

BC-YUGOSLAVIA-GOVERNMENT

SOCIALISTS NOMINATE U.S. SERB AS YUGOSLAV PREMIER

BELGRADE, June 16, Reuter - The main Socialist Party (SPS) in Yugoslavia's newly-elected federal parliament has proposed Milan Panic, a Yugoslav-born U.S. citizen, as prime minister, Tanjug news agency said on Tuesday.

It said SPS leader Borisav Jovic endorsed Panic in a meeting with new President Dobrica Cosic, part of consultations on forming a new federal government.

Panic, 63, moved to the United States from then-Communist Yugoslavia in the mid-1950s and later founded a pharmaceutical concern in California of which he is now president and chief executive officer, a company spokesman told Reuters.

Spokesman Mihajlo Saranovic said Panic was an ethnic Serb who had become an American citizen but he did not know if he had retained Yugoslav citizenship.

Tanjug said the president had to nominate a prime minister formally within a week of his election. The prime minister would have to form a government within 30 days and parliament would have to approve it.

Jovic proposed Panic as the best candidate to pull the Serb-led Yugoslav federation out of a crisis caused by U.N. sanctions imposed over its alleged involvement in ethnic war in the secessionist republic of Bosnia-Herzegovina.

''With Panic's election as prime minister, our country would come out of this economic and social crisis much quicker,'' Tanjug quoted Jovic as saying on Tuesday.

A new Yugoslavia was proclaimed on April 27, comprising only two of the old federation's six republics, Serbia and tiny Montenegro. The move followed the secession of Slovenia, Croatia, Macedonia and Bosnia-Herzegovina over the past year.

The federal parliament's election of Cosic, a widely respected Serb author, as president on Monday was regarded by some experts as offering hope of easing popular discontent over the fighting in Bosnia, which the West blames largely on Serbia.

Cosic said in his inaugural speech he would fight for democracy. Some commentators believe he will try to steer Serbia on a different political course, averting bloodshed.

Thousands of students barricaded themselves in Belgrade University on Monday and refused to come out until Serbia's Socialist president and the main power broker in Yugoslavia, Slobodan Milosevic, resigned.

The deans of 29 faculties joined more than 10,000 students, angered by U.N. sanctions and the war in Bosnia, who were demanding Milosevic's resignation and creation of a government of national salvation.

It was the third successive day of street demonstrations against Milosevic, a nationalist and former Communist whom the protesters blame for the U.N. sanctions against Yugoslavia and the conflict in Bosnia.

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