTEMBER 1994. HE HELD A VARIETY OF HIGH-LEVEL JOBS IN THE SERBIAN AND FEDERAL GOVERNMENTS FROM 1990-94, INCLUDING SERBIAN PRIME MINISTER IN 1993 DURING HYPERINFLATION. THE HIGHLY TRUSTED SAINOVIC PLAYS THE ROLE OF MILOSEVIC'S TOP POLITICAL TROUBLESHOOTER -- MOVING EASILY FROM ISSUE TO ISSUE AS REQUIRED. SAINOVIC ALSO COORDINATES ECONOMIC POLICY AT THE FEDERAL LEVEL. HE HAS ALSO LED MANY OF THE TRADE NEGOTIATIONS WITH THE FRY'S FRIENDS SUCH AS LIBYA. ONE OF MILOSEVIC'S YOUNGER CONFIDANTS, SAINOVIC WAS BORN IN BOR (EASTERN SERBIA) IN 1948. SAINOVIC GRADUATED FROM THE UNIVERSITY OF LJUBLJANA WITH A METALLURGICAL ENGINEERING DEGREE. HE RETAINS A POWER BASE IN BOR, WHERE HE NOW PRESIDES OVER THE BOARD OF THE RTS BOR COPPER MINE -- ONE OF THE FRY'S MOST IMPORTANT SOURCES OF HARD CURRENCY EXPORTS. HE IS BELIEVED TO PLAY A MONITORING AND CONTROLLING ROLE IN ALL CRITICAL MINING ISSUES IN THE FRY. HE HAS ALSO HAD THE LEAD ON COORDINATING ECONOMIC TIES BETWEEN THE FRY AND REPUBLIKA SRPSKA.

14. (C) SAINOVIC SITS ON THE BOARD OF THE SPS AND ACTED AS PARTY PRESIDENT FROM 1992-96, WHEN MILOSEVIC FORMALLY FROZE THE POST OF PARTY LEADER WHILE PRESIDENT OF SERBIA. THE DEPUTY PRIME MINISTER ALSO SITS ON THE BOARD OF JUGOBANK, ONE OF THE LARGEST IN THE COUNTRY. SAINOVIC'S SON OWNS A TRADE FIRM THAT DEALS IN COPPER AND COPPER PRODUCTS. NUMEROUS ARTICLES HAVE CHARGED THAT SAINOVIC HAS HELPED HIS SON'S FIRM AND THROUGH IT HAS SOCKED AWAY SIGNIFICANT PERSONAL WEALTH. SAINOVIC IS BELIEVED TO MAINTAIN CORDIAL RELATIONS WITH MIRA MARKOVIC AND HAS BEEN CREDITED WITH ASSISTING MARKO MILOSEVIC OUT OF A FEW JAMS IN EASTERN SERBIA. HE WAS ATTACKED IN LOCAL MEDIA FOR MANAGING ELECTRICITY EXPORTS VIA ROMANIA DURING U.N. TRADE SANCTIONS, WHEN SERBIA WAS LIVING UNDER ROLLING BLACKOUTS.

DUSAN VLATKOVIC

15. (C) DUSAN VLATKOVIC IS THE GOVERNOR OF THE NATIONAL BANK OF YUGOSLAVIA AND PRESIDES OVER ITS BOARD OF GOVERNORS. HE WAS BORN IN BACKA PALANKA (VOJVODINA) IN 1938 AND HELD TOP LEADERSHIP POSITIONS IN VOJVODJANSKA BANK IN THE 1970'S AND 1980'S. VLATKOVIC WAS APPOINTED GOVERNOR OF THE NATIONAL BANK OF (FORMER) YUGOSLAVIA IN 1986 AND HELD THAT POSITION THROUGH THE BREAKUP OF THE SFRY. VLATKOVIC WAS SOMETIMES BLAMED FOR THE FAILURE TO CURB THE REPUBLICS FROM DESTROYING THE SFRY'S MONETARY SYSTEM, BUT PROBABLY COULD NOT HAVE PREVENTED THE ACTIONS. HE WAS PERHAPS MORE FAIRLY ATTACKED FOR ALLOWING THE INITIATION OF TWO PYRAMID SCHEMES IN THE FRY IN 1992. HE WAS BRIEFLY REMOVED FROM POWER IN 1993 BUT BOUNCED BACK IN 1994 AS SERBIA'S MINISTER OF FINANCE, A POSITION HE HELD UNTIL HE WAS APPOINTED GOVERNOR OF THE NBY IN 1997. VLATKOVIC IS SEEN AS CAPABLE LOYALIST, WHO WILL CARRY OUT INSTRUCTIONS FROM ABOVE. HE SPOKE EFFECTIVELY AND DEMONSTRATED SOME PROFICIENCY ON THE

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SUBJECT OF CENTRAL BANKING DURING A 1997 MEETING WITH TREASURY UNDERSECRETARY LIPTON.

16. (C) VLATKOVIC SWITCHED FROM THE SPS TO JUL, APPARENTLY AT SOME POINT IN 1997. HE DOES NOT, HOWEVER, APPEAR TO BE ESPECIALLY CLOSE TO EITHER MILOSEVIC OR MIRA MARKOVIC. HE DOES NOT PLAY AN OVERTLY POLITICAL ROLE AND IS MORE OF AN ECONOMIC TECHNOCRAT. THE NBY HAS PURSUED A GENERALLY TIGHT MONETARY POLICY SINCE HE RETURNED TO THE GOVERNOR'S CHAIR BUT WITH MAJOR EXCEPTIONS IN THE SUMMER AND FALL OF 1997 AND IN THE LAST SEVERAL MONTHS. VLATKOVIC AND HIS VICE GOVERNORS HAVE ARGUED FOR GREATER FISCAL AUSTERITY, BUT HAVE CARRIED OUT A STOP-AND-GO EXPANSION OF THE MONETARY SUPPLY IN ACCORDANCE WITH POLITICAL ORDERS. THE GOVERNOR HAS MAINTAINED A QUIET PERSONAL LIFE AND HAS NOT BEEN THE SUBJECT OF ANY MEDIA CHARGES OF CORRUPTION.

MIHALJ KERTES

17. (C) MIHALJ KERTES IS THE DIRECTOR OF THE CUSTOMS

SERVICE OF THE FRY. HE IS OF HUNGARIAN DESCENT AND WAS BORN IN THE 1940'S IN BACKA TOPOLA (VOJVODINA). HIS MOTHER STILL LIVES IN THE HOUSE HE GREW UP IN AND HE PROMINENTLY DISPLAYS SEVERAL PAINTINGS OF IT IN HIS OFFICE AT CUSTOMS. HE HAS BEEN CLOSE TO MILOSEVIC AND FUNNELS CUSTOMS RECEIPTS TO WHEREVER THEY ARE MOST NEEDED INSTEAD OF SUPPLYING THEM TO THE FEDERAL TREASURY. WHEN PRIVILEGED FIRMS BRING GOODS INTO THE COUNTRY KERTES ENSURES THE GOODS RECEIVE APPROPRIATE TREATMENT AT THE BORDERS. HE HAS BEEN KNOWN TO WALK INTO THE OFFICES OF BANK PRESIDENTS WITH A SACK FULL OF DINARS AND ASK THAT THE MONEY BE KEPT SAFE FOR A TIME. (COMMENT: PERSISTENT SPECULATION NOW QUESTIONS KERTES' POLITICAL SURVIVABILITY SINCE HE WAS CLOSE TO THE RECENTLY DISMISSED JOVICA STANISIC. EVEN IF HE GOES, KERTES' ROLE AS A FINANCIAL FUNNEL WILL BE RETAINED AND ANOTHER TRUSTED LIEUTENANT WILL BE ASSIGNED TO DO IT. END COMMENT).

18. (S) KERTES IS KNOWN FOR MAKING PUBLIC STATEMENTS DEMONSTRATING HIS BLIND LOYALTY TO MILOSEVIC. HE WORKED AS A MINISTER WITHOUT PORTFOLIO IN MILAN PANIC'S FEDERAL GOVERNMENT IN 1993 BEFORE BEING DISMISSED BY PANIC IN DECEMBER OF THAT YEAR. HE WAS MOVED TO HIS PRESENT POSITION SHORTLY THEREAFTER. KERTES IS KNOWN TO BE A BENEVOLENT FRIEND TO MARKO MILOSEVIC, WHO DEPENDS ON FAVORABLE CUSTOMS TREATMENT FOR HIS CHAIN OF DUTY-FREE SHOPS. KERTES IS RUDE TO STAFF AND EVEN COLLEAGUES BUT UNCTUOUS WITH THOSE WHO CAN HELP HIM.

NEDELJKO SIPOVAC

19. (S) NEDELJKO SIPOVAC MOVED FROM SERBIAN MINISTER OF AGRICULTURE TO BECOME FRY MINISTER OF AGRICULTURE IN 1997. HE MAINTAINS A LOW PROFILE BUT HAS HELD A SUCCESSION OF KEY GOVERNMENT JOBS IN AGRICULTURE SINCE JANUARY 1994. WHILE MOST FARMLAND IS IN PRIVATE HANDS, THE STATE STILL PLAYS A LARGE (IF NOT ENTIRELY POSITIVE) ROLE THROUGH A CONVOLUTED SYSTEM OF PRICE SUPPORTS AND CONTROLS AND THROUGH ITS CREDIT PROGRAMS. SIPOVAC HAS WORKED IN VARIOUS CAPACITIES IN AGRICULTURE IN VOJVODINA, SERBIA'S BREADBASKET, FOR ALL OF HIS CAREER. HE IS A LONG-STANDING MEMBER OF THE SPS EXECUTIVE BOARD. THE MINISTER IS ALSO A MEMBER OF THE BOARD OF AGROBANK AND PRESIDES OVER THE BOARD OF THE KEY STATE FIRM "OIL INDUSTRY OF SERBIA (NIS)." HE SERVED ONE OF SERBIA'S DEPUTY PRIME MINISTERS IN 1994. HE ALSO PLAYED A ROLE IN STRIPPING VOJVODINA'S AUTONOMY AND IN THE SUBSEQUENT CENTRALIZATION OF POWER IN BELGRADE. SIPOVAC HAS A SON WHO OWNS A PRIVATE FIRM DEALING IN AGRICULTURAL PRODUCTS AND FARM MACHINERY.

BORKA VUCIC

20. (S) BORKA VUCIC REMAINS THE PRESIDENT OF BEOGRADSKA BANK AND THE MILOSEVIC "FAMILY BANKER." EARLIER THIS YEAR SHE SURVIVED AN ANONYMOUS ATTEMPT TO OUST HER BECAUSE "AT 72 YEARS OF AGE SHE HAD PASSED THE MANDATORY RETIREMENT AGE UNDER FRY LAW." FOR THE TIME BEING, SHE APPEARS TO HAVE WON HER BATTLE WITH MIRA MARKOVIC CRONY ZLATAN PERUCIC FOR THE DOMINANT ROLE IN THE BANKING SECTOR. PERUCIC LONG HELD OUT AGAINST THE MERGER BETWEEN HIS BEOBANK AND BEOGRADSKA BANK, BUT SUDDENLY EMBRACED THE IDEA THIS SUMMER AND TRIED TO MAKE IT HIS OWN. BORKA HANDLES MOST OF THE GOVERNMENT'S OFFSHORE TRANSACTIONS.

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SHE DID SO FROM CYPRUS DURING THE PERIOD OF U.N. TRADE
SANCTIONS AND HAS BUILT UP A LARGE NETWORK OF CONNECTIONS
IN VARIOUS OFFSHORE BANKING CENTERS.

COMMENT

21. (S) WITHIN MILOSEVIC'S SYSTEM, THERE IS NO REWARD
FOR INITIATIVE IN PURSUIT OF ECONOMIC EFFICIENCY. THE
ECONOMIC EXECUTIVES IDENTIFIED IN THIS CABLE ARE THE MOST
POWERFUL IN SERBIA BUT DO NOT TAKE KEY DECISIONS WITHOUT
CONSULTING MILOSEVIC. THIS CAN LEAD TO UNNECESSARY
DELAY, AS WAS THE CASE IN THIS YEAR'S BELATED APRIL 1
DEVALUATION OF THE DINAR. INDIVIDUALLY, THE OFFICIALS
ARE EXPENDABLE AND REPLACEABLE. IN MOST CASES, MILOSEVIC
CAN TURN TO OTHER SUBORDINATES TO CARRY OUT THE SAME
FUNCTIONS IF HE STARTS TO QUESTION SOMEONE'S LOYALTY OR
SIMPLY DECIDE ON A SHAKE-UP. ON A DAY-TO-DAY BASIS,
HOWEVER, THIS GROUP DOES HAVE EXECUTIVE AUTHORITY AND
OBLIGATION TO MAINTAIN MILOSEVIC'S CONTROL OVER THE
ECONOMY. THE LAST CABLE IN THIS SERIES WILL IDENTIFY
OTHER RANKING ECONOMIC OFFICIALS THROUGH AN EXAMINATION
OF THE BOARDS OF MAJOR STATE AND SOCIALLY OWNED FIRMS.
END COMMENT.

ZETKULIC

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006. report	[The Balkans and the International Community] [with fax cover sheet] (16 pages)	11/16/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Kosovo Office (Schulte, Gregory)
OA/Box Number: 1708

FOLDER TITLE:

Milosevic [4]

2008-0994-F
vz6339

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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Freedom of Information Act - [5 U.S.C. 552(b)]

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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Vucelic dismissed?

Milo - strength, weakness?

Opposition - Djukanovic?

[Avramovic?]

"Alliance for Changes"

In Soc. Ist? JU?

Media

- October 7 - FRY regulation
- October 20 - FRY media law

USG Response: Public/Diplomatic

- October 9, 15 - State statements condemning crackdown
- October 21 - WH statement condemning new law
- Amb. Hill and COM Miles raised with Belgrade authorities
- Arranged for Solana and Geremek to raise with Milosevic
- Encouraged allies to do same (e.g. EU Ministers)

Support for Independent Media

- expanded VOA broadcasting
- decoder in Tirana for VOA rebroadcasting
- since 1996, OTI has awarded \$1.5m in media-related grants, including to B92, ANEM, Danas, Media Center (\$7.6m for FY)
- collaboration with OSI
- Elizabeth Bagley getting entertainment programming for ANEM

Political Opposition

- Almost \$20m in SEED funding over last two years, including:
- training NGOs
- working with women's groups, educators, judges
- community and agricultural development in Montenegro
- Reaching out to Djukanovic - Hugh Palmer visit; exemption of Montenegrin airlines; upgrading diplomatic presence in Podgorica

6 Professors dismissed; 9 under suspension

Schulte, Gregory L.

From: WHSR
Sent: Monday, November 16, 1998 1:23 PM
To: Schulte, Gregory L.
Subject: ONLY "THE POSITIVE" IN MILOSEVIC'S SERBIA

CLASS: ~~CONFIDENTIAL~~
DTG: 131817Z NOV 98
MSGTO: RUEHC/SECSTATE WASHDC IMMEDIATE 0208
ORIG: AMEMBASSY BELGRADE
PREC: IMMEDIATE
SSN: 8801
TOR: 981114091656 M3558014

DECLASSIFIED E.O. 13526
Department of State Guidelines, November 6, 2015

By W NARA, Date 4/30/2024
2008-0994-F.3

////////////////// INCOMPLETE MESSAGE ////////////////////

~~CONFIDENTIAL~~ SECTION 01 OF 02 BELGRADE 008801

ROME ALSO FOR EMBASSY VATICAN

E.O. 12958: DECL: 11/13/08
TAGS: PGOV, PREL, PHUM, SCUL, SR
SUBJECT: ONLY "THE POSITIVE" IN MILOSEVIC'S SERBIA

1. (U) CLASSIFIED BY ROBERT L. NORMAN, POL/ECON
SECTION CHIEF. REASON 1.5 (B) AND (D).

2. (C) SUMMARY: MILOSEVIC'S CAMPAIGN TO ELIMINATE
CENTERS OF OPPOSITION/DISSENT -- PUBLIC OR OTHERWISE --
MANIFESTED ITSELF IN THE REMOVAL YESTERDAY OF SOCIALIST
PARTY OF SERBIA (SPS) VICE PRESIDENT MILORAD VUCELIC
FROM ALL HIS PARTY POSTS. MEANWHILE, THE ASSAULT ON
ACADEMIC FREEDOM CONTINUES WITH THE DISMISSAL OF
ANOTHER PROMINENT LAW PROFESSOR ASSOCIATED WITH THE
OPPOSITION. THERE HAS BEEN NO IMPROVEMENT ON THE MEDIA
SCENE, AND CONTACTS FEAR THE GOVERNMENT MAY AMEND THE
LAW ON POLITICAL PARTIES AND ASSOCIATIONS OF CITIZENS
IN AN EFFORT TO CURTAIL NGO ACTIVITY. END SUMMARY

CLEANING THE SPS HOUSE

3. (C) THE EXECUTIVE COMMITTEE OF THE MAIN BOARD OF
THE SOCIALIST PARTY OF SERBIA (SPS), CITING "UNSEEMLY
BEHAVIOR AND INACTIVITY," REMOVED PARTY VICE PRESIDENT
MILORAD VUCELIC FROM ALL PARTY POSTS AND HIS SEAT IN
THE SERBIAN ASSEMBLY (NOTE: ASSEMBLY MANDATES ARE WON
AND CONTROLLED BY PARTIES IN SERBIA. END NOTE). THE
DECISION TO REMOVE VUCELIC WAS WIDELY RUMORED TO HAVE
BEEN TAKEN LAST MONTH, AT THE SAME TIME JOVICA STANISIC
WAS REMOVED AS SERBIAN STATE SECURITY CHIEF. THE
DECISION WAS ANNOUNCED NOVEMBER 12, ON THE LATE NIGHT
TELEVISION NEWS.

4. (C) TO DAMPEN SPECULATION THAT THERE IS A PARTY
PURGE IN PROGRESS, RATOMIR VICO, ZIVOTA ZIVKOVIC, AND
ZIVORAD DJORDJEVIC -- AT LEAST TWO OF WHICH ARE STILL
BELIEVED TO BE IN FAVOR WITH MILOSEVIC -- WERE ALSO
REMOVED FROM THE MAIN BOARD SO THAT THEY COULD ASSUME
NEW DUTIES. VICO, WHO WAS A SERBIAN REPRESENTATIVE ON
THE 3-PLUS-3 EDUCATION TALKS WITH THE ALBANIANS, IS
RUMORED TO BE A CANDIDATE FOR AN AMBASSADORSHIP.
DJORDJEVIC, THE EDITOR-IN-CHIEF OF "BORBA," IS CLOSE TO

MIRA MARKOVIC AND MAY BE HEADED TO JUL.

5. (e) VUCELIC'S REMOVAL HAS RATCHETED-UP TENSIONS IN MONTENEGRO ANOTHER NOTCH. HE HAS CLOSE LINKS TO THE MONTENEGRINS, AND TO DEMOCRATIC PARTY LEADER ZORAN DJINDJIC. MONTENEGRIN FOREIGN MINISTER PEROVIC TOLD POLOFF ON NOVEMBER 13 THAT VJ CHIEF-OF-STAFF PERISIC IS INCREASINGLY EXPOSED AND THAT HIS REMOVAL IS "ONLY A MATTER OF TIME." VUCELIC, WHO IS FROM THE SAME AREA OF VOJVODINA AS STANISIC AND ANOTHER ENDANGERED "INNER CIRCLE" FIGURE -- CUSTOMS CHIEF KERTES -- HAS OFTEN BEEN IDENTIFIED BY DJUKANOVIC AND OTHERS AS A POSSIBLE CENTER OF DISSENT IN THE SPS. WHILE ANY EVIDENCE OF DISSENT OR LIBERALISM IS SCANT, VUCELIC REGISTERED TO SPEAK DURING THE PARLIAMENTARY DEBATE ON SERBIA'S NEW INFORMATION LAW AND THEN POINTEDLY REFUSED TO DO SO.

UNIVERSITY UNDER SIEGE

6. (e) THREE OF FOUR STUDENTS FROM THE "STUDENT MOVEMENT RESISTANCE" WHO WERE SENTENCED TO TEN DAYS IN JAIL FOR SPRAYING GRAFFITI CONDEMNING FASCISM HAVE BEEN RELEASED FROM CUSTODY. THERE IS, AS YET, NO WORD ON THE FOURTH STUDENT, A MALE WHO WAS INCARCERATED AT A SEPARATE LOCATION. THE FOUR HAD BEEN PROTESTING SERBIA'S REPRESSIVE NEW INFORMATION LAW AND THE REMOVAL OF FACULTY FROM THE UNIVERSITY FOR POLITICAL REASONS. THE FOUR WERE CONVICTED IN A HASTILY STAGED TRIAL AND THE SENTENCES PASSED WERE CONSIDERED EXTREMELY HARSH FOR FIRST OFFENDERS. ALSO UNUSUAL FOR SUCH CASES, THE SENTENCES WERE SERVED BEFORE THE APPEAL WAS HEARD.

7. (e) THE REGIME'S CAMPAIGN AGAINST INDEPENDENT-MINDED FACULTY MEMBERS AT THE UNIVERSITY CONTINUES. VESNA RAKIC-VODINELIC, ASSOCIATED WITH VESNA PESIC'S CIVIC ALLIANCE OF SERBIA, WAS REMOVED FROM HER POSITION AT THE LAW FACULTY TODAY, BRINGING TO 6 THE NUMBER OF DISMISSED PROFESSORS WITH ANOTHER 9 UNDER SUSPENSION.

THERE ARE 4 PROFESSORS THAT HAVE BEEN DISMISSED FROM THE ELECTRICAL ENGINEERING FACULTY, AND 10 ARE BARRED FROM TEACHING. ONE PROFESSOR AT THE LANGUAGE AND LITERATURE FACULTY--VLADETA JANKOVIC OF KOSTUNICA'S DEMOCRATIC PARTY OF SERBIA--HAS BEEN DISMISSED AND SIX MORE ARE BARRED FROM TEACHING. SIMILAR NOTICES ARE SAID TO BE PENDING FOR AN ADDITIONAL 11 PROFESSORS AT THAT FACULTY, WHERE THE THEORY OF LITERATURE DEPARTMENT HAS BEEN ABOLISHED.

B. (e) IN COMPARISON TO THE STUDENT PROTEST OF 1996-97, REACTION AT THE UNIVERSITY HAS BEEN MUTED. ONLY THE SCHOOL OF ELECTRICAL ENGINEERING HAS CHALLENGED THE

Schulte, Gregory L.

From: Ford, Robert G.
Sent: Monday, November 16, 1998 1:29 PM
To: Schulte, Gregory L.
Subject: ONLY "THE POSITIVE" IN MILOSEVIC'S SERBIA [CONFIDENTIAL]

CLASS: ~~CONFIDENTIAL~~
DTG: 131817Z NOV 98
MSGTO: RUEHC/SECSTATE WASHDC IMMEDIATE 0209
ORIG: AMEMBASSY BELGRADE
PREC: IMMEDIATE
SSN: 8801
TOR: 981113145052 M3556732

Section 1 of 2 (Belgrade 8801) should be in intel viewer. We resent it in case you no longer have it.

-----Original Message-----

From: WHSR
Sent: Saturday, November 14, 1998 12:39 PM
To: Braden, Susan R.; Davidson, Leslie K.; Dowling, John N. (Nick); Flanagan, Stephen J.; Hurley, C. Michael; McEldowney, Nancy E.; Schulte, Gregory L.
Subject: ONLY "THE POSITIVE" IN MILOSEVIC'S SERBIA

////////////////// INCOMPLETE MESSAGE //////////////////

~~CONFIDENTIAL~~ SECTION 02 OF 02 BELGRADE 008801

ROME ALSO FOR EMBASSY VATICAN

E.O. 12958: DECL: 11/13/08
TAGS: PGOV, PREL, PHUM, SCUL, SR
SUBJECT: ONLY "THE POSITIVE" IN MILOSEVIC'S SERBIA

ACTION IN A FORMAL WAY. THERE, A "TEN DAY WARNING STRIKE" REQUIRED BY LAW BEFORE A GENERAL STRIKE CAN BE CALLED IS NEARING ITS END. UNDER THE WARNING STRIKE, STUDENTS AND FACULTY "STRIKE" FOR AN HOUR A DAY. TO DATE, THE INITIATIVE HAS GARNERED THE SUPPORT OF AT MOST 10 PERCENT OF THE STUDENTS AND FACULTY. (COMMENT: THE MAJOR CHALLENGE TO THE REGIME, THE SCHOOL OF PHILOSOPHY WHERE 60 PROFESSORS HAVE NOT SIGNED REQUIRED EMPLOYMENT CONTRACTS BUT ARE STILL TEACHING, REMAINS TO BE "TAMED," BUT THERE IS LITTLE EVIDENCE TO SUGGEST A DRAWN OUT MILOSEVIC CAMPAIGN WILL NOT BE SIMILARLY SUCCESSFUL THERE TOO. END COMMENT)

MEDIA UNDER CONTROL

9. (c) SINCE SERBIA'S NEW INFORMATION LAW CAME INTO EFFECT ON OCTOBER 23, THE REGIME HAS BEEN LARGELY SUCCESSFUL IN MUTING, IF NOT SILENCING, THE INDEPENDENT MEDIA. NASA BORBA, DUE AS MUCH TO INTERNAL DISSENSION AND FINANCIAL PROBLEMS AS TO THE NEW LAW, IS NOT EVEN ATTEMPTING TO PUBLISH. DANAS, WITH ITS CIRCULATION OF 10-12,000, HAS BEEN LARGELY SUCCESSFUL IN PUBLISHING IN MONTENEGRO, BUT THE TRANSPORTATION AND DISTRIBUTION NETWORK INVOLVED IN DELIVERING THE PAPER TO SERBIA IS SUCH THAT THE PAPER IS SOMETIMES NOT AVAILABLE UNTIL MID-DAY, THUS FURTHER LIMITING ITS APPEAL/IMPACT.

10. (c) DNEVNI TELEGRAF, WITH ITS CIRCULATION OF SOME 80,000, IS THE GOVERNMENT'S MAIN TARGET AND THE REGIME HAS BEEN RUTHLESS IN SUPPRESSING IT. IN ADDITION TO THE NEARLY QUARTER OF A MILLION DOLLARS IN FINES LEVIED

DECLASSIFIED E.O. 13526

Department of State Guidelines, November 6, 2015

By h NARA, Date 4/30/2024

2008-0914-F.3

LAST MONTH AGAINST THE PAPER AND ITS OWNERS/EDITORS, THE PUBLICATION WAS BACK IN COURT LAST WEEKEND AND FINED ANOTHER USD 100,000. ALTHOUGH THE PAPER MANAGED TO HIT THE NEWSSTANDS NOVEMBER 7-9, IT HAS NOT PUBLISHED SINCE THEN AS THE GOVERNMENT HAS HAD THE LEGAL MECHANISMS IN PLACE TO CONFISCATE PRESS RUNS. THE PUBLISHERS ARE SEARCHING FOR ALTERNATE PRINTING HOUSES, BUT SLAVKO CURUVIJA, DT'S EDITOR, HAS CHARGED THAT PRINTING HOUSES AROUND THE COUNTRY HAVE BEEN WARNED NOT TO ACCEPT NEW BUSINESS. CURUVIJA CLAIMS TO HAVE APPEALED DIRECTLY TO MIRA MARKOVIC TO ALLOW PRESS FREEDOM IN ORDER TO AVOID A ROMANIAN SCENARIO, SUPPOSEDLY PROMPTING HER TO REMARK THAT THEIR RELATIONSHIP HAD COME TO "OPEN THREATS."

11. (C) B-92 CONTINUES TO BROADCAST INDEPENDENT NEWS IN BELGRADE, BUT RADIO "INDEKS" IS OFF THE AIR AS A RESULT OF A FEDERAL MINISTRY OF TELECOMMUNICATIONS DECISION DECLARING THE STATION "ILLEGAL." IN A SEPARATE ACTION AGAINST THE STATION, WHICH WAS ORIGINALLY FOUNDED AS THE BELGRADE UNIVERSITY STUDENT RADIO, THE BELGRADE UNIVERSITY BOARD OF GOVERNORS DISMISSED THE DIRECTOR AND EDITOR-IN-CHIEF AND TRIED TO REPLACE HIM WITH THE "LEADER" OF GOVERNMENT-SPONSORED STUDENT UNION. B-92 BROADCASTS ONE HOUR OF PROGRAMMING A DAY PREPARED BY THE FORMER STAFF OF RADIO "INDEKS," BUT THE STATION IS GONE, AND REACTION IS AGAIN MUTED.

COMMENT

12. (C) MILOSEVIC IS PATIENTLY CONSOLIDATING COMPLETE CONTROL OF CIVIL SOCIETY IN BELGRADE. WHILE IT IS POSSIBLE THAT HE WILL OVERREACH AND PROMPT A REACTION, THERE IS NO EVIDENCE HE NEEDS BE OVERLY FEARFUL OF THAT HAPPENING. SOME OPPOSITION FIGURES FEAR THE NEXT STEP MAY BE AN ATTEMPT TO AMEND THE LAW ON POLITICAL PARTIES AND ASSOCIATIONS OF CITIZENS. AT THE START OF THE DECADE, TO ENCOURAGE A PROLIFERATION OF PARTIES IN AN ELECTORAL SYSTEM THAT DISPROPORTIONATELY REWARDED THE BIGGEST PARTY, MILOSEVIC MADE IT EASY TO FOUND SUCH ORGANIZATIONS. IN CURRENT CIRCUMSTANCES, WHERE HE IS BENT ON INTIMIDATION, HE MAY TRY TO INCREASE THE SENSE OF ISOLATION AND HELPLESSNESS BY RAISING SIGNIFICANT BARRIERS TO POLITICAL PARTY AND NGO ACTIVITY.

13. (U) TIRANA MINIMIZE CONSIDERED. MILES

OPEN SOCIETY INSTITUTE
WASHINGTON OFFICE
TEL: 202-296-5380 FAX: 202-296-5381
900 17th Street, N.W., Suite 950 • Washington, DC 20006

FACSIMILE TRANSMITTAL

TO: Greg Schulte
National Security Council

FAX NO: 202-456-9150

FROM: John Fox, Director

DATE: November 13, 1998

TOTAL # OF PAGES: 8

If the copy you receive is illegible or incomplete, please call (202) 296-5380. Thank you.

Thanks for agreeing to meet with Sonja Licht, President of the Board of the Open Society Fund-Yugoslavia and myself on Monday at 4 PM in your office. We very much look forward to discussing independent media and democratization efforts in the FRY, including Kosovo, at that time.

As background, attached is Ms. Licht's biography and background information on the Yugoslavia foundation. Also attached is the ANEM paper on new Serbia/Kosovo media initiatives, and an OSI note on the KVM and media.

With best regards.

OSI

OSCE Kosovo Verification Mission and Media

For the successful implementation of the OSCE Kosovo Verification Mission (KVM) – especially the administration of free and fair elections next summer – and a peaceful resolution of the Kosovo crisis, OSCE/KVM's work should include two important elements from the start.

1) Establish a team of media verifiers to help assure the free circulation of independent information both within Kosovo and throughout wider Serbia and Montenegro (detailed recommendation for media verifiers by Association of Independent Electronic Media attached);

2) Use OSCE/KVM's mandate, particularly on administration of free and fair elections and building institutions in Kosovo, to develop independent broadcast media in Kosovo and their strong links with independent media throughout the FRY. OSCE/KVM should urgently:

- Use the existing ANEM (Association of Independent Electronic Media) independent 50-station radio and TV network in Serbia, Montenegro and Kosovo to broadcast programming about OSCE/KVM, including OSCE-sponsored elections programming;
- Under OSCE/KVM's elections mandate, fulfill the central condition of free media by recovering Kosovo's internationally registered frequencies (under International Telecommunications Union agreements that have been violated by Belgrade since the denial of Kosovo's pre-1989 autonomy) — for use by Kosovo's independent broadcast media (Radio Kontakt, RTV Koha and RTV 21, presently delivering program via Internet while denied/awaiting frequencies);
- Using these frequencies and stations, encourage Kosovo's independent media to develop de facto under OSCE/KVM's umbrella; while maintaining the essential credibility and management provided by the local partners, an appropriate international role could be patterned on the successful OSCE-Swiss Free Elections Radio Network (FERN) in Bosnia;
- Support plans by local independent media and ANEM network, backed by bilateral and non-governmental donors, to produce daily real-time news broadcasts about Kosovo for direct-to-home satellite transmission (reaching 70% of Kosovo homes and the high concentrations of satellite dishes in Albanian communities in Montenegro, Macedonia, Albania and Greece); this option includes re-transmission throughout the FRY by ANEM network and can be done by immediate arrangement between ANEM and Europe-by-Satellite;
- Establish satellite up-link facility in Pristina for use of independent media;
- Use OSCE/KVM mandate and diplomatic presence to maximize the local independent media's freedom of movement, relying on these media and experienced NGOs and donors for implementation.

Asocijacija nezavisnih elektronskih medija
Association of Independent Electronic Media
Television Network

DAILY REAL-TIME NEWS REPORTING

SERBIA-KOSOVO, AND MONTENEGRO

WHY?

The OSCE's Kosovo Verification Mission and the new Law on Public Information create an ever more urgent need to increase flows of professional broadcast news and information from and to publics in Kosovo, wider Serbia and Montenegro. For this reason, **ANEM TV has launched daily reports from Belgrade (focusing on the current crackdown on free media), and has secured start-up funding to produce and distribute, in partnership with embryonic local independent broadcast media in Kosovo (RTV21, Radio Kontakt and RTV Koha) daily and weekly broadcast news feeds from Kosovo.**

WHAT?

ANEM TV's Belgrade reports – which started on October 10 and have provided breaking news about the Serb Government's draconian new Public Information Law to local stations across the country – are presently being distributed on tape. **ANEM TV's reports are currently the only source of daily independent TV information about the new Information Law available outside of Belgrade.**

The weekly Kosovo TV reports – which will be produced by ANEM in partnership with the embryonic RTV Koha and RTV 21 in Albanian for Kosovo distribution via satellite, and then subtitled in Serbian for distribution across the ANEM Network in wider Serbia / Montenegro – are part of the broader APTN / UNESCO exchange. Start-up funding for these weekly reports has already been secured. Apart from in-country distribution through the ANEM TV Network, this exchange will enable Balkan-wide distribution of the weekly productions. APTN has undertaken to collect and distribute the feeds across the region and then place them on its satellite (EUTELSAT II), from where all participant stations in the exchange can collect and re-broadcast them. These weekly reports can start as soon as local broadcasters have in place sufficient production equipment and training to be able to produce them, with support from ANEM.

In tandem to the APTN exchange, ANEM has an **immediate offer from Europe By Satellite (which is available on open analogue and so would be one possible means to send programming into Kosovo, Serbia and Montenegro through direct-to-home – some 70% of people in Kosovo have access to EBS via direct-to-home, and some 10% country-wide) for free time, and all necessary equipment, on its radio channel from 21.00 – 06.00 CET, and on its TV channel from 21.00 – 24.00 daily. This means, through a combination of the APTN Exchange and EBS (direct-to-home) ANEM would be able to help Kosovo Albanian media distribute daily news to 70% of Kosovo and, through a combination of re-broadcast and direct-to-home, ANEM TV would be able send the same material also to some 25% of the rest of Serbia and Montenegro. In addition, through its Pristina bureau ANEM would, with funding for a camera crew and access to editing equipment, be able to send daily Serbian-language TV correspondent reports through the same system to stations across the ANEM TV Network.**

In terms of sending the feeds from Kosovo to the satellite, ANEM has been told that the Montenegrin authorities are currently setting up its own up-link (in Serbia all satellite feeds are sent through state-controlled Radio Television Serbia), which ANEM may be able to purchase time on in order to send material to EBS in Brussels and APTN in London. However, the best solution would be for the OSCE, or another international body, to establish an up-link facility for the use of independent media in Pristina. The cost of installing and running such an up-link is some 600,000 US\$.

For distribution of material from Belgrade and northern Serbia, EBS has negotiated with OBN's affiliate in Banja Luka to up-link ANEM's material from there. ANEM would send the material to Banja Luka over land.

Moreover, ANEM is currently negotiating with the Montenegrin authorities to obtain a frequency for a 5 Kw terrestrial transmitter that would be able to cover 100% of Kosovo. Because of its location, atop Mount Bjelasica, this transmitter would need to be installed in the next 20 days, before the winter weather sets in.

To date, ANEM has secured funding (107,000 GBP from the UK Department for International Development) to support the all-important embryonic broadcast media in Kosovo - RTV 21, TV Koha and Radio Kontakt. Moreover, in tandem to the project USAID/OTI will provide one of the Albanian broadcasters in the project - RTV21 - with essential TV broadcasting equipment. This project, which starts November 1, will:

- provide coverage via satellite for distribution of Albanian-language TV (WTN, Europe by Satellite) and Radio ((BBC WS) news programming to Kosovo (minimum 45 minutes per day for radio, 10 minutes per week TV).
- provide equipment, technical and production development support, and a publicity strategy for embryonic independent electronic media in Kosovo - RTV21, Koha TV and radio, Radio Kontakt - to ensure that coverage translates into audience share
- disseminate BBC and VOA Albanian section to audiences in Kosovo via direct-to-home satellite
- disseminate BBC and VOA Serbian section to audiences in Kosovo via direct-to-home satellite
- establish mechanisms for essential information exchange between Serb and Albanian media
- establish an ANEM bureau in Pristina, which will house one ANEM correspondent at the disposal of all ANEM member stations, for distribution of information primarily from Kosovo to media in Serbia and Montenegro

WHAT NEXT?

In order to realise all the above ANEM suggests that the following steps are taken:

- 1 Political support is given to ANEM's negotiations with the Montenegrin authorities to obtain a frequency for a transmitter to broadcast into Kosovo and to use any possible up-link facility.
- 2 Establishment of a Pristina up-link facility for independent media
- 3 Provision of digital editing suite for independent media in Pristina
- 4 Provision of additional production costs to independent Albanian-language media in Kosovo so that they are able to produce material for distribution and / or by satellite or via a transmitter in Montenegro.
- 5 Urgent news management and TV package training for all Kosovo media by experienced broadcast professionals, which would address the needs of local recipients as identified by those recipients.

- 6 Funding to cover the cost of telecommunications for sending satellite feeds to EBS and APTN.

Sonja Licht

President of the Board, Fund for an Open Society-Yugoslavia

Sonja Licht is President of the Board and former Executive Director of the Fund for an Open Society-Yugoslavia. The Fund operates programs in support of independent media, non-governmental organizations, education, youth and culture, and humanitarian aid, including refugee assistance. Ms. Licht has guided the Fund's multi-faceted, civil society programs despite the difficulties of war, sanctions, and government repression (including revocation of the Fund's registration from February to June 1996). Today, the Fund for an Open Society-Yugoslavia is particularly active in the areas of independent media (e.g., in helping to develop an Internet network and local radio and television stations), the integration of refugee children into local communities (through the founding of "Open Clubs" for multi-ethnic and multi-cultural cooperation), and alternative culture (through festivals, publications, and other forms of support).

Ms. Licht has long been a leader of Yugoslavia's civil society. In addition to her work in a number of civic associations, including the Yugoslav Helsinki Committee, the Belgrade Women's Lobby, and the Belgrade Group for Peace and Democracy, Ms. Licht is the founder of the Helsinki Citizens Assembly (HCA). In 1991 she was elected co-chair of the HCA, organizing a number of international meetings and campaigns in support of peace, ethnic tolerance and democratic transition.

Ms. Licht was born in Subotica, Yugoslavia in 1947. She graduated with degrees in social and cultural anthropology from Belgrade University. As a researcher for the Institute for International Politics and Economy she examined Eastern Europe's social movements in the communist and post-communist periods.

Fund for an Open Society–Yugoslavia

After three months of dramatic civic protest throughout Serbia at the end of 1996 and the beginning of 1997—when it seemed that radical social and political change was imminent in the Federal Republic of Yugoslavia—the tensions gradually subsided, though none of the key political and economic problems had been resolved. A sense of fatigue, the consequence of unfulfilled expectations, spread throughout the society after this intense public display of political life.

Despite the continuing state of crisis, significant and far-reaching changes have occurred in Yugoslav society and, along with them, changes in the position and activities of the Fund for an Open Society–Yugoslavia. These changes are part of a growing awareness of the need to modernize the whole of society, and part of an increasingly active search for alternatives other than isolation from the rest of the world.

“Apart from several isolated attacks in local communities, there was no untoward hostility towards the foundation in 1997, unlike the earlier period when several campaigns were launched on ideological, nationalist, and purely demagogical grounds.”

Sonja Licht, Board President

Nonstate media, both print and electronic, have flourished, and many nongovernmental organizations and educational programs have been established and developed, especially in Kosovo. The participation in society of the country's third sector, the activity of which has been supported by the foundation from its very inception, now covers the entire territory of the Federal Republic of Yugoslavia. The gap between the large cities and the provinces is lessening day-by-day, supported by a strong civil movement that developed during the three months of protest. There is now strong public awareness of the foundation, thanks to its programs in the fields of media, education, culture and the arts, human rights, the Internet, and especially the Open Clubs linking refugees and local populations.

Of the many activities in 1997, the very ambitious program of support for the modernization and development of education in Kosovo deserves special mention. The program covers the territory of Kosovo, which has two parallel education systems: the state system (Serbian) and a nongovernmental system (Albanian). The Fund for an Open Society has established excellent cooperation with the people behind the Albanian education system, and even the official state system is now becoming more receptive to the foundation's initiatives. The program supports education by equipping computer classrooms,

supplying libraries and science laboratories, improving the professional skills of teachers through specialist courses, assisting in the printing and purchasing of textbooks, and organizing campaigns to bring girls back into schools. The program also includes special education projects, ranging from health care and environmental protection to the protection of women and children. Increasingly, people of other than Albanian ethnicity recognize its potential to create the conditions for more just treatment and a better life. Some projects, such as a dental care program for children, are delivered to all nationalities in Kosovo, with printed material in Serbian and Albanian languages.

Open Clubs for children and young people were established in 1996 and 1997 as a means of furthering the psychological and social integration of refugees into the local population by encouraging tolerance and the development of local initiatives. In 1996, five clubs were opened; by the end of 1997, there were 15 clubs active in the country, three of which operate within refugee collective centers. As many as 5,000 children and young people are directly involved in the clubs, along with more than 20,000 adults who actively assist and support their activities. Developing this network of Open Clubs has been a highly successful endeavor for the foundation. Through them, the foundation's messages can even reach those communities once known for their conservatism and cultural isolation.

Like the Open Clubs, several programs in mass media facilitated the free flow of infor-

mation. The Independent Network of Electronic Media (ANEM), centered around Belgrade's Radio B92, consists of 32 local radio stations with a collective reach of more than 70 percent of the territory of the Federal Republic of Yugoslavia. ANEM also includes 15 local television stations. This network, implemented and maintained over the Internet and via satellite, is part of a media movement that has already greatly eroded the monopoly of the state-owned media. Another foundation-supported program, the Media Center, opened in September with the cooperation of the European Union and other international organizations. The Media Center, which is an independent institution with its own press center and accompanying services, is an important new link for independent media and the civil sector, contributing to their power and independence.

Fund for an Open Society-Yugoslavia 1997 Expenditures

Arts and Culture	\$1,172,000
Children and Youth	2,519,000
Civil Society	899,000
Conference and Travel	311,000
Economic Reform	0
Education	951,000
Legal Reform and Public Administration	576,000
Media and Communications	2,728,000
Publishing	332,000
Science and Health Care	295,000
Operating Costs	1,996,000
Other	4,384,000
Total	\$16,163,000

**ANEM**

Asocijacija nezavisnih elektronskih medija / Association of Independent Electronic Media
Makedonska 22, 11000 Beograd, Yugoslavia, phone: (+381 11) 322 99 22, fax: 324 80 75, e-mail: anem@opennet.org

✓ → Len
Let's discuss.

FAX COVER SHEET

Date	November 1, 1998
To	Ambassador Richard Holbrooke, US Special Envoy for the former Yugoslavia
Cc	Mr Greg Sholtie, Special Assistant to the President
Fax	99 1 202 456 9150
From	Veran Matic, ANEM Chairman
Re	Establishment of an international team of media verifiers
Pages	3 (three, coversheet inclusive)

Dear Mr Holbrooke,

In light of the Organisation for Security and Cooperation in Europe's Kosovo Verification Mission, and the mandate of the OSCE to monitor free and fair elections in Kosovo as an integral part of that Mission, the Association for Independent Electronic Media (ANEM), calls on the OSCE, and other international organisations and their member states, to consider **urgently establishing an international team of media verifiers.**

ANEM stresses that the free circulation of independent information both within Kosovo and *throughout wider Serbia and Montenegro* is crucial to the successful implementation of the OSCE's KVM, and a peaceful resolution to the Kosovo crisis.

In particular, ANEM believes that the dissemination of accurate information to the wider public in Serbia and Montenegro *about* the KVM is key to its successful implementation.

ANEM therefore suggests that the OSCE consider broadcasting programming about the KVM on ANEM's TV and Radio Networks of 50 stations in Serbia and Montenegro, as a first and important step to informing the Yugoslav publics about the KVM.

ANEM further underlines that current government attempts to muzzle dissent and destroy all forces of democracy in Serbia and Montenegro, most specifically under the guise of the

new Law on Public Information, constitute a serious threat to the successful implementation of the OSCE's KVM.

ANEM believes that the creation of a team of OSCE media monitors, coupled the dissemination of accurate information about the OSCE's KVM through the TV and Radio Networks, would simultaneously greatly strengthen the independent media's defence of free speech, and aid the successful implementation of the OSCE's KVM.

Media verifiers should:

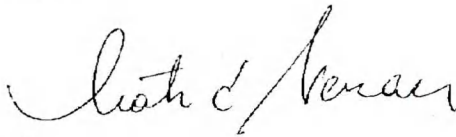
1. Oversee the status of the independent media in FR Yugoslavia, and keep record of the hate speech and make their reports on these things public with recommendations to the OSCE mission on how to influence the sanctioning of the hate speech and the dissemination of untruths through media. The possibility of setting up an international body or institution that would, similar to the Hague tribunal, make reports and recommendations of concrete measures for the governments that abuse or monopolise media to spread hatred and war propaganda in the whole region of the former Yugoslavia should be considered.
2. Publicly condemn acts of repression against journalists, and bring such acts to the attention of the international community and competent bodies. In particular this relates to the kidnap or illegal detention of any journalists, for example the Kosovo Liberation Army's recent detention of 2 Tanjug journalists.
3. Observe repression of the authorities in Serbia and Montenegro and at the Federal level against the media, and press for the removal of that repression through international organisations. What needs to be specified is not only what the monitors should observe, but also the legal framework, the starting point. It will not suffice only to say that something runs counter to the Universal Declaration on Human Rights, the European Institute for the Media, for instance, should specify what are the basic rules of the game in this domain, and the Yugoslav Federal and Republic governments should be pressed to accept these as a framework for the work of the media verifiers.
4. Work in tandem with the institutions engaged in the media field: the Independent Association of the Journalists of Serbia, the Association of Independent Electronic Media in FR Yugoslavia, the Independent Association of Journalists of Montenegro, FREE 2000, and especially the European Institute for the Media in Dusseldorf.
5. The lineup of the monitoring mission should be appointed by the Committee to Protect Journalists, the Reporters sans frontiers, the International Federation of Journalists, Human Rights Watch, Article 19 and others. The IFJ should relocate its Balkans centre to Belgrade, as its centre in Ljubljana, Slovenia does not make much sense in the current situation. Heed should be taken that one single organisation should not be let run the whole task.
6. The mission should make it clear that the conclusions, reports, and discussions on the media verification mission will be presented to all media.

7. Pressure should be exerted to allow RTV Koha, RTV 21 and Radio Kontakt (the last one was banned) to start broadcasts. If adequately supported, they will from that point develop radio and television programs that would closely cooperate with the ANEM networks.
8. Special programs on the mission should be disseminated through the ANEM Radio Network (33 stations in Serbia and Montenegro) and the ANEM TV Network (17 television stations in FRY). This should be stressed so that the idea that was put forward to Mr Dienstbier, which was incorrectly reinterpreted as an initiative for an OSCE TV channel, would be turned into a constructive support of an existing Network, rather than a creation of a new TV OBN that was a failed project in Bosnia. Any imposition of media initiatives from outside is out of the question as it is impossible to implement and would furthermore undermine existing efforts.
9. Very important: state media should be obliged to broadcast and otherwise publish the conclusions and reports by this commission.

I hope you will find these ideas useful and that ANEM will be able to assist in the implementation of the verifier mission.

Thank you for your time and consideration.

Respectfully,



Veran Matic,
ANEM Chairman

Schulte, Gregory L.

From: Dowling, John N. (Nick)
Sent: Wednesday, November 25, 1998 12:23 PM
To: @PRESS - Public Affairs
Cc: @BOSNIA - Bosnian Affairs
Subject: Perisic Guidance [UNCLASSIFIED]

Importance: High

Kosovo --- Milosevic Dismissed Perisic

- We have seen reports that Milosevic has dismissed FRY Army Chief Perisic. Perisic was critical of Milosevic's handling of Kosovo and opposed the involvement of the FRY Army in the repression of Kosovo.
- Perisic's removal is part of a pattern of Milosevic maneuvers to keep his hold on power in the face of growing discontent in the FRY over his autocratic rule.
- In recent weeks, Milosevic also ordered a crack-down on independent media and dismissed FRY Security Chief Stanisic.
- Clear that democratization is needed for long term stability in the FRY. This requires a responsible government that is accountable to its citizens of all ethnic backgrounds - not a dictator that muzzles opposition and that uses its army as an instrument of repression.
- In this regard, we continue to support opposition parties and free and independent media in the FRY. Unfortunately, President Milosevic seems determined to keep his country a pariah and to deny its citizens the benefits of democracy and integration into Europe.

Schulte, Gregory L.

From: WHSR
Sent: Wednesday, November 25, 1998 6:06 AM
To: Allen, Charles A.; Bell, Robert G.; Bouchard, Joseph F.; Braden, Susan R.; Brown, Keirn C.; Butler, Lawrence E.; Clarke, Richard A.; Crowley, Philip J.; Davidson, Leslie K.; Dowling, John N. (Nick); Flanagan, Stephen J.; Gordon, Philip H.; Guarnieri, Valerie N.; Hawley, Leonard R.; Hurley, C. Michael; Leavy, David C.; McEldowney, Nancy E.; Schulte, Gregory L.
Subject: Yugoslavia-ArmyReshuf

CLASS: INTERNATIONAL
ORIG: AP/East
PREC: RUSH
TOR: 981125055601

a0512

^PM-Yugoslavia-Army Reshuffle,0338<

^Leader of Yugoslav Army fired<

BELGRADE, Yugoslavia (AP) President Slobodan Milosevic has fired the head of Yugoslavia's army following months of rumored dispute between the two, including the crisis in Kosovo.

A terse release carried by state-run Tanjug news agency late Tuesday said Chief of Staff Gen. Momcilo Perisic would be replaced by his deputy, Gen. Lt. Dragoljub Ojdanic. Perisic would become defense advisor to Milosevic, a high but not executive position. It did not elaborate on the change.

This is the fourth major shakeup at the top of Yugoslavia's establishment in as many weeks, apparently a major reshuffling by Milosevic of his closest circle of associates.

Perisic held high commanding positions, including leading the army, throughout the early 1990's when the former Yugoslavia began disintegrating. During this time, the Yugoslav army largely took the Serb side, helping to constitute the present-day Yugoslavia made up of Serbia and Montenegro.

Perisic was appointed chief of staff in 1993, after serving as a commander of Serb forces fighting the Croats in Croatia's 1991 war of secession.

From the beginning, Perisic had a reputation of occasionally opposing some of the Yugoslav president's iron-fist moves.

Recently, he subtly criticized Milosevic's policy in Kosovo, the Serbian province where ethnic Albanians are fighting for independence, saying the conflict was partly the result of "certain politicians' wish to stay in power."

Although he never commented specifically on political issues, Perisic was believed to be intent on keeping the army as neutral as possible in Kosovo.

Perisic has also maintained ties with Milosevic's foe, Milo Djukanovic, president of Montenegro, which disagrees with Yugoslavia on the Kosovo crisis.

At the Tuesday session of the Supreme Defense Council, the five-member decision-making body for top defense issues, Djukanovic voted against replacing Perisic, media in Montenegro reported.

APE- 11/25/98 05:59:00

<^TOR>981125055601

Schulte, Gregory L.

From: WHSR
Sent: Wednesday, November 25, 1998 4:31 AM
To: Allen, Charles A.; Bell, Robert G.; Bouchard, Joseph F.; Braden, Susan R.; Brown, Keim C.; Butler, Lawrence E.; Clarke, Richard A.; Davidson, Leslie K.; Dowling, John N. (Nick); Flanagan, Stephen J.; Gordon, Philip H.; Guarnieri, Valerie N.; Hawley, Leonard R.; Hurley, C. Michael; McEldowney, Nancy E.; Schulte, Gregory L.
Subject: MONTENEGRO:PaperQuesti
CLASS: INTERNATIONAL
ORIG: FBIS
PREC: RUSH
TOR: 981125040349

F5046
FBIS

046NOV25
UNCLAS 2Y

MONTENEGRO: Paper Questions Legitimacy of Perisic's Ouster AU2511090898
Belgrade BETA in Serbo-Croatian 0829 GMT 25 Nov 98

[FBIS Translated Text] Podgorica, 25 Nov (BETA) -- Montenegrin President Milo Djukanovic voted against the replacement of Yugoslav Army General Staff Commander Momcilo Perisic at the session last night, today's Podgorica Pobjeda reports, citing sources in Djukanovic's cabinet.

The paper considers Perisic's ousting "a cadre conspiracy" and wonders whether "the General Staff Commander can be ousted at a hastily called session of the Supreme Defense Council despite the opposition of the legitimate representative of Montenegro."

Pobjeda also reports that former General Staff Commander Momcilo Perisic had reacted to the news "by categorically ruling out the possibility of accepting a new post of defense affairs adviser to the FRY Government, which is what the FRY President's decree had intended for him."

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0908z FBIS NNNN
FBIS 11/25/98 04:07:00
<^TOR>981125040349

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
007. report	"FRY": Milosevic Fires Army Chief. [page 5 only] (1 page)	11/25/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Kosovo Office (Schulte, Gregory)
OA/Box Number: 1708

FOLDER TITLE:

Milosevic [4]

2008-0994-F
vz6339

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Schulte, Gregory L.

From: WHSR
Sent: Wednesday, November 25, 1998 7:13 AM
To: Allen, Charles A.; Bell, Robert G.; Braden, Susan R.; Brown, Keirn C.; Butler, Lawrence E.; Clarke, Richard A.; Crowley, Philip J.; Davidson, Leslie K.; Dowling, John N. (Nick); Flanagan, Stephen J.; Gordon, Philip H.; Guarnieri, Valerie N.; Hawley, Leonard R.; Hurley, C. Michael; Leavy, David C.; McEldowney, Nancy E.; Schulte, Gregory L.; Sigler, Ralph H.
Subject: FEDERALREPUBLICOFYUGOS
CLASS: INTERNATIONAL
ORIG: FBIS
PREC: RUSH
TOR: 981125065500

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UNCLAS 2Y

FEDERAL REPUBLIC OF YUGOSLAVIA: Army Officer--Perisic's Ouster Linked to Kosovo Agreement AU2511115998 Belgrade BETA in Serbo-Croatian 1030 GMT 25 Nov 98

[FBIS Translated Text] Belgrade, 25 Nov (BETA) -- Vuk Obradovic, president of Socialdemocracy and former general of the former Yugoslav Army, said today that the ousting of Yugoslav Army

VJ) General Staff Commander Momcilo Perisic "was linked to the Kosovo agreement between FRY President Slobodan Milosevic and US Envoy Richard Holbrooke."

"This has not happened by coincidence. I respected Perisic as a good soldier. It is greatly to his credit that he prevented the misuse of the army following the conflict in Bosnia. I knew him personally and I believe that he was expecting to be replaced," Obradovic told BETA agency.

Obradovic, who in 1992 resigned as spokesman of the General Staff of the former Yugoslav Peoples' Army, said that "there will be further cadre changes" in the VJ and explained that these were

inevitable whenever a new figure is appointed head of the General Staff."

He said that he had learned during last week's talks in the United States with the people "who took part in the nine-day Milosevic-Holbrooke negotiations that the officers of the VJ air force were the most intransigent in their opposition to the abandonment of the air space over Kosovo and its surrender to NATO forces."

Obradovic said that he "held new VJ General Staff Commander Dragoljub Ojdanic in very high esteem," as well as that he was "a good soldier and a wise man."

"I have known General Ojdanic for 30 years, since the time when we were cadets, and I am on good terms with him," Obradovic said and voiced the belief that the new General Staff Commander "will bear in mind that the army only has prospects if it embarks on actual reforms."

"The VJ stands a chance only if it is set up as a typical state institution, and thus an institution that is not linked to any party, let alone personality, in particular. The VJ must honor the Constitution and its clearly defined tasks, which boil down to the protection of the independence, sovereignty, and territorial integrity of the country," Obradovic said.

Obradovic dismissed rumors that Ojdanic was a member of the Yugoslav
Left "because active officers are banned from political engagement altogether."
"

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1158z FBIS NNNN

FBIS 11/25/98 06:58:00

<^TOR>981125065500

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
008. email	White House Situation Room to Michael Hurley, Greg Schulte, et al. Subject: [Balkan Crisis: Established Procedures not Followed]. (3 pages)	11/25/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Kosovo Office (Schulte, Gregory)
OA/Box Number: 1708

FOLDER TITLE:

Milosevic [4]

2008-0994-F
vz6339

RESTRICTION CODES

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
009a. draft	Subject: [Milosevic] [See 9830298, vz6261_002d and vz6337_001c and 007c, this case] (2 pages)	11/00/1998	P1/b(1)

COLLECTION:

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National Security Council
Kosovo Office (Schulte, Gregory)
OA/Box Number: 1708

FOLDER TITLE:

Milosevic [4]

2008-0994-F
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
009b. draft	Paper: [Annex I: Democratization] [See 6261_002d, vz6337_001d, and vz6337_003d, this case] (4 pages)	11/00/1998	P1/b(1)

COLLECTION:

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FOLDER TITLE:

Milosevic [4]

2008-0994-F
vz6339

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
009c. draft	Paper. [Annex II] [See Record ID: 9830299. Near or duplicate of vz6261_002e, vz6337_001e, vz6337_003e, vz6338_007d, this case] (4 pages)	11/00/1998	P1/b(1)

COLLECTION:

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National Security Council
Kosovo Office (Schulte, Gregory)
OA/Box Number: 1708

FOLDER TITLE:

Milosevic [4]

2008-0994-F
vz6339

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Schulte, Gregory L.

From: WHSR
Sent: Friday, October 30, 1998 7:26 AM
To: Bouchard, Joseph F.; Butler, Lawrence E.; Clarke, Richard A.; Davidson, Leslie K.; Dowling, John N. (Nick); Hurley, C. Michael; Schulte, Gregory L.; Sigler, Ralph H.
Subject: SERBIA INTO THE GULAG

CLASS: ~~CONFIDENTIAL~~
DTG: 301058Z OCT 98
MSGTO: RUEHC/SECSTATE WASHDC IMMEDIATE 9936
RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUEHTI/AMEMBASSY TIRANA 3950
RUESEN/SKOPJEBETA
ORIG: AMEMBASSY BELGRADE
PREC: IMMEDIATE
SSN: 7415
TOR: 981030071707 M3534581

DECLASSIFIED E.O. 13526
Department of State Guidelines, November 6, 2015
By VZ NARA, Date 4/30/2024
2008-0994-F.3

~~CONFIDENTIAL~~ SECTION 01 OF 02 BELGRADE 007415

ROME PASS VATICAN

E.O.: 12958 DECL: 10/30/08

TAGS: PGOV, PREL, PHUM, PINS, SR

SUBJECT: SERBIA INTO THE GULAG

1. (C) CLASSIFIED BY NICHOLAS M. HILL, POLITICAL OFFICER, REASON: 1.5 (B) AND (D).

2. (C) SUMMARY: "SERBIA IS BECOMING A GULAG," AN OPPOSITION POLITICIAN TOLD POLOFF OCTOBER 29. HE WAS REFERRING TO MILOSEVIC'S CRACKDOWN ON THE MEDIA AND HIS DECISION TO SACK STATE SECURITY CHIEF JOVICA STANISIC. ANGER AND FRUSTRATION HAVE REACHED LEVELS NOT SEEN IN OPPOSITION CIRCLES -- IF NOT LN THE PUBLIC AT LARGE -- SINCE THE ZAJEDNO RALLIES OF TWO YEARS AGO. STANISIC'S ABRUPT DEPARTURE REPRESENTS THE VICTORY OF HARD LINE REGIME FIGURES LED BY MILOSEVIC'S WIFE, MIRA MARKOVIC. WHILE WIDELY BELIEVED TO HAVE MUCH BLOOD ON HIS HANDS IN BOSNIA, STANISIC WAS GENERALLY CONSIDERED TO BE AN INTELLIGENT AND RATIONAL PLAYER--TWO QUALITIES THAT SET HIM APART FROM THE FRY PRESIDENT'S WIFE. END SUMMARY

3. (C) THE SACKING OF MILOSEVIC'S LONG-TIME STATE SECURITY CHIEF, JOVICA STANISIC, HAS SENT SHIVERS THROUGH MANY IN SERBIA'S PROSTAATE OPPOSITION. IT DRIVES HOME FOR MANY THE OBVIOUS: THE ASCENDANCY OF A HARD-LINE ALLIANCE OF VOJISLAV SESELJ'S SERBIAN RADICAL PARTY (SRS) AND MIRA MARKOVIC'S RETRO-COMMUNIST YUGOSLAV UNITED LEFT (JUL). IN THE PAST FEW MONTHS THE REGIME HAS CRACKED DOWN HARSHLY ON THE UNIVERSITIES, THE SERBIAN JUDICIAL SYSTEM, AND THE MEDIA. STANISIC'S REMOVAL AND REPLACEMENT WITH PUBLIC SECURITY AND JUL CRONY RADOMIR "RADE" MARKOVIC MAY HAVE COME AS THE SINGLE BIGGEST JOLT TO THOSE WHO DECRY THE LOSS OF CIVIL SOCIETY IN SERBIA.

4. (C) WHILE WIDELY ACKNOWLEDGED TO HAVE BEEN INSTRUMENTAL IN ORGANIZING PARA-MILITARY FORCES IN MILOSEVIC'S WARS IN CROATIA AND BOSNIA AND, MORE RECENTLY, IN KOSOVO, STANISIC WAS GENERALLY VIEWED AS A VOICE OF REASON. OPPOSITION FIGURES PARTICULARLY CREDIT HIM WITH THE RELATIVE RESTRAINT EXERCISED AGAINST ZAJEDNO DEMONSTRATIONS THAT AROSE AFTER

MILOSEVIC ATTEMPTED TO STEAL MUNICIPAL ELECTIONS IN NOVEMBER 1996. THE INCOMING STATE SECURITY HEAD, RADE MARKOVIC, ON THE OTHER HAND, IS SAID TO BE A GOOD ADMINISTRATOR AND CAPABLE POLICEMAN, BUT HE ALSO IS VIEWED AS THE HARD-HEADED AND EXTREME CHIEF OF THE BELGRADE POLICE FORCES WHO WANTED TO SMASH ZAJEDNO'S DEMONSTRATIONS BY FORCE. MARKOVIC'S MAIN ATTRIBUTE IN TAKING ON HIS NEW POSITION IS COMPLETE LOYALTY TO MILOSEVIC AND HIS WIFE. HE IS ALSO A FRIEND AND TENNIS PARTNER OF MILOSEVIC'S UNSAVORY SON MARKO. MARKOVIC IS BEST KNOWN FOR HAVING STRUCK VUK DRASKOVIC'S WIFE DURING AN INTERROGATION WHILE THE COUPLE WERE INCARCERATED EARLIER IN THE DECADE.

WHY NOW?

5. (S) WHY THE PERSONNEL SWITCH NOW? POLOFF HAS HEARD AN ASSORTMENT OF EXPLANATIONS ALL REFLECTING TO A COMMON THEME: THE MILOSEVIC REGIME'S RECENT EFFORTS TO CRUSH CIVIL SOCIETY REFLECT ITS INCREASING PARANOIA. AS SUCH, STANISIC WAS DISTRUSTED BY MILOSEVIC AND EVEN MORE SO BY HIS WIFE. BELGRADE'S ACTING MAYOR MILAN BOZIC TOLD POLOFF OCTOBER 29 THAT STANISIC'S GOOD RELATIONS WITH THE DJUKANOVIC GOVERNMENT IN MONTENEGRO, THE ONLY FLICKER OF DEMOCRATIZATION IN THE FRY, RENDERED THE SPY MASTER SUSPECT. MIRA MARKOVIC, WHOSE HATRED FOR DJUKANOVIC BORDERS ON THE MANIACAL, WAS PARTICULARLY INCENSED BY STANISIC'S REFUSAL TO APPLY MORE PRESSURE AGAINST DEMOCRATIC FORCES IN THE FRY'S JUNIOR REPUBLIC. SHE REPORTEDLY WANTED STANISIC OUT MONTHS AGO. HIS REMOVAL NOW MAY SIGNAL THAT THE REGIME IS SET TO RENEW EFFORTS TO UNDERMINE DJUKANOVIC.

NOT A RESIGNATION

6. (S) STANISIC HIMSELF ENDED SPECULATION CIRCULATING IN BELGRADE THAT HE HAD RESIGNED OF HIS OWN WILL. IN AN UNUSUAL MOVE, HE ISSUED A STATEMENT OCTOBER 29 THROUGH INDEPENDENT DAILY GLAS JAVNOSTI CONFIRMING THAT HE HAD INDEED BEEN DISMISSED AND HAD REFUSED OTHER JOB OFFERS FROM MILOSEVIC. IN HIS STATEMENT HE SAID THAT HE HAD FAITHFULLY DISCHARGED HIS DUTIES IN ACCORDANCE WITH CONSTITUTIONAL AND LEGAL RESTRICTIONS. RATHER POINTEDLY, HE SAID THAT HE WISHED TO BELIEVE THAT IN THE FUTURE HIS SUCCESSORS WOULD CONTINUE TO WORK UNDER THE SAME PRINCIPLES --AT LEAST IMPLICITLY, AN EXPRESSION OF LACK OF CONFIDENCE IN THE MARKOVIC AND MARKOVIC TANDEM. MILOSLAV VLASIC, A FORMER POLICE OFFICER AND LEADING OPPOSITION JOURNALIST, TOLD POLOFF THAT MARKOVIC ENJOYS VERY

~~CONFIDENTIAL~~ SECTION 02 OF 02 BELGRADE 007415

ROME PASS VATICAN

E.O.: 12958 DECL: 10/30/08
TAGS: PGOV, PREL, PHUM, PINS, SR
SUBJECT: SERBIA INTO THE GULAG

LITTLE SUPPORT AMONG THE RNK AND FILE OF THE SERBIAN STATE SECURITY. HE SPENT HIS ENTIRE CAREER IN PUBLIC SECURITY DOING REGULAR POLICE WORK RATHER THAN INTELLIGENCE.

7. (S) STANISIC'S DEPARTURE HAS PROMPTED ALL SORTS OF SPECULATION. ACCORDING TO VLASIC, MARKOVIC WILL ASSUME THE ROLE OF PUPPET, WITH DECISIONS CONCERNING STATE SECURITY NOW CARRIED OUT ENTIRELY BY MILOSEVIC AND HIS

WIFE. ACCORDING TO ZARKO KORC, HEAD OF SERBIA'S SOCIAL DEMOCRATIC UNION, THE BIG WINNER IN STANISIC'S OUSTER WILL BE ALEKSANDAR DIMITRIJEVIC, THE CHIEF OF THE VJ'S MILITARY INTELLIGENCE AND CLOSE CONFIDANT OF MIR MARKOVIC. KORC BELIEVES THAT THE MOVE TO PUSH OUT STANISIC COULD PORTEND A CONSOLIDATION OF THE TWO INTELLIGENCE DEPARTMENTS. HE TOLD POLOFF THAT THE MOVE MEANS THAT THE REGIME WILL SHARPLY Ratchet UP ITS LEVEL OF REPRESSION. THE GRINDING MACHINE IS FINALLY COMING TO BELGRADE, HE PREDICTED DARKLY, AFTER PRACTICING IN KOSOVO AND ELSEWHERE.

MORE LIKE CEAUSESCU

8. (S) BRTISLAV GRUBACIC, EDITOR-IN-CHIEF OF THE DAILY V.I.P. NEWS SERVICE, TOLD POLOFF THAT STANISIC'S OUSTER REFLECTS THE FEAR NOT THE STRENGTH OF MILOSEVIC. HE PAINTED A PICTURE OF A REGIME RESEMBLING MORE AND MORE THAT IN CEAUSESCU'S ROMANIA, WITH A PARANOID FIRST COUPLE TRYING TO SUFFOCATE AN INCREASINGLY RESTLESS OPPOSITION. ECHOING VLASIC, GRUBACIC TOLD POLOFF THAT HIS CONTACTS IN THE POLICE SAID THAT THE RNK AND FILE IN SERBIAN STATE SECURITY WERE OFFENDED BY THE SELECTION OF RDE MARKOVIC. PICKED FOR HIS LOYALTY TO THE LEADING COUPLE, MARKOVIC WOULD ARREST HIMSELF IF MILOSEVIC INSISTED, GRUBACIC QUIPPED. HE WILL ALSO TURN A BLIND EYE TO THE PROFITEERING GOING ON BY THE MOST CORRUPT IN THE REGIME, MOST NOTABLY BY THOSE IN JUL. NIKOLA SAINOVIC, MILOSEVIC'S TOP KOSOVO ADVISOR, AND LEADING MEMBER OF WHAT GRUBACIC TERMS THE REGIME'S LOBBY OF THIEVES, WAS REPORTEDLY PARTICULARLY HAPPY TO SEE STANISIC GO.

COMMENT

9. (S) ONLY IN MILOSEVIC'S YUGOSLAVIA COULD THE REPLACEMENT OF WHAT WAS BY ALL ACCOUNTS A BLOOD-STAINED INTELLIGENCE CHIEF CAUSE SUCH CONSTERNATION AMONG THOSE IN THE POLITICAL OPPOSITION. STANISIC AT LEAST HAD BRINS AND AN UNDERSTANDING THAT REPRESSION WORKED BETTER WHEN ACCOMPANIED BY A LITTLE CIVILITY--IF ONLY AMONG SERBS. BY ALL ACCOUNTS, RDE MARKOVIC PROMISES TO BRING TO HIS NEW POSITION A COMMITMENT TO MINDLESS REPRESSION THAT MAY MAKE EVEN SLOBODAN MILOSEVIC, IF NOT HIS WIFE, BLUSH. THE FRY PRESIDENT IS TAKING HIS CHANCES BECAUSE, AS THE REGIME HARDENS ITS TACTICS, IT MAY PROVE MORE SUSCEPTIBLE TO CRACKING. THAT WOULD BE THE ONE GLIMMER OF HOPE AMONG THOSE IN THE DEMOCRATIC OPPOSITION: INSTABILITY INHERENT IN UNTENABLE TIMES BEGETS CHANGE. THE OPTIMISTS HOPE FOR A PALACE COUP.

10. (U) TIRNA MINIMIZE CONSIDERED.

MILES

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 21, 1998

STATEMENT BY THE PRESS SECRETARY

FRY Crackdown on Independent Media

The United States condemns the draconian law on Information passed yesterday by the Serbian parliament. This law establishes massive fines on media outlets for failing to publish information the FRY authorities deem important and for carrying foreign programming. It also requires publishers to forward copies of each issue to the public prosecutor and the Ministry of Information. This repressive law follows a series of hostile actions taken against independent media outlets in the FRY over the past weeks, including the closure of newspapers Danas, Dnevi Telegraf, and Nasa Borba and Radio Index in Belgrade, and Radio Senta in Vojvodina.

The government's actions are clearly designed to intimidate Serbia's independent media and to prevent them from reporting the truth about President Milosevic's campaign of repression in Kosovo. Milosevic is also trying to hide from his own people the substantial concessions he has been forced to make under the threat of NATO air strikes. This includes an unprecedented international presence in Kosovo, that until now he had steadfastly resisted, with 2,000 OSCE verifiers on the ground and NATO surveillance in the air.

The United States is committed to promoting free and open media across the globe, including in the FRY. We are actively supporting the courageous work of civil society and independent media organizations in the FRY who are struggling to keep independent media voices alive. We have expanded Voice of America's Serbian and Albanian broadcasts, and have begun broadcasting medium wave transmissions which can be received on AM radios throughout the FRY. We are also utilizing the Internet to enhance the level of information flowing in and out of the country.

In the Federal Republic of Yugoslavia, independent radio stations and newspapers have provided valuable perspectives to the population of Yugoslavia about issues which strongly affect these citizens' lives. Without independent media voices, the people of FRY will be less able to make the informed decisions that will determine their future.

The Belgrade leadership should immediately halt its repression of independent media. Developing a vibrant civil society with free and independent media will be a crucial step in building the type of civil society which can return the Federal Republic of Yugoslavia to its place among nations. Unfortunately, the current leadership in Belgrade seems determined to keep that country a pariah and to deny its citizens the benefits of democracy and integration into Europe.

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