

A man with grey hair and a mustache, wearing a dark double-breasted suit, a light blue shirt, and a patterned tie, stands outdoors. He is leaning on a metal railing. To his left is a large evergreen tree. In the foreground, there are colorful flowers, including red and white ones. The background shows a building with large windows and some greenery.

AMERICAN DREAM:

a guy from croatia

Boris Miksic

Boris
for Croatia

***AMERICAN DREAM:
a guy from Croatia***

5th EDITION

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*To two great Croats —
The late Governor Rudy Perpich
and President Franjo Tudjman,
whose charisma and vision
helped change the course of history
for Minnesota and Croatia*

*The author wishes to acknowledge
Cynthia Nelson for her assistance in making
this book possible.*



Ivan Lackovic Croata:
“With hobo bindle stick to a foreign land”,
one of the painter’s last graphics, 2004

Hard Work and Fate

My life has been a combination of hard work and fate. Often, it seems, fate has played the bigger part.

Such was the case on April 3, 1996. I was traveling on business and had just returned to my hotel room to prepare for dinner. As I got ready, I switched on the television to catch a little of the evening news.

What I heard stunned me...and most of the nation.

“Government officials have confirmed that the Air Force jet carrying U.S. Commerce Secretary Ron Brown and more than thirty American business leaders crashed earlier today outside of Dubrovnik, Croatia. Rescue teams are combing the area, but their attempts have been hampered by poor weather and the rugged terrain. It is now believed there are no survivors.”

“Oh, God, what next?” I thought. For a moment I feared the worst—that it wasn’t an accident, that there had been some sort of rocket attack to bring the hostilities of the region back into full-scale fighting. I was relieved to hear later that there was no evidence

of hostile action—no rocket, no bomb. Just bad weather and poor judgment—and tragically, thirty-three people dead.

Some weeks earlier I had received a phone call from my contact in Washington, D.C., telling me about plans for a trade mission to Bosnia and Croatia. Commerce Secretary Brown was going to take a group of government officials and U.S. business executives to that war-torn area in hopes of generating business to stimulate its economy. Was I available to go along?

I really wanted to go. Moreover, I felt it was a great opportunity for my home country, Croatia. Although I had lived in the United States for more than twenty years, my ties to Croatia were still strong, perhaps stronger than ever before. I had family and many close friends there, as well as business interests, and I was glad to support anything that would help build stability in the region.

About that same time the United States Department of Defense announced a partnership between the Minnesota National Guard and the Croatian armed forces. The partnership was intended to assist Croatia in its efforts to maintain a military structure that

was accountable to democratic civilian leadership. The program consisted of a series of exchange visits designed to provide Croatian military personnel with the opportunity to observe how the Minnesota National Guard performed certain functions. Subjects such as medical operations, military justice administration, staff management activities, and public affairs operations were intended areas of cooperation. As Consul General of Croatia in Minnesota, I had been included on a team that met with Pentagon and National Guard representatives for several months to put the project together. It was an important undertaking, one that could help ensure continued stability in the region for years to come, especially after UN and NATO forces had completed what they had set out to do and withdrew their troops at the end of 1996.

There was a history for this type of U.S. partnership in regions of the world where we did not have rationale to involve American combat troops, but wished to maintain a presence in the area. The Croatian and Minnesota connection was like the United State's involvement when the Baltic states began drifting away from the Soviet Union. At the invita-

tion of the Baltic countries, the Department of Defense involved National Guards of various states in partnership programs. Because the focus of these partnerships was decidedly non-combat, our presence was not viewed as aggressive. Still, our military presence was noted and it helped to keep the peace. This same sort of bridge was established between the Minnesota National Guard and Croatia. A long-term partnership with the Minnesota National Guard helped create stability in the region. The arrangement was a win-win situation for both Croatia and the United States.

We were just putting the finishing touches on plans for this involvement in Croatia when I received the call from Washington. I felt it was more important to stay and complete what had been going on for several months than to go on a new mission. I regretted not going, but my schedule just wouldn't allow me to attend.

Now, as I stood in my hotel room, staring at the television screen, I realized how fortunate I was. I could have been on that plane.

You could say that fate won another round.

The Red Ferrari

Nineteen sixty-eight is the year remembered throughout the world as the wild year of the Student Movement. For me it was significant in another way. A short trip to the Samobor hills near Zagreb, Croatia in the fall of that year changed the course of my life.

My girlfriend Dunja and I were headed to the railway station on our way back to Zagreb, and as we walked across Samobor's main square, we heard an unusually loud roar of a car engine. We turned around to see a red Ferrari 330 America driving toward us. It was the car of my dreams! Although we had never hitchhiked before, this time, without a word, we both raised our thumbs.

The Ferrari stopped. In the car were a young man and woman.

"Can we give you a lift?" the man asked in English.

We jumped at the chance.

As we drove toward Zagreb, we learned the friendly young couple was on their honeymoon. They introduced themselves as Dick and Margie Singer, Americans from New York. They were on their way to Germany

and had only stopped for a few days in Zagreb where they had some business with the record company Jugoton. Dick's father owned Singer Products Co., Inc., whose headquarters were in the World Trade Center in Manhattan. Among others, they represented RCA, the manufacturer of recording studio equipment.

We got along really well and met a few more times while they were in Zagreb. Then they left in that beautiful Ferrari. During the next few years we exchanged Christmas cards and a few letters, as usual after such a short acquaintance. I didn't know then, but more than anything, that chance meeting on the road was the ticket to my future.

I grew up in Zagreb, and until I was seventeen my parents and I lived in Tresnjevka, a part of Zagreb in many ways similar to the Bronx. We lived in one rented room, without a bathroom or kitchen. We slept, cooked, and washed in that tiny room. Our apartment was so small it was hard to have people over, and since I could not invite my friends to visit, I didn't like to go to their homes either. I grew up a rather withdrawn young man. It was during this time in my life that I became

acquainted with Stjepan Tudjman, the son of now Croatian President Tudjman. We were about the same age and attended the same school. However, it wasn't until I was an adult that we became close friends.

My parents had lived in Zagreb since World War II. They met in a town called Karlovac, outside Zagreb just after the war and were married in 1946. My mother Nina majored in German and Russian and worked as a highschool teacher until she retired. Before World War II my father had gone to college, majoring in business, but was forced to quit when he entered the military. After the war, when he returned to Zagreb, he got a job as an accountant and was later the head of accounting in a civil engineering firm.

My mother's family originally came to Croatia from Russia. Her father's last name was Genrihsen; he was of Swedish origin, but after living many years in Russia, the family had assimilated and felt themselves to be Russian. My maternal grandmother was from the eminent St. Petersburg family Von Radecki. She was a very talented pianist, had finished at the famous Smolni Institute and even performed at the Court with a group of the most

talented students. Her talent was beneficial; when my grandfather took to drinking, she was the breadwinner of the family, giving piano and French language lessons.

After the Bolshevik Revolution in 1917, the family left Russia to escape communist rule. They settled in Karlovac, a town some thirty miles from Zagreb. My mother and her sister Olja had to work to support themselves through college. In 1945 the communists killed my grandfather, along with most of the Russians who had settled in that area. Since they had all emigrated after the Revolution, they were naturally anti-communists. As a result, my grandmother and my aunt Olja fled to Brazil in 1950.

My father's family was from a village near Karlovac in Croatia. They were quite wealthy, owning mills, a pub, and a lot of land. My father Stjepan was one of the first Domobran (Croatian Home Guardsmen) pilots. He graduated from the Domobran Academy and in 1942 went to a pilot school in Germany. Until the end of 1944 he was with the Croatian Legion, fighting on the French, Russian, and German fronts. After the war he spent five months in a military prison and was then

sent to forced labor camps in Urosevac and Sar-planina, Yugoslavia. He was set free in 1946.

For obvious reasons my family had always been against communism, and I was raised in that spirit. I was taught to be proud of my Croatian heritage. Each in our own way, we all held on to our principles and beliefs and never made any compromises. I still remember how every Christmas, which was not considered a holiday in the communist era, my mother took records with classical music to the school where she was teaching languages and played them all day long, never saying a word.

When I turned seventeen, we moved from Tresnjevka to Krajiska Street, closer to the center of Zagreb. My father had always had a good sense for business. As he did better and better, our standard of living improved accordingly. During the summers I worked with the engineers from his firm. I even received a grant from a construction company from Dubrovnik, so I had a secure job when I graduated.

I graduated from high school with honors and did very well during the first two years

at the University of Zagreb. I was a student of mechanical engineering. My main fields of interest were theoretical subjects-math, thermodynamics, and the like. For my graduation thesis I chose mechanics. During my junior and senior years at the University, when I had to take more practical courses, my grade average dropped. I was not so good at drawing. Still, I graduated as one of the top ten people in my class.

My ex-wife Olga and I met at the University in 1971. She was majoring in Italian and art history, and her classes met in a building right next to the mechanical engineering building. We were married the following year, immediately after my senior year, and moved to her parents' summer house in Novi, on the Adriatic coast. I no longer had classes to go to-I only had to prepare for my final exams. She had by then lost interest in college and spent most of her time painting.

While at the University, I had become involved in the Student Movement, a Croatian patriotic group formed in 1968 at the University of Zagreb to protest against government oppression. It was similar to the student movement in China in recent years

that sparked the confrontation in Tiananmen Square. Although the Student Movement was early on tolerated-even supported-by the local communist government, in the spring of 1971, it was crushed by Yugoslavian leaders. This began the gray days for Croatia, and I began seriously thinking about leaving the country.

I was dissatisfied with the communist regime and filled with disappointment that the Student Movement had failed. I desired to try my luck in a new country offering more challenge and opportunities. Besides, my activities with the Student Movement had gotten the attention of communist officials, and I was fearful of being arrested. I had reason to be afraid, especially since I had been so openly involved with the movement. A lot of people who were involved like I was had been arrested. Some disappeared. The Yugoslavian government took a dim view on dissidents and punished these people severely. Leaving the country didn't necessarily guarantee safety, either. Records show that even here in the United States a number of Croatians were executed by Yugoslavian secret police for their activities on behalf of Croatia.

To understand the importance of what happened to the Student Movement in Croatia in 1971 it is helpful to know at least some basic historical facts. Yugoslavia was established as a state only after World War I. Before that, for more than eleven centuries, each of its parts was a separate state, fully independent at first and later under the rule of several more powerful states-Austria, Venice, and Turkey being the most important. After the war Slovenia, Croatia, and Bosnia joined into a common federation with Zagreb as its capital. In 1918, under international pressure this state then joined with the Kingdom of Serbia and the Kingdom of Montenegro to form what was first called the Kingdom of Serbs, Croats, and Slovenians, later to be named the Kingdom of Yugoslavia. The ruling dynasty was Serbian, and Belgrade became the capital.

Even though the Independent State of Slovenians, Croats, and Bosnians was by far the largest to enter this new state (it had eight million inhabitants, compared to four million in the Kingdom of Serbia and a mere 300,000 in Montenegro), Serbs managed to manipulate the elections in such a way that the constitution of Yugoslavia was brought by

only a third of the actual votes, insuring Serbian domination.

After World War II, the socialist federate Yugoslavia was formed under Tito's rule. All national awareness was suppressed and people were expected to feel "Yugoslavian" first and foremost. Ruled by a Soviet style economy, ethnic problems were repressed and hushed up. However, roughly the same economic and military policies were maintained. Serbian domination continued, and Croatia still had the smallest relative share in investment and employment.

Seeing our homeland systematically drained of all its wealth and our language and culture being replaced by Serbian influences, Croats like me joined into a mass movement, the Student Movement or Maspok, to demand a more just division of wealth and the recognition of our national identity. But as I said earlier, the movement was quickly crushed and its leaders put in prison.

It was after the crackdown in 1971 that I started planning my escape. The very first thing I did after graduating from college in late 1973, was to get in touch with Dick Singer, the guy from the red Ferrari. If anyone

had connections that could get me out of the country, Dick did. But would he help me immigrate to the United States?

At the time my name was on a communist blacklist. My actions were being watched, my means of communication, monitored. I didn't even have a valid passport in my possession. Because it was too dangerous for me to try to contact Dick Singer directly, we decided that Olga should try to get a letter through to him. Since she still had a passport and was able to travel, we agreed that she would go into Austria on the pretext of a holiday and mail the letter from there. However, we couldn't risk having Dick's reply fall into the wrong hands, so we arranged with some friends in Austria to have the reply come to them. They would then get the word to us.

My letter was to the point: "Send me an affidavit of support and find a job for me." I could only hope and pray that he would.

A few months later, our friends in Austria got word to us that they had received a letter from the United States which was addressed to us. Olga once again made the trip into Austria to pick up the letter. It was from Dick: "Sure, I'll help you. Make your arrangements.

I'll gladly sponsor you and Olga." Attached to his letter was an official letter of guarantee that we needed in order to emigrate to the United States. I got the good news as I was in the hospital being treated for a bad reaction to a tetanus shot. As soon as I was released from the hospital, Olga and I began to put our plans into action.

In February 1974 I went to the University of Zagreb to pick up my diploma, but did not return home for fear I'd be served my draft-card. Instead, I took a train to Austria, pretending I was going skiing. I never intended to return to Yugoslavia. As a matter of fact, I thought it would be impossible for me to do so. In those days it was unthinkable that communism would ever collapse, that the Berlin Wall would fall, that Yugoslavia would come apart at the seams and Croatia would again be free. When I left my homeland, I did not look back. I had chosen a new life for myself and my family.

To get across the border, I used an expired passport that I altered. We planned for Olga to come separately, to avoid any suspicion. My parents drove up with her to meet me, since we had sold our car in Zagreb for travel-

ing money. From Austria we all drove on to Luxembourg where Olga and I bought airline tickets to New York with the \$400 we had gotten from selling our car. These were the days before cheap charter flights and Icelandic Airlines' fares were the least expensive. Still, it took just about all the money we had. The two of us flew toward our future with \$37 in our pockets and much apprehension in our hearts. Or, to be more precise, already almost the three of us, for Olga and I left Zagreb knowing that we were to become parents. We hadn't told anyone; our parents were worried enough as it was.

We had no time to think of what lay ahead. The future, as Albert Einstein put it so well, comes soon enough.

New Life in Minnesota

The Singers met us at J.F.K. Airport. We stayed with them for a few days and they took us to see a little of New York. Even though as a young man I had traveled through most of Europe with my parents, America was definitely something else. It was an overwhelming, enchanting country where anybody would first want to have fun-but fun was the last thing on my mind. I am the kind of person who likes to have a solid base, so I was preoccupied with thoughts of how we would manage in this new place. After all, I was in a country I knew almost nothing about, my wife was pregnant, and I had no idea where we were to live, what job I would find, and how we would survive. Olga and I had already agreed that if we didn't make it in the United States, we would go on to Canada, and if that didn't work out either, we were prepared to go as far as Australia.

I can't say enough about the generosity and warmhearted kindness of Dick and Margie Singer. They opened their home and hearts to us and made it possible for us to get a start in our new country. The warmth we felt in

their home those first few days helped restore some calm and optimism in us. I knew I really had friends here and if I needed anything I could rely on Dick and Margie to help. And in all the years we have been friends, they have never asked anything in return.

Dick and Margie Singer lived in Westchester County, one of the finest parts of New York. Their luxurious home was filled with things I could only dream of attaining someday. But now that I was in America, the land of opportunity, who knew what would happen? At the time Dick worked in his father's firm, and among the many companies they represented was a St. Paul-based company called Northern Instruments. They manufactured corrosion inhibitors and a type of an electronic sensor. The Singers were very friendly with the company's president John Skildum, so they arranged for me to work there.

Skildum and his wife Sharon came to meet us in New York, so we got a chance to get to know them at least a little before we all flew to Minneapolis. John Skildum was not at all like Dick Singer. The first time I saw him, I looked up into his steel blue eyes and swallowed hard. This was my new boss. Skildu

was very reserved and spoke little. I had a difficult time warming up to him. To be honest, I never did.

I remember March 7, 1974, very well. The flight took several hours, and we could see the endless snow-covered flatlands. If it hadn't been for my apprehension that grew with every mile, that too would have been an exciting experience. I trusted Dick Singer, but Skildum—from the very start, I couldn't understand.

Later on I realized that Skildum's cool, reserved mentality was common in many of the people of Scandinavian descent in Minnesota. I was never able to get them to talk about much more than the weather, sports, and the like, and I find it very hard to get to know someone that way. But at that moment the most important fact for me was that John Skildum was offering me a job.

When we got to Minneapolis I was flabbergasted to be told that from now on I was to work as a chemical engineer! My English was limited; I had only learned it in high school, and Olga had never learned it at all. Had I found a job in my field, it wouldn't have been so bad. But now I was going to

have to struggle to understand the language while learning a new job! The only thing we could do was learn the language any way we could, so Olga and I decided to completely stop speaking Croatian for a while, even at home, until we were sure we could get by with English.

Northern Instruments paid the rent for an apartment for us for the first six months. They were quite helpful in other ways, too. They let their secretary go shopping with us in those first weeks, which would not have been easy for us to do on our own. At first we tried to get by without a car, but this was simply impossible. We had to borrow some money and buy anything on wheels. Our first car was a second-hand Chevrolet, a far cry from a red Ferrari!

Yet these difficulties were nothing compared to what I had to face at work day in and day out. My first task was to do a study on corrosion. I was familiar with the subject, moreover at the University of Zagreb I was one of the very few who got an A on the exam from Professor Esih, but still, for mechanical engineering it was a relatively unimportant course.

I worked on the study for a full six months, spending most of the time in the Hill Reference Library which specializes in business and technology publications. It was founded by James J. Hill, one of the railway magnates of the nineteenth century. His life story inspired me. I learned that Hill was born in Canada and left school when he was only nine years old to work as a manual laborer. Later, he moved to the United States and got a job building the railway. He probably never dreamed that one day he would be considered one of the important persons to mark that period of American history. By investing wisely, he eventually became not only the owner of Burlington Railway Company, today Burlington Northern, one of the largest in the world, but also of a great deal of land that he purchased while building the railroad. Hill contributed significantly to the development of St. Paul, invested in many civic institutions, co-financed the construction of the St. Paul cathedral, and if it hadn't been for his money, I wouldn't have been able to work on my study in the library named after him. I only hoped I could do a fraction as well as Hill in my new country.

In the following months, despite being very overwhelmed, little by little I began to learn my way about the Twin Cities of St. Paul and Minneapolis. I found Minneapolis to be a city of elegant skyscrapers made of concrete and glass, while in St. Paul the respect for the past was evidenced in its many renovated buildings. Another difference was religion—while Minneapolis is mostly Protestant, St. Paul's heavily Roman Catholic population made Olga and I feel more at home.

When I think about it now, even though I could not choose at the time, I was lucky to come to Minnesota. The Urban Institute of Washington, D.C., recently ranked the Twin Cities number one for overall quality of life in all of the United States. In addition to the hundreds of parks, dozens of lakes within the cities and their suburbs, housing, income, education, government, health care, and recreation, there are other reasons that make these cities so pleasant to live in. Some say that many of the area's founding fathers were from northern Europe and had brought with them a tradition of good government. Others say that the harsh climate creates hardy men and women who unite against their common

enemy. It's hard to say what the real reason or formula is, but it is a fact that you can sleep peacefully here. There are no major minority or crime problems. Population density is low; people live mostly in single-family homes and going to church is important. Moreover, the Twin Cities are surrounded by a rural area where traditional values and the love of land are fostered.

As soon as we settled down a little, Olga and I wanted to meet other Croatian immigrants in the area. We knew there were several thousand here, and were told there was a Croatian Hall in the city, as part of the Croatian Fraternal Union (CFU). We decided to take a look. The hall was located in a blue-collar neighborhood, where most of our people lived, working in the slaughterhouses and big industry. But this Croatian Hall, as we were soon to find out, had nothing to do with Croatia. We longed to talk to someone in Croatian, but the place, which mostly resembled a pub, was full of German and Polish people, with only a few Croats. Somebody had the great idea that if they started a pub disguised as an immigrant club-a non-profit organization-they could avoid paying a lot of

taxes. They had the Yugoslav flag there, and the few photos from the “old country” were from all parts of former Yugoslavia.

At the time, the Croatian Fraternal Union itself was predominantly pro-Yugoslavian. This changed after Badovinac retired and Luketic took over leadership. In the years since then, the CFU has taken a dominant role in organizing the Croatian-American community in this country. Of the approximately 2.5 million Croatian-Americans living in the United States today, nearly 100,000 are members of the CFU. The organization actively supported President Tudjman and his efforts for Croatia’s independence, and during the war with Serbia it lobbied hard for Croatia’s cause through the U.S. media and on Capitol Hill, and raised funds to send medical supplies to the war-torn area. The CFU’s efforts on behalf of Croatia were important to the history of that country. Without CFU’s support, things that went on in Croatia during the Serbian aggression may have gone unnoticed, but with CFU’s persistent lobbying, U.S. government officials finally have realized the important role Croatia plays in the stability of the Balkan region.

At a state dinner I attended in Washington in February 1996, Defense Secretary William Perry even told me that Croatia's role in the Balkans is crucial. That thinking is a welcome change from the government's previously pro-Serbian posture.

However successful the CFU's efforts have been in promoting Croatia's cause, the organization was unable to help us in changing things at our local Croatian Hall. As Luke-tic explained to me, the CFU didn't own the premises, so even today the people who run it have little to do with Croatia. They only use our name.

During the following few years Olga and I became friends with Dr. Petrovic, another Croatian immigrant interested in all things Croatian. He and I began to organize the Croatians from the area. We held picnics and luncheons and other social gatherings. In other words, we used every opportunity to get together. In the beginning there were some ten families in our group, but today there are dozens. Every year, more and more people attend the Christmas party, which used to be held at our house.

Besides just getting together socially, our efforts focused on promoting Croatian culture. We began inviting Croatian artists on tour in the United States to include the Twin Cities in their itineraries. Such artists and groups generally visited the largest immigrant centers like Pittsburgh and Los Angeles. We're proud to say that today Croatian artists come more frequently to the Twin Cities. Among the first to perform for us was the folklore ensemble "Lado" from Zagreb.

Later on, when the Serbian aggression on Croatia began, the close relations among the Croats in Minnesota helped a great deal in organizing relief for our homeland.

When I think of those first months in the United States, I can honestly say that I found it an easy country to immigrate to. Perhaps since most people in the United States are descendants of immigrants themselves, they welcome newcomers. For the most part, immigrants are accepted regardless of race, religion, nationality, a funny accent or different habits. I found my new countrymen to be very tolerant and open-minded, also very curious about foreign cultures. From the

very first day I never felt like a foreigner here. Never. Despite my less than perfect English.

I believe the only real melting pot in the world is the United States. The United States is the only multicultural, multiethnic society that really works. After having been here for twenty years, I can definitely say this is a pleasant place to live. It doesn't matter whether you're first or fifth generation. The only thing that really matters is what you do, how well you do it, and what you stand for.

In for a Rough Ride

Once the study on corrosion was finished, I spent more time at the office. It didn't take me long to see there was something strange going on there.

But let me begin at the beginning. The first unusual thing I noticed was that Northern Instruments, even though they were a small company, was a public corporation. Shareholders, brokers, bankers, and investors were constantly streaming in and out of the offices. I couldn't quite understand what was going on, but I thought it was me, that I didn't know enough about doing business in America.

John Skildum was a physicist by training and often told me how he had been one of the top engineers at Honeywell. He was tall, impressive-looking, and always in the very center of every event. No wonder that I too was at first impressed by him, in awe of him, and even looked up to him.

In the first days I was paid little, like one of the secretaries, \$1000 a month, while normally engineers made at least twice as much. But Olga and I were happy even with that. For us, the main thing was to be able to sur-

vive; we had decided to stay at any price.

For Easter that year Skildum invited us to his home. We met his children and his parents Jerry and Emily. His parents were particularly nice people. Olga and Emily got on especially well; one could almost say it was love at first sight. Emily was the mother of six, and Olga's pregnancy was obvious by then, so they always had something to talk about. It was with them that we got a taste of American family life. We went to their house for Thanksgiving and Christmas and celebrated the births of our children together.

That was very nice, but I was still haunted by the feeling that something was amiss at Northern Instruments. I was really shaken when a man from the sales department was fired. I even called him at home later to see how he was. Soon other people began to leave; some of their own will, and others, fired. One of the people who left was Wally Benson, an excellent marketing man who taught me much about the business. Besides being a help to me professionally, Wally was by far the warmest person I had met in Minnesota. He was really my first good friend in my new home. We spent a good deal of time together, going to

ball games, barbecuing in our backyards, enjoying each other's company. Even after his departure from Northern Instruments, Olga and I continued our friendship with him.

As far as my job was concerned, the more people left, the more Skildum relied on me. From senior engineer I was eventually promoted to vice-president of the company and was in charge of all technical matters.

All the while, he kept issuing new shares and selling them, mostly in private placements—he offered them to target groups of potential buyers. In this case, the target group were wealthy farmers from northern Minnesota and North Dakota, an area of huge farms, five thousand acres and more, with the most sophisticated technology. Even their tractors had air-conditioning!

Herman Lee, one of the wealthiest farmers in the United States and a rather inconspicuous man of simple tastes, was the largest investor. I visited him several times on his farm in the Red River Valley, one of the most fertile regions in the United States. Herman Lee and I became well-acquainted; I was even invited to his son's wedding, which turned out to be a very unusual experience for me. I went, ex-

pecting a three-day celebration as we were accustomed to in Croatia, but instead the reception was over before nightfall. We were offered a piece of cake and a cup of coffee—that was it!

I held my first public presentation at one of such potential investors' gatherings. Skildum took me to Fargo where I addressed the North Dakota Farmers Association. I talked about Northern's technology. As might be expected, I was very nervous, but despite my inexperience and still modest English, the presentation went well. After that Skildum began to take me along to business dinners and soon I was traveling all over the United States. Obviously I couldn't spend much time at home, so Olga was increasingly lonely. In September 1974 our daughter Evonne was born. Two months later we finally got our green cards, and we bought our first house.

Getting our green cards meant we were legally accepted as permanent U.S. residents. Up until that point I had actually been working illegally in the United States since I had no work permit, only an American visa that had expired three weeks after we arrived. Without a green card, I was unable to apply for health

insurance or Social Security or any of the benefits employees usually enjoy. In fact, we had no insurance at all, and our daughter was almost born on the street. I thought that hospital bills were paid afterwards, by check, like most other bills. I was in for a rude awakening the night I brought Olga in labor to the hospital. Because we had no insurance, they asked me to pay \$1200 in advance. We simply did not have the money on hand.

“Who can loan me \$1200 at this time of night?” I thought frantically, trying not to alarm Olga. The first name that came to mind was Emily Skildum. I nervously dialed her number, praying all the while that she would understand and come to our aid. I didn’t need to worry—she drove over immediately and loaned us the money. She really was a great lady.

Her son and my employer, however, was quite another story. I was beginning to realize that the technology he kept talking about simply did not exist, that there were no real production facilities, that the company basically only packaged products. Northern Instruments was definitely not a profitable company. The only income came from the sales

of shares; sales of products were almost symbolic, only about a hundred thousand dollars a year. The real purpose of the enterprise was simply to make the principals rich.

A portion of Northern Instruments stock was held by venture capitalists by the names of Lynch and Ware. These men had a great deal of influence on the company. In their efforts to increase the sales of shares, they were known to arrange large “business dinners” in suites at various hotels in the Twin Cities. There I got to know some of the darker sides of America. Huge amounts of money were spent for such things as prostitutes to entertain potential shareholders and stockbrokers, and it was at such an event that I first witnessed cocaine being taken.

What was taking place troubled me. The management was not reasonable in business either. At one point they acquired a printing and a rubber company, which just didn’t make sense, since it was perfectly clear that neither could generate profits and were not related to Northern’s business.

At the time, Dick Singer’s father, Arthur, was interested in buying one-third of Northern Instruments. He even came to Minneapolis-

olis with a \$75,000 cashier's check in hand. I knew what he was planning to do, and I wanted time alone with him to tell him my suspicions about the company. Luckily, Skildum was not available to pick up Arthur at the airport. I arranged to pick him up instead. Since the drive from the airport was the only time we would have to talk privately, I had to make the most of it. Arthur was not familiar with the Twin Cities, so he didn't realize that I was taking a very roundabout route to Northern Instruments' offices. As we drove nearly into Wisconsin, I cautioned him against investing in the company:

"Arthur, I'm risking my job here, but I have to tell you one thing. I know some things about this company that you don't know. If I were you, I wouldn't give them that cashier's check, because it will be money wasted."

At that time \$75,000 was a lot of money, especially to someone like me. Arthur Singer could probably have afforded it, but I didn't think it was right to let him throw away his money. His son was too good a friend and the Singer family had done so much to help Olga and me.

I suggested he take his time. "Try to maneu-

ver and not give it to them right away. Wait a month and see how things go.”

Arthur listened to me and in the end he left Minneapolis with the check still in hand. And I’m glad he did.

I’m not sure if Skildum ever suspected I had said anything, but if he did, he never mentioned it. Anyway, I didn’t lose my job. If I had, I’m not sure how Olga and I would have gotten along financially. Still, even while I was gradually building a respectable position in the scientific community-my studies were published in trade magazines and I spoke at the meetings of technical associations-I was increasingly unhappy at my job.

John Skildum began to talk about a secret technology that we were going to develop which would make it possible for airplanes to go unnoticed by radar. It was going to be a project for the U.S. Air Force. How we would do this was beyond my comprehension. We didn’t have even the simplest research equipment-I was still forced to go to outside laboratories for the simplest corrosion tests! But Skildum was convincing; he had a way with people and the shares were still selling, at \$25 to \$30 at the time.

Once, while on a business trip in England, I received a startling phone call at my hotel from a representative of the British military.

“Mr. Miksic?”

“Yes.”

“I am calling from the British Ministry of Defense. We wish to speak with you. Please stay where you are. A team of fighter plane designers is on their way to your hotel.”

In an hour five people showed up. They had heard that Northern Instruments had a secret technology and they were very interested. They wanted to have some test panels to see if the technology suited them. I didn't know what to do. Such technology was really being developed at the time, but certainly not by Northern Instruments. Finally I called Skildum and told him what was going on. His reaction? “Sure, no problem. The panels are on their way.”

They never arrived. How could they when he didn't have them?

With each passing day it was getting more difficult for me to stay in the company. It wasn't pleasant to work with dishonest people, but I had a child and an unemployed wife,

so heroic decisions were out of the question. There was nothing to do but wait for the first opportunity to leave.

In the meantime, since bad luck seems to breed more bad luck, we lost our home. There was an explosion of natural gas in the basement of our home and the house burned down completely. Much worse, our daughter Evonne was badly hurt and barely survived.

Eventually we repaired the house, but decided to move anyway. We sold it and bought a piece of land in one of the best neighborhoods in the city, in North Oaks. While we were building our new home, we lived on a rented farm in Hugo. Our son Paul was born there.

In the silence of our temporary home, I reached the decision that changed the course of my life again.

Cortec is Born

My plan was to go into business for myself. I would manufacture chemicals and directly compete with Northern Instruments. But first, of course, I had to start a company and find a source of financing.

America offers the easiest ways for anyone to go into business. You can do it in several ways. The choice depends on how much you're willing to invest, how complex an organization you want, how much liability you're willing to take on, how you want to manage the distribution of profits and losses, and who has control over the decision-making. I investigated all the options.

I found that the simplest and least expensive was sole proprietorship, where I would own and control the whole business. However, it also seemed the most risky, since I would be personally liable for all business debts. Going into a partnership with some one else seemed less risky, since I could share managing rights, profits, and debts, but then I'd have less control. I wasn't confident that a partnership would work best, so I turned to forming a corporation. I discovered that if

I incorporated, I could limit my personal liability, which I considered a plus. Since a corporation is a separate legal entity, the shareholders who own it are not liable for the debts of the business. I could only lose the amount I invested, and by owning the majority share of stock, I could have control.

When I started Cortec (short for Corrosion Technologies), I chose to incorporate in a closely held corporation, where the shares are held by a relatively small number of shareholders. In Minnesota, a closely held corporation is one that does not have more than thirty-five shareholders. Even today Cortec is still a closely held corporation. This provides many of the advantages of incorporation, such as special tax status and limited liability for shareholders, while retaining many of the simplified, less formal operating procedures of sole proprietorships and partnerships.

I found the procedure to incorporate was not very complicated. Basically all that was required was that the shareholders be known and that there was some kind of record of the meetings of the board of directors. In total, I didn't have to spend more than \$500 for the registration.

Still, it might seem not only courageous but even preposterous that I, a recent immigrant with no savings whatsoever, dared to start my own business. But I found that the United States truly encourages entrepreneurship and offers everyone the chance to turn their dreams into reality. If it weren't for the spirit of America, you see, I doubt that I would ever have gathered the courage to start Cortec.

When I told Skildum that I was leaving, he said he understood what I was doing, and that he knew I was going into business for myself. He even wished me good luck. I almost believed him. But soon after that, an unfamiliar car began to circle our farm in Hugo. It would drive around, then stop, turn off the lights, and just wait there. The driver was the president of Northern Instruments at the time. His name was Phil Schneiderman, and he was rumored to have connections with the mob and with drug dealings. He even looked like a movie Mafia man: he wore a black pinstripe suit, a golden pocket watch and, sure enough, white shoes. He didn't do much—just sat there. They were trying to scare me, but it wasn't working.

Then we began getting suspicious and threatening phone calls. One morning, while I was traveling, Olga stepped out the door and discovered a dead cat on our steps. She was uneasy around animals, and the sight of the cat really shook her. It had been shot and intentionally left there to frighten us. It didn't scare me, but it did make me very angry. I wasn't going to give in.

When the scare tactics didn't work, Northern Instruments tried taking me to court for breach of my employment contract. Like most standard employee contracts, Northern Instruments' stipulated that the employee must safeguard the secrecy and confidentiality of technological data. The provision was valid for ten years after one stopped working for the company, regardless of the reason. Whether an employee decided to leave, or was fired, he or she had to keep the technical data secret or face a lawsuit.

Northern Instruments claimed that I was using their proprietary technical data and that I had taken important technological documents from the company. They hired a big law firm to take me to court.

I did the same. I hired Briggs & Morgan,

a large firm that had been successful in handling high profile lawsuits, such as 3M versus Johnson & Johnson. They listened to my story and decided to take on my defense even though they knew I had no money. They simply said to pay what I could. I was really very fortunate there, as many small companies lose against big corporations precisely because they lack the funds to engage a good law firm to defend them.

In my defense I said that I did work for Northern Instruments, but that the data I was using in my business was publicly known data. Namely, in these secrecy agreements there are always limitations; yes, you must guard the secrecy of the information, but you cannot be responsible for breach of contract if the information was publicly known at the time, or became publicly known without your involvement.

Actually, Northern Instruments knew they had no chance in court. It was just another attempt to scare me off. Once they realized it was no use, they gave up. But what really hurt me most was that their key witness against me was John Skildum himself. He said how the company was generous to me, how they

helped and supported me, and how I was ungrateful in return. The whole affair left a bitter taste.

But now I was finally free to start Cortec. Once the formalities of registering for incorporation were taken care of, I had to arrange the financing. Wally Benson, my good friend who had left Northern Instruments shortly after my arrival, helped me in preparing all the data, business plan, and cash flow projections needed for a loan. When we felt we were ready, I went to First Bank of St. Paul, where nobody had ever heard of me, and applied for a loan. Fortunately, Mark Twain's famous dictum that a bank will lend you money only if you can prove you don't need it was not confirmed in this case. As it turned out, the bank made a good business decision, for the initial \$40,000 they loaned me brought profits both to me and to them. Since I had no savings, the bank accepted a second mortgage on my house (which wasn't even finished yet) as sufficient collateral.

That loan was the only money Cortec ever took as equity capital. Later on we always took out loans for running the operations, of course; but never for equity.

So now I was the head of a company. The experience with Northern Instruments was educational indeed. First and foremost, I learned what not to do, what means I shouldn't use. I had the opportunity to see how one could make money by fishing in troubled waters. Sure, I learned the ropes. But to take that path for myself, I would have had to give up all my values and beliefs. I made a pledge to myself that I would never turn my company into a public company before it was ready to become public, and that I would never take advantage of uninformed people.

Chasing the Dream

As they say, to open a business is very easy; to keep it open is very difficult. From the outset I had to have a clear and realistic business plan. I couldn't rely on wishful thinking. And even though many types of assistance were available, Cortec rarely used them. From the very beginning I concentrated on developing the business.

So that was it. I knew the field, I had the vision—now it was time to get down to work.

At Northern Instruments they showed no interest in production and technology; their only goal was to get rich as quickly as possible. My plan was to improve the product technologically. I wanted to make my ideas work, and of course, to sell them. So I started with a product I had been working on while still with Northern Instruments, but made sure it was better than theirs.

Few of you have probably ever thought about the fact that every metal except gold and platinum, when combined with oxygen, always tends to revert to its natural, stable state in which we find it when we take ore out of the ground. But I am also sure that

you do know what problems arise once all metal objects around you begin to corrode. It costs American industry, and eventually the customer, over 220 billion dollars a year, approximately six to seven percent of the gross national product! Worldwide that would mean some six to seven hundred billion dollars. Almost sixty percent of annual steel production serves only to replace what has corroded, and the cost of power is not calculated into this amount; it is just pure loss through corrosion.

Well, OK, you will say, but there are also products to prevent corrosion. And that's exactly what I thought until I found out how environmentally harmful some of these products can be. Obviously, the challenge was to develop an effective anti-corrosion product that was also environmentally safe, or at least less harmful. And, of course, it had to be profitable as well.

The market was small at the time; it needed to be developed almost from zero, and not only in America. As I said, the bank loaned me \$40,000, and I estimated that I could spend \$8,000 to \$10,000 for marketing. The rest would be used in production. The deci-

sion to spend money on marketing is important for big and small companies alike, but you have to assess very carefully how much money you can spend and how to spend it. You really have to be realistic here; hopes that everything will somehow work out should be left for the eternal optimists, not for business people.

Fortunately small businesses are usually better motivated for conquering the market than the big ones. An example that immediately comes to mind is Apple Computers. Apple had the courage and vision to develop a part of the market that big companies were not interested in. Namely, in the beginning IBM did not show interest in personal computers. They did some market research and concluded that people didn't want computers in their homes. It was obviously a huge mistake-to the contrary, people did want computers. And there were many uses for personal computers for which big mainframe computers were too expensive and not flexible enough. When IBM finally wised up and tried to conquer the market that little Apple had developed, it was already too late. Today, twenty years later, IBM is still having problems partly due to this fact.

In those days, there was hardly any market in our niche of vapor corrosion-inhibiting chemicals either. Cortec was one of a few small specialty chemical companies with strong focus and commitment to develop the market. Big businesses, such as Dow, Monsanto, and others that manufacture huge quantities of chemicals, lack the focus and flexibility needed to develop a market from zero. They don't wish to take on the risks associated with starting a brand-new market because the initial quantities are small and there is nothing to guarantee success.

In the chemical business, the customers know exactly what they want. They are highly trained people with great technical expertise, so it is not easy to market a new product to them. When you are presenting a new specialty chemical you need good technological arguments, especially in a new market niche. Today Cortec is one of the biggest names in anti-corrosion, but in the early days, when the name meant nothing to anybody, I had to find the right way to present the company and the product to experts worldwide. In other words, I had to think of the best way to spend that initial \$10,000. First I selected

target customers. In order to do this, I had to find the right list, either by buying one or by doing some research myself.

I knew that potential customers were mostly corrosion engineers, so that part of the job was a bit easier. I got a list from the National Association of Corrosion Engineers (NACE), containing nearly 5000 names. Obviously, with the funds I had, there was no way I could cover them all, so I selected a few hundred and sent them a brochure introducing Cortec and detailing its product line. The brochure had to be carefully designed to be different from the masses of junk mail people received every day. The cover letter and envelope had to look personal, so potential customers would at least open it. Once inside, it had to sound problem oriented, not cute or cut and dry.

I received about thirty replies—about a five percent return—which is really the most one can expect from direct-mail marketing. One of the replies came from the Japanese company Hitachi.

Hitachi had been a customer of Northern Instruments, so they wanted to know about the improvement I was offering. They asked

for additional information and samples for testing. It was my big break! I knew I wouldn't achieve much through letters and telexes, so I immediately made arrangements to fly to Japan to meet with them face-to-face.

I took what little money my wife and I had and purchased a round-trip ticket to Tokyo. The cost of the ticket didn't leave me with enough money to pay for a hotel room while I was there, so I made a deal with Hitachi to pick up the tab for my room, a major departure from the way Japanese companies do business. I was determined to stay until I had a purchase order in hand from Hitachi. I couldn't return home without a signed contract.

It was a huge risk, but it paid off. I never let them know for a moment how small Cortec was at the time. I doubt they would have contracted with a one-person operation! I insisted that the purchase order be given to me personally before I left Tokyo, since there was no time for waiting. It was for about \$3000 worth of products. Today at Cortec an order of that size would certainly cause no excitement, but at the time, it saved my company!

So I went home to manufacture some 1200

emitters. Today, with sophisticated laboratories and equipment, the task would be simple. However, I had no lab and no real equipment. In other words I had to make the chemicals, blend them, assemble the product, test it, pack and deliver it, all on my own, at that little farm in Hugo. We ground the chemicals in our kitchen sink with my wife's coffee grinder. The garage was my chemical plant, and the basement was our warehouse. Fortunately, everything turned out well-Hitachi was pleased with the product and they are still one of our good customers.

I learned a lot from that first sale. I realized that it was successful because I took the time, effort, and expense to visit the customer personally. I also learned it is always best to negotiate from a position of power and strength. This is particularly true when dealing with Japanese customers. Then, even when you are successful and the product is sold, your work is not quite finished. Equally important is follow-up after the sale. The customer has to know that he can count on your continued services.

All this was happening in late 1977. Cortec was founded on October 1 that year and

for the first three months Olga and I worked alone at the farm. But in January 1978, I rented a space in a building in downtown St. Paul, because sales and production had started to pick up.

But I was still a long way from a red Ferrari.

Early Success

In the beginning Cortec manufactured five or six products which were all variations of similar chemical content, but of different shapes and specialized applications. After the Hitachi sale, the business grew rapidly. Most of our customers were large companies, Mobil Oil was one of the first.

From the outset I planned to approach foreign markets. My experience with Hitachi showed me the importance of visiting the customers. Since you are not only selling the product, but in a way selling yourself, you have to meet the customer personally. There is no compromise here. The mail and phone are simply not good enough.

Unfortunately, from what I could see while traveling, in some countries, including my own home country of Croatia, this concept is still not clear to many people. Even large companies often do not send their sales people abroad, though it should not be a special financial burden to do so. If you really want to conquer the market-and today there is only one market called "global"-the management simply has to drop its guards. When you are

selling a commodity product in large quantities, when you already have a sizable market share, then perhaps you may be able to get by relying on less personal contacts with your customers. However, if you are offering a new product, if you are a small or medium company in a niche market, you will achieve nothing that way. You must be prepared to go to the customer, to explain the advantages of your product, make a presentation, ask him what exactly are his needs. This approach will bring you loyal customers who might be willing to pay even a little bit more if they know exactly what they are buying and that they can count on your services and support. That's really what it is all about. You're not in business just to supply the product; your goal is to have the customer feel cared for, to make him feel you are doing a part of his job for him. It is perfectly true that the customer is the real boss: he can fire everybody in the company, from the chairman on down, simply by spending his money somewhere else.

Cortec's customers are mostly large corporations like General Motors or Motorola. These companies focus their efforts on their field of expertise. They don't want to waste time on

things about which they don't know enough, in this case on the protection of metals. It's the job of smaller specialized firms like Cortec to take care of such problems for them.

So in the beginning we found a market in which nobody was yet dominant, thus creating a niche. Then we set out to expand our niche.

Another important customer from those early days was Inland Steel, the fourth-largest steel producer in the United States and one of the major steel producers worldwide. This was in the days of the Iran oil embargo, the purpose of which was to raise the price of oil. It was a strategic blow for the United States, and people in industry began considering alternative energy sources in order to decrease the need for oil imports. One of the measures was to lower the consumption of petroleum for secondary purposes, such as the protection of metals, because a lot of oil was spent on that.

Thus our synthetic products became an interesting alternative to oils for metal treatment, and little Cortec suddenly entered the big leagues. Inland Steel, known for the high quality of its steel, higher even than that of its

largest competitors from the other side of the Pacific, sent their senior corrosion scientist Dr. R. A. Legualt and David Gommersall to St. Paul to talk with us at Cortec. Since I was still operating from the farm in Hugo at the time, obviously I couldn't meet them there, so I suggested we meet in the lobby of the hotel where they were staying. I explained that I was in the process of moving my office, so it was not convenient to meet there. It sounded logical. I don't think they ever suspected my plant was the garage on the farm!

The negotiations were successful. We sent Inland Steel's research laboratory some samples, and they tested them and decided the products suited their intended use as a replacement for oil-based rust preventatives. The following step for us was to manufacture a larger sample for trial runs, and finally our corrosion inhibitors became part of their normal production process. It took another two or three years of exchanging information and developing mutual trust before we successfully replaced oil-based rust inhibitors in Inland's plants. During this process of close cooperation, Dr. Legualt and I became very good friends. He was a strong supporter of

Cortec's technology, and our friendship lasted even after he left Inland Steel to move down to his beloved Texas where he passed away in 1990.

At the same time, due to the oil crisis, the government was also thinking of ways to cut down on gasoline consumption. They were considering the production of synthetic fuels, the kind that was used for example in South Africa, due to the embargo that had isolated that country for a long time. It was not a new idea. Even Hitler's Germany used synfuels, and in Brazil they had already scaled up the use of fuels such as alcohol produced from renewable sources.

Thus the Department of Energy coordinated a program to develop alternative fuels in which the chemical industry participated, including all the big names like Dow, Du-Pont, and others. It was especially good for the agriculture business, since they burned thousands of tons of grain per year only to support prices, and now they could sell their products as raw material for fuel.

It showed great promise for Cortec as well. Because alcohols are much more corrosive than gasoline which, if it contains no water,

is practically neutral. As part of the program, some ten or fifteen hundred cars were converted to run on alcohol. Although alcohol has many advantages-it is renewable, it burns cleaner-it is at the same time highly corrosive to the engine. So we cooperated not only with alcohol producers, but also with car companies such as Chrysler and General Motors, and of course it was financially very attractive for us.

Then, suddenly, something happened that can be fatal for a small company: all at once the business dried up.

After all the search for something to replace petroleum, after all the excitement, the oil embargo crumbled. The oil cartel finally realized that the policy of reducing exports to the United States wouldn't accomplish anything because Middle-Eastern oil-producing countries were too dependent on the U.S. market to provide them with necessary cash. They had an enormous need for money because they always spent in excess of their earning potential.

So all the big programs with alcohol fuels fell through, and the business for Cortec's inhibitors for fuel dried up overnight. It be-

came much cheaper to import oil, so all drilling and exploration came to a halt. Existing wells with marginal production rates were capped, and thousands of oil workers were left without jobs. Houston, Texas, during the oil boom, had employed tens of thousands from all parts of the country. Its newspapers' classified sections used to be as thick as phone books. After 1982, when the bottom fell out of the domestic oil market, Houston nearly became a ghost town. The U.S. government decided it was wiser to import, to let the Arab countries spend their immense, but nonrenewable resources, and save our own for the future.

Although we had been tempted to direct all our attention to this potentially huge market and forget everything else, Cortec fortunately did not make that mistake. Perhaps we would have made a sensational success, but as things turned out, we easily could have been left in the dust. A classical trap for small companies is to put all their eggs into one basket, hoping for that big order to come, which more often than not never does. It's dangerous for big companies, too—remember what happened to the three big U.S. automakers in the late



With my parents at King Tomislav Square, Zagreb, 1960



The farm located in Hugo, Minnesota,
where Cortec and my son Paul were born, 1977



Cortec Corporation World Headquarters, St. Paul, MN, 2001



At president's Tudjman birthday party, 1993.



Governor Perpich and my family
at the Governor's mansion in St. Paul, MN, 1990



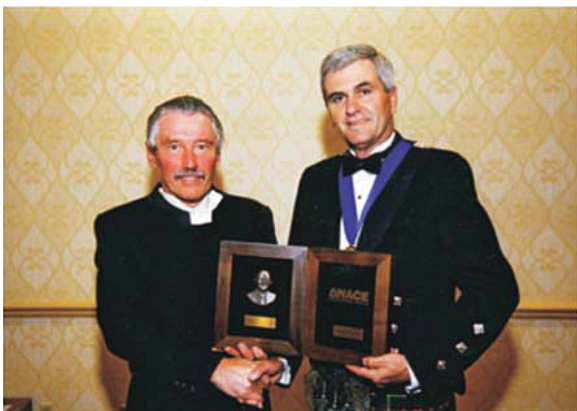
First Croatian edition of the book
“American dream: a guy from Tresnjevka”
published by Mladost, 1994
with my Ferrari Mondial ‘84



First historic visit of General Andreotti and officers of the Minnesota National Guard to Croatia, 1996



Minnesota Governor Tim Pawlenty presents
“The Most Successful Exporter for 2003 in Minnesota”
award to Boris

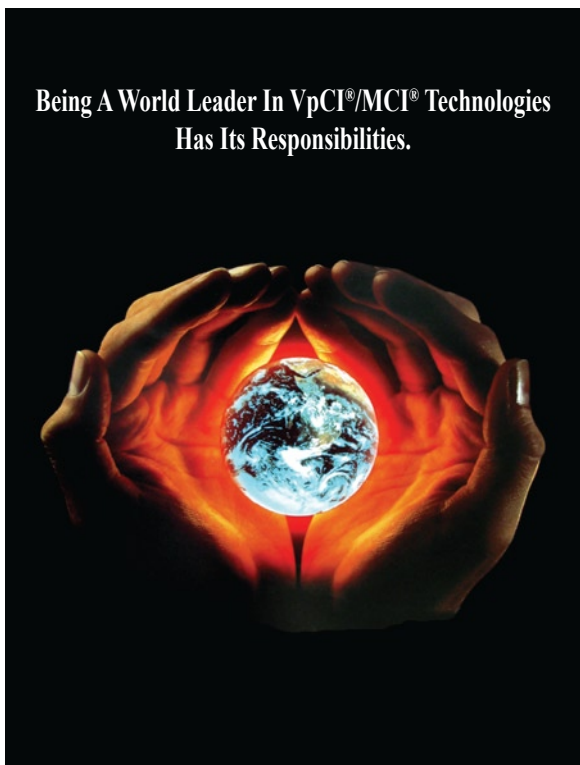


Pierre Crevolin, President of NACE
presents Frank Newman Speller award for the lifetime
achievement in the field of corrosion to Boris, 2004



With Slovenian President dr. Janez Drnovsek and my
daughter Evonne, 1997

Being A World Leader In VpCI®/MCI® Technologies
Has Its Responsibilities.

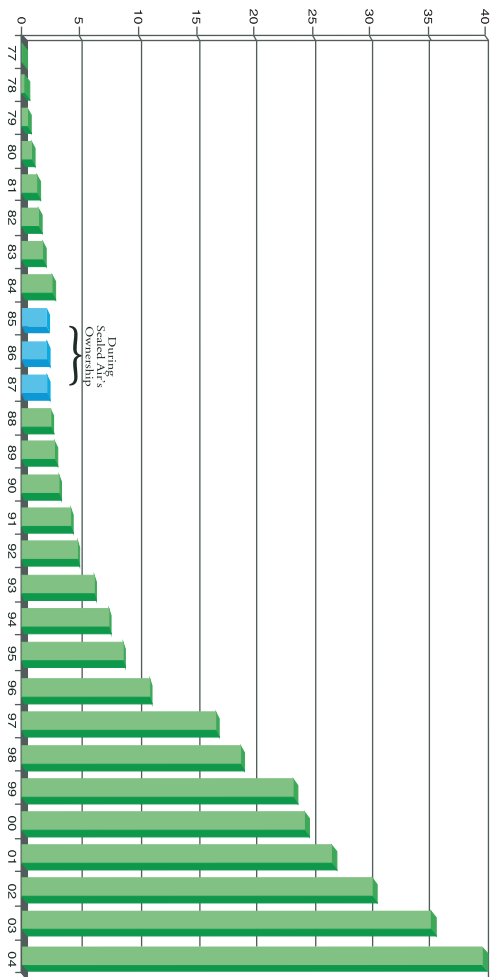


Cortec: vision and global strategy



Cortec Sales

(in millions U.S. dollars)



Cortec: sales from the beginnings till the end of 2004, not including sales of the authorized licensees network

1970s when they bet that people would continue to buy large gas guzzlers. Japanese automakers almost put them out of business, when consumers' interests suddenly shifted, and they began buying smaller, fuel-efficient cars.

Already in 1978, instead of the planned \$100,000 in sales, Cortec sold almost twice that much. So our company gradually grew. As a small business owner, I was constantly watching overhead costs. I mostly hired people to work in production, although we had a secretary to answer phones and do administrative work. I tried to be as realistic as possible in my planning. I concentrated on our annual plan, making sure it was realized, and every year we increased it by twenty percent. I didn't think much further than that. The plan was based on my knowledge of the market and demand for products. For me the most important thing was to realize the plan in the best possible way. And we always did. In fact we even exceeded it almost every year. This was very important, not only for our relationship with our bankers, but also as the best motivation for our employees.

I fully agree with Sam Walton of Wal-Mart,

who said, “You have to think small to grow big.” And he proved it, too. He started with one store, and when he already had nine of them and a journalist asked him how many more he was planning to open, he said maybe another two or three but no more, because then he could not control them personally. Thinking small, Walton came to own more than a fifteen hundred discount stores.

However, to attain such success, many small steps are necessary. We had to increase our plan a little each year, adding twenty to thirty percent new products to those already well established. I assessed there would be a market for those new products, but I couldn’t be sure how big it would be. Once a product was launched, though, we could monitor some indicators and make a more precise plan for the next year. We planned a twenty percent increase of sales for each new year. If we sold more, so much the better.

A business plan based on maintaining profitability and introducing new products was simple, feasible, and made doing business fun because it emphasized new products and innovation. But a lot of attention had to be paid to financial analysis, especially cash flow. As sales

grew, we needed cash for raw materials, for the payroll, and other expenses.

I found I had to handle cash like a magician. We had to pay the bills and, even more importantly, we had to collect payments religiously, especially from export accounts such as those from Japan or Europe, where payment terms were not always thirty days, but sometimes sixty or even ninety days. It was not easy to always have enough cash. Many companies go down the tubes for this reason, particularly in a period of fast growth. This is a great danger, but also one of the most exciting aspects of small business. Either you grow, or you are finished. In today's global market, a small company involved in high-tech business should not stagnate. Of course you want to grow, but to do it, you have to have the profitability that makes real growth possible. This is why it is so important to assess realistically what you can do and what you cannot.

However, no matter how hard you try, it sometimes happens that you cannot fulfill your customer's expectations as originally promised. There has been a production delay due to raw material shortage. Rather than

ignoring the problem, keep the customer informed, because the customer is human and he will understand if something goes wrong. But if kept in the dark, he will have no choice but to go somewhere else.

Also, you have to know exactly how far the bank will follow you. Cortec chose financial discipline and cooperation with our bankers. We kept in constant touch with our bank officer, always letting him know what we were doing. We realized that if we wanted capital to sustain our growth, we needed the bank's help.

If we had doubled or tripled our growth then, we would have been bankrupt early on. Such growth simply is not sustainable. I believe it is realistic to grow twenty to forty percent per year. If we had gone public, of course, we could have grown much faster. Just remember Apple, who grew 10,000 percent in two years. But they had a different style of entrepreneurial management at the time, and they made it because their shareholders believed in the future of the firm; also, the capital did not go into the bosses' pockets, like at Northern Instruments. I had decided from the outset not

to go public, mainly for two reasons: first, my bad experience with Northern, and second, my lack of understanding and patience of doing business in a public company. I believe that someday Cor-tec may become a public company, but in those early days I could not take such a risk. Rather than spending my time explaining to the shareholders and board members what needs to be done, I wanted to concentrate as much as possible on technology, customers, and growth. And I preferred commercial sources of funds.

Basically I had the choice of three possible sources of capital: selling shares, commercial sources (banks) or venture capitalists, which I believe is the worst option. Venture capitalists often take advantage of a struggling company by assuming control and going public, leaving the original investors with nothing.

In 1983 Cortec was pronounced the fastest growing small company in Minnesota. We entered INC 500, the most elite group of small, dynamic businesses, like Fortune 500 is for big companies. INC 500 publishes a list of the fastest growing companies every year. In order to be considered, Cortec had to meet certain

criteria; a company cannot apply just because it believes it is growing fast. The INC 500 people came to Cortec and interviewed us and went through our books to confirm that our growth was credible. Upon being selected, we were invited to participate in all the ceremonies and activities involved. We were ranked 126th in the national listing, but first in Minnesota. In fact, most of the companies that ranked higher than us were from software and service industries where fast growth is more common, so we were among the top ranked companies from the manufacturing segment. It is much more difficult to grow rapidly in the chemical business since industry is more static and you have all the environmental considerations to take care of, as well as complying with all the regulations.

We received substantial publicity in the media, and even Minnesota's governor Rudy Perpich came to the ceremony. At that moment we were the incarnation of the American dream; we had taken things into our own hands and created a business out of nothing. In the United States this gives you more prestige than even politicians or big industrialists

have. It is the special prestige granted to people who, like us, started out from a garage and made it to the best 500.

Ironically, however, that was precisely the year when we started having serious cash flow problems. That can happen very easily: you're profitable on paper, but you have no cash to pay your suppliers. Fortunately it never got so bad that we didn't have the money to pay the employees. We just were forced to pay our suppliers more slowly, and very soon, by chain reaction, we were in a really bad position. Cortec's cash flow problem was compounded by the fact it occurred during a period of deep recession in the United States. Not only were small companies affected, but large ones and even financial institutions. First Bank, which had supported us in the past, was having its own problems. For the first and only time in Cortec's history, the bank told me they would no longer back me up. At a very embarrassing meeting with Bruce Marsden, First Bank's account officer, I was told that not only would they stop giving loans to Cortec, but we had to repay our current debt immediately. We simply did not have the money to do that.

I had to do something in order to save the

company I had worked so hard to build. I could have gone to a venture capitalist, but I wanted to avoid that at all costs. With commercial sources no longer available, I could stop the growth, quickly reorganize, and try to settle all debts. And of course, there was another possibility-I could sell the company.

The Darkest of Days

Cortec was in trouble. I had to be totally realistic. Wishful thinking wouldn't help. I talked to some venture capitalists, of course, but I realized immediately that this was the least desirable solution. Stopping the growth was simply not in my blood, it wasn't my style. Maybe my management skills were lacking. Perhaps things could have been handled differently without giving up equity in the company. In those days our accounting department was not very good. I didn't pay enough attention to it. I was mostly engaged in traveling, working with customers and promoting growth and spent little time on administration.

For the first time I seriously thought about selling the company. I decided it was the best way to assure the continuity of the business. That decision was very tough, of course. Throughout the years I kept all the capital in the business. I didn't take much home, and our only real asset was the house under two mortgages.

In that first stage I had three minority shareholders in Cortec. The first one was Dick

Singer, the man who had helped me to immigrate to the United States. In late 1978 he loaned me \$15,000. He did it as a friend, but since I didn't like to be indebted, I gave him shares in return. We had a gentlemen's agreement that as soon as I could pay him back, he would return the shares. Since I wasn't able to do that, he kept them.

The second shareholder was Bob Miller, a chemist whom I had met during my employment with Northern Instruments. Since I was not a chemist by training, I needed someone with that kind of expertise. He worked in the lab and in the production at Cortec. Bob was a congenial, capable man; he taught at the University of Minnesota's School of Pharmacy, one of the best in the world. He was very knowledgeable and through the years he did a lot for Cortec, but in business matters he could be indecisive. Actually we were a good team: he relied on knowledge, the traditional approach, and I was energetic and willing to risk.

The third shareholder was my wife Olga. I myself held over seventy percent of the shares, so I had control.

The first offer for selling Cortec came

from RPM, Inc., one of the best conglomerates in the corrosion business listed on the NASDAQ exchange, but my minority shareholders couldn't reach a decision. It was Bob Miller. I understood later that it wasn't envy or bad intention, he simply could not make up his mind. So when he was asked about the deal, he said neither yes nor no, but timing was essential. A big company wants to buy a hundred percent of the shares of the smaller one; they don't want to have to deal with minority shareholders. So that offer fell through.

From this I learned something very important: you need to be very careful with minority shareholders because they can really slow you down in some situations. For once something called a buck is on the table, people suddenly change beyond recognition.

In April 1984 a man named Ted Bowers called me from Connecticut to say that Sealed Air was interested in buying Cortec. I had heard of them because they were in the packaging business, and that is one of the markets where Cortec was actively selling as well. Sealed Air was a medium-sized company based in New Jersey, and they had production

facilities in seven countries. I knew they were doing well.

In the early eighties several books on excellent companies were published in the United States. In 1982 Peters and Waterman published *In Search of Excellence* about some of the big companies, 3M, IBM, McDonald's, Hewlett Packard and Procter & Gamble among others, and in 1985 Clifford and Cavanagh published *The Winning Performance* about medium-sized companies. One of them was Sealed Air.

People used to joke about how you had to admire a company that consistently doubles its sales and earnings every three years by simply selling air. Of course, they don't really sell air; they sell protection against shock, vibration, abrasion, electrostatic discharge, and even corrosion.

When I inquired further I found out that Sealed Air's CEO since 1971 was Dermot Dunphy. Under Dunphy, the company had grown from 5 million to 166 million dollars in sales.

The negotiations with Sealed Air were, in my opinion, one of the highlights of my career. Even though I was under a lot of pres-

sure, I never gave the other side a clue about it. If they had known my position from the very beginning, the negotiations would have probably gone differently. I played my cards, and I thought I played them well.

The negotiations took four months, during which I badly needed cash. I needed \$150,000 to pay my suppliers, and only by managing to get a down payment from Sealed Air was I able to stay liquid until the sale was finished. That was rather unusual, since when you are selling a business it is difficult to receive up front money.

It didn't take them long to find out the real situation. They had to protect themselves. I explained my whole strategy to them, what we were trying to achieve, that our technology was for real. Their experts came over and evaluated everything; first the management came, then the chemists, the accountants, and the marketing people. I felt the marketing people were especially important, because they were the ones to whom I could explain our potential. When you're selling a small business, it's goodwill you're really selling; your assets are essentially tied to your potential to grow.

To me, it is always better to be open with

the potential buyer, to give him the real picture of your company. Besides, Sealed Air ordered a feasibility study by Arthur Anderson, one of the six largest accounting firms in the world. They found out that cash flow was bad. Though they realized rather quickly that we were under pressure, when the analysis was finished after three weeks, the report stated that Cortec was a good company, with problems typical for most small companies. They weren't negative; they were realistic, and this is why I was able to justify the down payment of \$150,000. I told them that the money would be used to repay some of the long-term debt before acquisition was completed. Besides, by the time they got the full picture, the deal was practically finalized and the rest was just a formality. The timing was what really saved Cortec. If things hadn't happened just when they did, I don't know, I'd probably be doing something else now.

Basically I wanted to achieve two things by selling the company: on one hand, financial security for my family, and on the other, financial support of a strong company for Cortec, which would enable it to continue with its mission.

We agreed that I would go to Saddlebrook, New Jersey, to their headquarters, to meet Dermot Dunphy. Sealed Air sent a limo to the airport and brought me to their offices in style. Dunphy was in his sixties at the time and at first glance he left the impression of a refined, gallant gentleman. As a young man Dunphy had immigrated from Ireland. He graduated from the Harvard Business School in the fifties, and then worked for a few years as sales manager for Westinghouse. After that he ran a small company for a while, and in 1967, he was approached by the investment bankers who had bought a large block of Sealed Air shares; they wanted him on the board. In 1971 he became the president and CEO of the company. I was told that Dunphy was more than a good manager, he was also a great communicator and motivator. People from his management team liked his approach. He “encouraged” them to plan their own best ways to reach goals, and if a strategy didn’t work, to figure out why and what changes were needed to make it work.

The 1980s were years of diversification in American business. Many companies that were successful in the stock market sought

to buy new technologies, with little regard to whether they were compatible with their core business or not. Sealed Air had a rather narrow product range, and they were interested in diversifying. Since Cortec has always had a great potential in packaging, Sealed Air felt we would be a good acquisition for them. Sealed Air's primary products were packaging bubbles and Instapak, a foam-in-place system that squirts a blend of plastics through a special applicator into a carton holding a PC or some other bulky, fragile product. Within seconds the plastic expands to 140 times its liquid state, forming a foam cushion that holds the product in place and protects it from impact. Instapak was a company Dunphy had acquired after five years of intense negotiation. Instapak cost Sealed Air \$7 million in cash and stock, at a time when Sealed Air's net worth was \$13 million. After this transaction, a friend of Dunphy's called him a riverboat gambler.

Sealed Air was also interested in products that prevent static electricity and had purchased a company called Static, Inc. Their goal was to increase profits, and in those days the most popular strategy for doing that was through acquisition. By buying companies

and adding their products to an existing line, a company was sure to increase sales, and possibly profits.

At our first meeting, Dunphy went straight to the point: "How much do you want for Cortec?"

I was equally straightforward. "After the transaction, I want to be a millionaire," I told him.

This seemed a reasonable reply, for it is very difficult to assess the value of a small company offering mostly goodwill and not many assets. As a rule, the net value of a company is determined as the multiple of earnings, but in our case that would swing very little in terms of sale price. We agreed that they could complete a feasibility study to determine whether Cortec was a good acquisition candidate for them.

After that first meeting, most of my dealings with Sealed Air went through Bruce Cruickshank. He came to St. Paul several times, got a good look at the company, talked to the employees, customers, suppliers and accelerated the whole process. Once the feasibility study was finished, they gave me their offer, which was to pay part of the price in shares and part

in cash during the following four years.

Actually, we signed two agreements: one was to purchase the business and the other was my employment agreement. According to the latter, my new job was as vice-president of Sealed Air responsible for the Cortec Division. The agreement defined my pay, profit-sharing, and other standard perks.

There also was a non-compete clause in the contract: if I left Sealed Air, I was not allowed to work in the corrosion field for the next ten years. Sealed Air paid a substantial sum for that provision and wrote it off as an expense, which they would not have been able to do if they had paid me the whole amount in cash.

They paid me mainly in treasury stocks, but according to the contract I was not allowed to sell them for at least two years. In this way, they were protecting themselves, buying a couple of years to see if everything really was okay with Cortec. In two years' time they would know for sure.

This was a risk for me; I could have lost a lot of money had the share price dropped. But I believed it would grow, and it did, from \$21 to \$38, when I sold them. (Unfortunately, I sold too soon. Today the share price is \$160

after stock splits and cash dividends in 1992!)

The negotiations lasted from April to August 1984. According to the purchase agreement, Cortec no longer existed as an independent company. It was now a division of Sealed Air and they were in control. And I was the vice-president responsible for that division.

Forced Out!

One of the reasons I decided to sell was to see what it means to work for a very successful company that was talked and written about; I wondered whether someday I might even become its president. However, very soon it was obvious that their plans were very different from my hopes and wishes.

In October 1984 I went to Munich for the annual meeting of Cortec's European distributors. Bruce Cruickshank was there too, so I introduced him to the distributors as the representative of the new owners.

We had agreed that Cruickshank would be my main contact with Dunphy, the only person between us. But in Munich he introduced me to a totally new person who had never been mentioned before: Pete Funkhouser. He was introduced to me as the man now in charge of Cortec Division, in other words as my superior.

To his credit, Cruickshank was very unhappy about this new development. One evening when he was very drunk, he admitted to me that it hadn't been his decision. He was very sorry about the whole deal. He had no choice

but to withdraw. I believed him; that it was not his idea. As it turned out later, Funkhouser was protecting the interests of Donaldson & Lufkin, the investment firm that had invested a great deal into Sealed Air.

Sealed Air's shares are traded on the New York Stock Exchange, by far the largest stock market in the United States. Actually, they were initially on NASDAQ, where they actually belonged, since the capitalization of Sealed Air was not close to being big enough for Wall Street. Their turnover is about \$600 million today, while most companies on Wall Street have turnover of five to ten billion. Apparently somebody was pushing their shares, probably one of the institutional investors who really control Wall Street.

I had learned that regardless of the success of a company, when investing, one of the first things you should look at is how much of the company is in the control of institutional investors. Companies whose major stockholders are institutions are good investments, because institutions have only one reason for investing—to make money on the stock. They don't care about improving the company or

the well-being of the employees or about contributing to society. They care about one thing only and that is to make money. In a way, this is justifiable because institutions have to be able to show their shareholders good returns from year to year.

Sealed Air's main business was packaging, a rather static business where five to six percent annual sales growth is substantial. One of the ways of assessing a company is to look at its price to earnings ratio (P/E ratio). Obviously the management and the shareholders want it to be as high as possible. For instance, in high-tech industries where technological changes and improvements were and still are dynamic, the ratio can be as high as twenty to thirty. The higher the potential profitability, the higher this ratio. In mature industries, such as the food industry, the ratio would typically be lower, around eight to ten.

The P/E ratio for Sealed Air was much higher than in the packaging industry where they belonged. That's what made me suspicious that someone was pushing the market value of their shares. Dunphy was a persuasive communicator, and he knew how to manipulate investors. He managed to get one of the most

successful investment bankers on Wall Street to hold some twenty percent of their shares, so the total percentage held by institutional investors was forty-five to fifty percent and consequently the value of their shares was unrealistically high.

But let's return to Munich in October 1984. As I said, it turned out that Pete Funkhouser was protecting the interests of this well-known investment banker, Donaldson & Lufkin. I'm the type of person who likes to work hands-on. It's important for me to know the technology behind the product, and it's equally important for me to know all the customers by their first names. Funkhouser didn't know much about the technical side of the business. He was really a "bean counter," and as a manager he was very cold and uncommunicative. Funkhouser and I didn't get along well. It's not that we had any conflicts; our relationship was just very cool.

At our meeting in Munich, Funkhouser told me that they wanted to send a man from Sealed Air to work with me. Basically this made sense, but I felt it was too premature and also that it would be an unnecessary financial burden. Besides, it was against my principles

to put a man from outside the company in a leading position. At Cortec, people work their way up. It would be very upsetting for the employees to see somebody they'd never heard of at the top.

So I told him this might be a good idea later, but for the time being I didn't think it should be done. Despite that, I agreed to meet this man, Jeff Johnston. I found him to be a capable young man, but in my opinion not suited for Cortec. He knew nothing about corrosion and Cortec's products. I told Cruickshank as much. I heard later that Johnston had been foreseen for the fast track. Eventually he was to replace Dunphy, but there were disagreements about this within Sealed Air, since Instapak was their most successful division and many believed that the president of Instapak should be Dunphy's successor.

I realized that things had to change once I sold Cortec, so we had agreed that some of their people would come to St. Paul eventually, maybe in a year or two. Suddenly it was happening after only a couple of months. True, this sometimes happens after an acquisition, but it's not the general rule. For instance, Tom Sullivan, the president of RPM, the

largest anti-corrosion company worldwide, who tried for a long time to buy Cortec, has a totally different approach. His company is substantially larger and more diversified than Sealed Air, about \$1.3 billion. They are even more aggressive. However, to this day they have remained listed on NASDAQ. They also grew through buying smaller companies and organizing them into a big group, but they did not interfere with the management unless the company had serious problems. Since in those days Cortec had no serious problems-it was a company with great potential-I didn't think there was any reason for change or for bringing in new management.

I had actually talked to all my employees, explaining to them why I was selling and how the transaction would be good for them also. And they worked for Sealed Air with as much enthusiasm as they had for me.

When I returned from Munich, I wrote a memo to Sealed Air reiterating that we at Cortec would continue to work hard for our new owners. Writing a lot of memos was never really my style. At Cortec we communicate person to person and my door is always open to anybody having problems or suggestions.

But we were now part of a bigger organization, so communication probably had to become more bureaucratic.

However, my attempts to communicate with the headquarters were not very successful. Everybody was too busy to return my calls or answer my communiqués. I was a little surprised at first, but again I thought that's how things go when you become part of a big firm, and I simply continued my work.

One day I received a message from Funkhouser telling me that Johnston was coming to St. Paul and taking over, despite the fact that I disagreed. I realized then that something was seriously wrong. So I sat down and wrote him another memo: "Sending someone new in now is tactless, and it will offend the employees. It is too early and may bring more harm than good." The memo went off just as I left for Switzerland on business.

I received a call in Switzerland that the decision was final. Johnston was coming whether I liked it or not.

I immediately telexed Dunphy, telling him basically the same thing I had said to Funkhouser, only in stronger language. Funkhouser

called me the same afternoon and instructed me to leave everything and fly immediately to their headquarters in New Jersey.

When I arrived the following morning, they told me in the presence of their lawyers that I was being dismissed. I was to go home and stay away from the office. They would let me know about further developments.

The Libyan Affair

I couldn't believe it. Two months after selling Cortec to Sealed Air, I was being forced out.

Here we come, another major setback. So I went to Briggs & Morgan again. I showed them my contracts. During the negotiations with Sealed Air I had another lawyer, who turned out to be a jerk who was incompetent to handle high-powered New Jersey sharks. I thought I was saving money by using a one-man law firm whose hourly rates were lower than the big guys. But in the end, I wound up losing a bundle. The golden rule that you have to spend money in order to make money struck again.

They were represented by a very strong law firm, Fredrikson & Byron, who made sure they were well protected at all levels. At Briggs & Morgan they told me my contract was good, but not good enough, because I had not technically protected myself from being fired. This was exactly what Sealed Air was trying to do, and in that case I would get neither my paychecks nor the cash payments we had agreed on. If you interpreted the con-

tract with a microscope, this was possible. My lawyers told me that Sealed Air would try to carry this out as soon as possible and that my only option was not to complain and to do whatever they told me, but also to document and write down everything that transpired so I could prove I did what they asked me to. So that was my *modus operandi* from the end of 1984 until 1988.

You can imagine how I felt. The company I had built with my own hands was now totally in their control; they could fire people I had hired, and there was simply nothing I could do. Those four years remind me of a game of Russian Roulette: who would pull the trigger first?

That wasn't all. They tried to provoke me any way they could. They took all my personal belongings from my office—all my diplomas, the photos of my family, of my children—they took all that and simply threw it into the garbage. In front of my employees. Also, my employees were told not to contact me and that anyone who did would be fired on the spot. And that's how it went for the next four years.

For three months no one from Sealed Air

called, but my paychecks still arrived on time. They knew I would sue them if it didn't. Eventually Funkhouser called and said he wanted to talk to me. We had lunch in a restaurant at the railway station not far from Cortec. I was told that in the future I would be an advisor for the Cortec Division, that I would work only for him. He gave me four projects to finish during the following year. But I was to work at home. I still was not allowed to call anybody at the company, nor they me. For a whole year I never came to the office and my people didn't know what was going on.

They believed at Sealed Air that they could keep me away, find a way not to pay me, and still have the same results with Cortec as if I were there. But after a year they began to realize things weren't working out as they had planned. Jim Brasuhn, who had been with Cortec since 1984 told me later that the people they brought in were mostly nice guys, but he could tell from the first day that they knew absolutely nothing about our business.

They brought the hectic atmosphere of a big company with them. They purchased some new equipment and changed some formulations, some successfully, but many un-

successfully. Something was going on all the time, but the action wasn't producing positive results. The division was losing money.

One huge mistake in their approach to Cortec's distributors cost them a multitude of sales. The new sales manager announced almost immediately after taking over that Sealed Air's sales force would also be able to sell Cortec's products, but it took them three years to get involved and become acquainted with the line. In the meantime, Cortec's founding distributors, expecting their sales to drop when Sealed Air entered the force, started working for other companies. As a consequence, domestic sales went down dramatically. In a word, Cortec was stagnant.

At Sealed Air, standard operating procedures were very precise; everything was visible. The management of each unit was responsible for the results every year, and Cortec wasn't achieving the goals. The question of why it was acquired in the first place was beginning to rise, and the management of Cortec Division began to sense they were in trouble. I began to get calls from them, hoping that I could do something to save the situation.

So little by little I was returning to the com-

pany. They gave me a desk in a room with no windows, next to a heavy smoker, although they knew I didn't smoke. Apparently they could not refrain from provocation. They had called me mostly because I knew the customers and the products, so they hoped I could increase sales. I began to travel and visit the customers. At the same time, at home, I was more and more involved with the stock market. As Henry Ford once said, money is like an arm or a leg: if you don't use it, you lose it.

In May 1987 it was quite obvious that the relationship had to end. By that time they had paid me three quarters of the money I was entitled to. I talked to Jeff Johnston and tried to reach some agreement. Since there was only a year remaining of my original employment agreement, we decided to make a deal to forego my remaining salary. So my employment was terminated on May 31, 1987. As it turned out later, they really did think of everything, for if I had remained employed for just one more day, I would have gotten another \$40,000 tax free into my retirement fund. But that was Sealed Air, a company that called itself, "dedicated to its employees."

Despite Sealed Air's ability to control its dealings with me, it was unable to do so in all aspects of its operations. While I still was working for them from my home, the company's greed reared its ugly head in a very public way. It was leaked to a government agency that in 1985, while President Reagan's order that all business relations with Libya be discontinued was in full force, Sealed Air had sold chemicals to that country at a large profit.

Years before, in the 1970s, I had met a Libyan named Khalefa who was doing doctoral studies at the University of Minnesota at the same time I was taking some classes there. We got to know each other, and I hired him to work in the Cortec lab during the summers. However, when his studies were completed, he had returned to Libya and I never heard from him again. I had no idea of his connection to Sealed Air's sale of chemicals to Libya.

I learned about his role in the whole affair only in 1990 when I ran into him at a conference in Ferrara, Italy. After returning to Libya, he had become one of their most important experts on corrosion and had worked on the specifications for a pipeline that was to bring

water from an oasis to Tripoli. The pipeline had to be protected from corrosion, and in their specifications they listed Cortec's products because he knew they were top-quality. When the purchase order arrived in 1986 I no longer owned Cortec and had no influence on their decisions. The company building the pipeline, the Libyan Oil Company, mostly had American equipment from Mobil Oil, Exxon, Shell, etc. They opened a confirmed letter of credit. The purchase price was very good and since Cortec Division was not doing well financially at the time, the management needed a breakthrough to show the headquarters in New Jersey that they were capable, that business was picking up.

At that moment there was no embargo or presidential order yet-it came two or three months later. When it happened, the Libyan office in Houston was closed down and the letter of credit revoked. Of course Sealed Air had to cancel the deal. But the Libyans needed the product badly, so soon afterward they managed to make contact again, this time through England. Thus Sealed Air manufactured goods in the value of about \$380,000, shipped them to England and on to Libya.

Within the company the deal was not secret; it was talked about openly. However, when they informed me about it, I said I considered it unethical; it was against the Presidential order and I would not have allowed it had it been my company. Actually the acceptance of the order was the first sign of the despair of the management of Cortec Division. They needed a tangible result badly, anything that they could show as success.

Nobody knows exactly how the scandal broke out. There was speculation that a woman whom Sealed Air had brought in to work at Cortec, had leaked the information to her husband who held a high position in the Federal Reserve Bank. She suddenly gave her notice with no explanation whatsoever, so it is possible that she told her husband what was going on. A secret investigation ensued, with customs officials bugging the phones and searching through the trash at the end of the day for evidence that could be used to support the allegations.

Then, in October 1986, customs officials raided the company. They arrived in helicopters and cars, blocked off the building, and presented a court order.

I was traveling at the time, and was not involved in the raid, however, Jim Brasuhn, a Cortec employee, filled me in on the events of the day. All the top management people were at a sales meeting off-site, so Jim was practically alone with the operators. He was told he had a choice: either close down the building and send everybody home, or everybody cooperates and you can go on working. Jim called Sealed Air's lawyers and they advised him to cooperate.

It was a large, well-orchestrated operation. Customs officials had arranged with the highway patrol to block off all streets leading to the building. At the time, the company was located in a rented building with an unusually large number of entrances. Since two men had to be stationed at each entrance, they had been forced to bring in additional customs officials, all the way from Chicago. Unfortunately, they chose the hottest, most humid day of the year for the raid, and that day the air-conditioning at Cortec broke down.

The customs officials wore their uniforms, jackets and all, and when the repairman came to take care of the air-conditioning, they sent him away without asking who he was. Later

on, when they asked Jim why it was so hot in the building, he told them, “The air-conditioning broke down and you just sent the repairman away.”

The officers were armed and you could see exactly who was wearing a shoulder-holster and who was wearing a leg-holster, because the latter could at least take their jackets off. They even teased one another: “Didn’t I tell you leg-holsters were much better?”

Anyway, they searched all the papers and found very little. That was because I was the one who had been documenting everything and the papers were with me.

The case became very public because the government wanted to make an example of it. There was even an article about the raid in *The Wall Street Journal*. But Sealed Air was holding up well. After the raid in St. Paul, they knew they could expect the same at their headquarters, so they prepared. They managed to destroy a lot of incriminating documents. Thus, the value of Sealed Air’s shares only dropped about ten percent after the fiasco, and rebounded shortly after that. That’s when I made the mistake of selling all my shares. Although I could have made more

money had I held onto them, I wasn't interested in owning stock in a company in whose management I had no respect at all.

So the shareholders soon forgot all about it. Still, Sealed Air was indicted. They pleaded not guilty and instructed all employees to answer any questions only with "yes" or "no" and not to give any additional information.

After some time I too was asked to come to the attorney general's office. Since I had documented everything as my lawyers had advised me to do, I brought with me all the information I had. Not surprisingly, Sealed Air changed their attitude overnight and suddenly pleaded guilty. At the same time, they decided to get rid of Cortec Division. But even after they pleaded guilty, they told the press they had only done so under pressure.

They ended up only paying a fine of half a million dollars. Funkhouser was sentenced to pay \$100,000 and complete 400 hours of community service. Johnston had to pay \$40,000 and do 300 hours of community service. Funkhouser did his hours teaching economics to inmates in a prison. Even though it was rumored that Dunphy had ordered his lawyers to find a way to pull off the trans-

action with Libya, none of the lawyers were even mentioned in the process. I guess lawyers just won't go against their own. The company didn't even pay the fines for Funkhouser and Johnston, nor did they pay them for the hours they had to spend doing community service. In fact, Johnston, who was used as a scapegoat for the entire affair, was later fired on a technicality. It seems in spite of the enormous sacrifice made by this young man and his family, his services were no longer needed by the top management of Sealed Air.

A Fateful Decision

The marina on Captiva Island, on the western Florida coast is one of the most beautiful marinas in the world. In early 1988 I went there to play tennis, fish, and relax on the sandy beach. I lived on my boat, sailing along the Keys and out to the Bahamas. But most of all I thought about the last few years of my life.

At the time I was mostly involved in the stock market, which for me was the very essence of the free market. Investing in stocks is very exciting but also very demanding. It requires knowledge, analytical capabilities, and a lot of intuition. Fortunately, I really enjoyed this, for as things stood at that moment, I wouldn't be able to work in the corrosion business for at least another five or six years.

From day one I tried to develop a systematic approach to the stock market. I invested only in quality companies, avoiding new companies that had yet to prove themselves. In my computer data base I monitored some forty companies, two thirds of which were in the United States. I tried to forecast strong

upward or downward trends. The stock market is certainly not simple. But if you really get interested, you begin to realize with time that there are some rules. My strategy could be explained in these five principles:

Rule one: never buy stock in companies about which you know nothing or in those where there is no track record of profitability in the past.

Rule two: never invest more than five percent of your total capital in one stock, no matter how appealing it may seem. Diversification is important. Divide your investment into different industries and markets.

Rule three: always buy stock or bonds for which there is a ready market. Study the history of a stock and also find out how much of the stock is in control of institutional investors.

Rule four: be prepared to sell with a loss. A successful investor has to feel that it is time to sell even though the price of the stock is lower than on the day he bought them. That's still better than losing your total investment.

Rule five: invest two thirds of your cash in fairly stable stocks and bonds, like AAA

bonds or U.S. Treasuries, or blue chips. The remaining third of your holdings can be invested in more risky stocks or bonds.

Of course, rules are not enough to be successful; you do need some luck and a touch of your own. So far, my luck has been pretty good. It kept me going following the termination of my relationship with Sealed Air. Still, I hoped something would change and enable me to return sooner to the work I liked best, but that didn't seem very likely.

While I relaxed in Florida, my wife Olga and my children Evonne and Paul remained in Minnesota. Although my marriage was not working out, I still called them regularly. They always knew where I was. That's why, when I found a message to call home that day in February 1988, I thought it was to be one of our usual conversations.

Olga told me I was to call Dermot Dunphy at Sealed Air. That wasn't much out of the ordinary, either. Even though I had left the company in April of 1987, we still kept in touch occasionally.

I was in for a surprise, however. Dunphy, always polite and reserved, came straight to the point.

“We are selling Cortec. Are you interested?”

My heart skipped a beat. This was what I had hoped and prayed for! But I had to suppress my feelings. After several years of dealing with Sealed Air, I knew better than to show how excited I was. I had to negotiate their way; I had to be cautious, calm, and cool.

“You’re selling?” After the Libyan scandal, of course, they were eager to sell Cortec as soon as possible.

Dunphy went on. “We’ve had other prospective buyers, but they withdrew. You’ve mentioned several times that you might be interested in buying the company. Are you still interested?”

“Under what conditions?”

“Two and a half million in cash.”

It was very clear to me what they were trying to do. They wanted to sell me Cortec as an on-going business, with all the debts and liabilities, with all the employees. But I knew perfectly well that the business wasn’t producing profits at the time. It just didn’t make sense to buy the company their way. I had to find a better solution.

“That’s not possible,” I replied. “But I am

interested. Let me think about it and call you back. Maybe we can find a mutually satisfactory solution.”

I had bought a little time. I began immediately to prepare for the negotiations. I had to make them sell me the business under favorable conditions, the business I myself had started ten years before in a garage in Minnesota, the business I sold them four years ago, the business I wanted back more than anything else.

Some things, those of course that were in their favor, could be settled with Sealed Air very quickly. Because of the Libyan scandal and the constant losses, they wanted to get rid of Cortec as soon as possible. So they accepted my proposal to buy just the assets and the inventory of the company. Thus all the employees were let go in a day; some of them returned to Sealed Air, about half were permanently laid-off, and the rest remained. They were re-employed the following day. Due to this method of buying the company, I paid for Cortec approximately four times less than the original purchase price Sealed Air had paid four years earlier.

When I returned, the company was in ru-

ins. The first thing I had to take care of was lead processing. The man Sealed Air had brought in for marketing knew absolutely nothing about marketing—he had a degree in physical education—so when inquiries arrived in response to our ads, he didn't know what to do with them. Instead of asking someone else to process them, he just stuck them in a box!

I had never taken any marketing classes either, but I could do the job better than he. What I knew I had learned from experience. I recall getting a phone call from a man named John Glenn shortly after starting the company. I had no idea who the man was. I even thought at first that he was the famous astronaut!

The man explained that he wasn't an astronaut, he was a distributor. "I'd like to distribute your product," he said.

"What do you mean by distribute?" I replied. I didn't even understand the term. I thought a customer was a customer. I had never heard of distributors.

So I had to learn from the ground up, and I discovered that distributors are good business people that serve companies like Cor-

tec in important ways. But you have to treat them fairly and respect them. “You bring us the business and we will support you,” is our motto when dealing with distributors.

Because it was so important to have reliable distributors, we paid a lot of attention to our distribution network. And we even managed to get the complete Sealed Air network-some of the best packaging distributors to be found anywhere-to work for us, almost by trick. In 1988, when I bought the company back, I wrote a letter to all their distributors saying that I was very glad that by acquiring the company we could offer them the opportunity to automatically become Cortec’s distributors. I phrased the letter very carefully so that Sealed Air’s lawyers couldn’t challenge it. I had bought Cortec, that was an undeniable fact. As for the second part about automatically becoming our distributors... well, Sealed Air couldn’t really complain about that either. If they had, I could have told them, “What’s wrong? There are anti-trust laws, you know. You can’t forbid me to use the same distributors; it’s not like you were married to them.”

In this way I got 380 distributors practically overnight. It would have taken me two

lifetimes to organize that kind of nationwide network myself, and if you don't have a distribution network, you might as well forget about successful sales. Anyway, the "trick" worked and I again began to travel to talk to these people and try to motivate them as much as possible to promote our products.

In any kind of manufacturing you need distributors in order to get product out into the market. Companies cannot afford to have warehouses all over the place. We rely on distributors to help reach our customers who need our product just in time. We also rely on distributors not only to warehouse our products, but to offer technical assistance to customers as well.

In some East European countries, due to the old "supply side" economics, many people still don't realize the importance of distribution. In my dealings there, I often meet with the argument that a price is a price, regardless of whether you're selling to the end user or to the distributor. They feel the distributor is making a lot of money anyway, so why should he be given a discount? But it's impossible not to do so. Small and medium companies today can no longer afford their own sales force.

They all have their own marketing, of course, but to get good salespeople, the price tag is abominable-it is a huge burden for any manufacturer. Distributors are much more flexible, because they have no fixed income. Instead, they are paid solely by profit margins on products that they sell. You give them a discounted price, and for that they do all the work your salesmen would have to do. In addition, they have their own contacts, some of which might even be inaccessible to you, and they keep your product ready for quick and efficient delivery. That's why distribution is so important. The fact that Sealed Air had such a good network contributed very much to Cortec's growth.

However, eventually I began to realize that the constant traveling to see all my distributors took too much time, so I established a new level of distribution, manufacturer's representatives. You might wonder, why did I choose to use manufacturer's representatives instead of establishing a sales force within Cortec? The answer is simple-it costs less. Today, to have just one salesman on the road costs a minimum of \$100,000 a year. Small companies can't afford that. However,

a manufacturer's rep is paid strictly by commission, you have no overhead costs to worry about, and since they are paid a percentage of what they sell, they will work very hard to make a sale.

Each of our manufacturer's representatives covers a certain territory and works to help the distributors in sales. They actually do our job for us. We still have to travel, but the reps, once technically trained, work on their own. I think this two-level distribution network is ideal for companies like Cortec, that have a technical product and lack the cash to support their own sales force.

Another problem I wanted to avoid this time with Cortec was the cash flow, so I introduced strict payment terms: thirty days for customers in the United States. After thirty-five days we check which customers are behind in payment and remind them of it; if we still haven't been paid after forty-five days, we stop deliveries, so our customers know we mean business. In international sales we started demanding letters of credit before merchandise would be shipped.

Of course, when you begin working with a new customer, you try to be flexible. The

key is to be flexible with your prices, not your payment terms, because if you're a small company, you simply don't have the capital reserves to afford that type of flexibility. So we introduced discipline, and that helped us a lot. In four years Cortec's annual sales grew from \$1.5 million to \$8 million without cash flow problems.

Soon after I returned to Cortec, I realized that I really belonged here and that the company did have a great future. Also, some external factors developed favorably for us: environmental consciousness increased, so our products sell very well both in the United States and in Europe because we are very careful not to pollute the environment, either with our products or through the production process.

I also chose to focus on global distribution. When I took over the company, the ratio of domestic to international sales was approximately 50/50. Today it is around 70/30 (seventy percent domestic and thirty percent international). During the time Cortec was part of Sealed Air, international sales had remained fairly stable, despite the fact that the Sealed Air people didn't travel much. But

I've noticed that international distributors, once established tend to be much more loyal than American distributors. The explanation is very simple: American distributors have many more suppliers to choose from, so if you stop supporting them, they will simply go to somebody else. International distributors, on the other hand, tend to push forward on their own. They are much more loyal to brand names. I was quite surprised when I found this out.

An exceptional foreign distributor for Cortec is OKS, a company in Munich, Germany. They heard about Cortec years ago from a mutual friend, Wim Moerdijk, in Holland. He recommended they get in touch with Cortec. OKS is a successful company, run by the Kuhn Weiss family. They have been in business since the end of World War II, manufacturing lubricants for high-performance engines like Mercedes Benz and BMW.

This was in the days before fax machines, and Kuhn Weiss telexed me and asked me to send information on our products. What was interesting about the contact was that Mr. Fridrich Kuhn Weiss was a manufacturer not a distributor. Yet, he wanted to know more

about Cortec. I traveled to Munich to meet with him for a couple of days. He asked many technical questions about our products, then made the decision to set up a separate company to distribute, not manufacture Cortec's products. He had the vision to see that Cortec would someday be a household name in Europe, and he was willing to put up the money to translate our brochures and advertising and sell to the German market. He organized the market, presented seminars, and trained his staff. Fridrieck Kuhn Weiss was the kind of distributor a company like Cortec needed, one who was able to invest in a new product line and not expect a return for three, four, or even five years. Kuhn Weiss has been there for the long run, and our partnership has lasted more than fourteen years.

Besides having to establish a strong marketing and distribution base, I also needed to turn my attention to motivating my employees. The working morale was practically nonexistent. People had known for a long time that things weren't going well: Sealed Air had been losing \$500,000 to \$750,000 a year. Eventually the employees had been told

that the company would either be sold or relocated or shut down, so naturally everyone was very nervous.

Already during the negotiations I had decided which people I intended to keep and which Sealed Air could take. The rest were laid off, with severance packages, according to the number of years they had worked for the company.

It took me quite a while to arouse enthusiasm in the employees again. They had to be given responsibilities to prove to themselves that their work was valuable, because money really wasn't everything. I even considered giving them shares in the company, but since they were mostly young people, as yet professionally not fully formed, the paycheck they took home on Friday night meant more to them than some long-term investment. Most of them lived on credit cards-plastic money—from one month to the next. Giving them the shares would not have really motivated them because they couldn't go shopping with a piece of paper. Besides, I still remembered my bitter experience from the first stage of Cortec when the people I had given shares to were slowing me down. So I decided not

to repeat the same mistakes. No one but my children holds shares in Cortec, and they have them in a trust fund, for the future.

Once I decided not to use shares as a reward for the employees, I had to find other ways to motivate them. I considered this highly important, because it's the people who constitute a company, the company is in fact the people.

I chose to offer a package of benefits that included a profit sharing plan, good health insurance coverage, and incentives for further education. Although it is not easy for a small company to cover these costs, we do it because our people are important to us.

Cortec will pay additional education costs for anyone willing to go to the university, night school, or take foreign language courses. It may cost a few thousand dollars a year, but in my opinion it is a possibility for new skills to be brought to the company. Our employees are glad for the opportunity. People at all levels-in production, in the lab, in the administration-have taken advantage of the program.

Besides offering a generous benefits package, we have tried to make the work envi-

ronment as pleasant as possible. We have a workout room at our facilities, with all the newest equipment, and the building itself is beautiful, surrounded by lawns and a pond where wild geese often dwell. (Sometimes the geese can be a nuisance, because on hot days they like to rest in the shade in front of our main entrance, and someone has to go out every few hours to clean up after them!)

During the summer we have had picnics and played volleyball, or we rented a boat and sailed down the river. In Sarasota, Florida, we have a corporate yacht and occasionally some of the employees' families go on a cruise with me. I always check sales figures on a daily basis. If the results are better than we had planned for the month, we order pizzas for everyone. Cortec is really one big family.

While I don't necessarily think automatic pay raises are useful in motivating employees, I do believe in rewarding people for hard work. Rita Kharshan is a chemist who came to work at Cortec about four years ago from Russia. She was very highly trained, coming from a family of chemists and holding a doctorate in organic chemistry herself. However, she began at Cortec at a technician's level, for

about \$10 an hour. She probably could have made more money waiting tables. But in three years, she proved herself and is now the chief chemist for the company. She never once asked for a raise. She was given them because she earned them. Her love of chemistry is obvious and her contribution to the company is exemplary and very visible. It inspires others to do their best work, too.

I think most people like working for a company that has potential. My door is always open to anyone who needs to talk to me—literally, I never close it. I want my employees to think of me as a kind of coach, not a boss. Even when I have an important meeting, when a contract is being signed or something like that, if one of my people needs me, I will leave everything and go see what's wrong. I believe it's highly important to show people that they are important, that their jobs matter.

Unlimited Possibilities

New Year's Eve 1986 marked another turning point in my life. I was returning from a party to the Sheraton Hotel in Toronto. As fate would have it, just as I was about to go up to my room, the power went out in the elevator.

"No problem. I'll just walk up."

So I climbed up the nine floors. When I finally got to my room, I was so out of breath, I nearly collapsed. Here I was, thirty-eight years old and dead tired. Right then and there I decided to change my life and lifestyle. It was like somebody had flipped a switch. The next morning I started eating differently, I began exercising, and I gave up smoking cigars. I also went back to two sports I truly loved, skiing and tennis.

I had started playing tennis when I was eight years old at the University Club in Zagreb. At that time, it was well known that being a top athlete allowed you to have a better life and freedom to travel, so many of the tennis players in my group became very competitive. Quite a few of them eventually represented Yugoslavia on the Davis Cup. However, as I

became older, I discovered that my natural physique didn't let me beat guys like Niki Pilic, Franulovic, and Ivancic. Yet I learned to be fiercely competitive and to control my thinking while under pressure. In tennis, you don't want your opponent to know that he has you riled, or he can easily take advantage of your tendency to make mistakes. By maintaining your cool, you don't concede an unnecessary advantage, and you play a better game. Occasionally that ability comes in handy in business situations, too.

I always carry a tennis racket with me so I can play tennis wherever I happen to be. I play tennis every day, even when I'm traveling, which averages two out of every three months. In making reservations for the places I have been before, my secretary already knows which hotels have tennis courts or have courts nearby. When I visit towns for the first time, I'll look up a local tennis club and play with the tennis pro. Usually I play tennis in the morning. It helps me deal with the stress of my job.

There is a lot of stress traveling and working on the road. I have a very limited time to be with people and accomplish things before

I have to leave, so I typically work fourteen-to sixteen-hour days on the road. While traveling on business, you're always fighting the clock as well as jet lag, so naturally your productivity tends to suffer. It's even worse if you're not in shape, like the way I was that New Year's Eve. Now, I especially try to play tennis every day whenever traveling. I'm back in shape and probably could trounce many of the unbeatable tennis players of my youth because of it. My weight and stamina is the same as when I was in my early twenties.

A few years ago, a doctor came to my office at Cortec to give me a medical exam required for the life insurance policy the company carries on me. After running a variety of tests including an EKG, he commented that I must be working without any stress in my life. Of course I have as much stress as any other business executive, but my body and mind now handle it differently, with a lower heart rate, better mental concentration, and more energy.

Better diet and exercise has provided tradeoffs for the things I value. If I want a dessert, I still have it. But instead of eating chocolate, I'll eat an apple. Instead of being

dead tired at the end of an eight-hour work day, I still have the energy to work another six to eight hours. I exercise my body so I can exercise my ambition for Cortec to grow to a \$100 million company.

However, when I'm back in the office, I try to slow down to an eight-hour day. This allows me to put some balance back in my life and enjoy my other hobbies and interests, including music and art and cars. In the winter, I ski and spend occasional weekends on my yacht in Florida. I also spend time with my family. I encourage my employees to do the same when they can. It helps them feel better about themselves and motivates them to do their best work.

Still, like in everything else, there comes a time when spirits lag. This happened at Cortec in about 1990. The business was going well, but I still felt something was wrong. I realized we needed some fresh blood, something new and different that would shake us up. Sure I could have organized more picnics or ordered more pizza, but that would not have accomplished much. I had to find something to inspire people and turn them into a team again.

I went to the University of St. Thomas in St. Paul and enrolled part-time in a Total Quality Management (TQM) course. TQM seemed to me to be the right approach, because it wasn't only concerned with product quality but also offered ways to motivate employees to really participate in the growth of the company. At the time TQM was something new, and many companies were embracing the program.

TQM works by increasing the efficacy and flexibility of the company as a whole; the process involves everybody, in all parts of the organization. The objective is to correct existing mistakes and to prevent losses of any kind. I was really excited, for I felt this was exactly what Cortec needed at the time. However, it wasn't so easy to implement—new things take time.

I started talking about total quality and about ISO 9001. ISO is an abbreviation for International Standardization Organization, a European-based organization also advocating a systematic approach to quality. The ISO scrutinizes a company's systems through precisely defined procedures, documents, and ways of monitoring the data. In a word, it is an integral system. There are two such systems

at the moment: ISO 9002 for manufacturers; and in my opinion the most complete, ISO 9001, which encompasses the whole organization, at all levels-production, research and development, marketing, and administration.

Complete organizational integrity is very important, and a company can have a lot of problems because of a single oversight. The experience of motorcycle manufacturer Harley Davidson proved that. A few years ago, Harley Davidson had been totally wiped off the market by Japanese manufacturers, Honda, Yamaha and Kawasaki, who managed to produce motorcycles that were better and lower priced. Harley Davidson, who for a long time has had a cult motorcycle, was on its knees. It went bankrupt.

Then two smart guys bought the company and tried to find out what went wrong, and found a lot of things. The bike was technologically out of date and it simply could not compete with the quicker, lighter, safer, and cheaper Japanese machines. Still, Harley Davidson had one thing-a big name, a great image.

So the new owners asked their distribu-

tors, “What’s going on? Why can’t you sell more bikes?”

The distributors said the price was too high and the motorcycles leaked oil.

The new owners realized they couldn’t compete in lightness or speed; their machine was heavy and slow. But it certainly didn’t have to leak oil. So they went to the plant and asked the operator in charge of tightening the screw that was leaking why he didn’t screw it more tightly.

“Well, nobody told me to do that,” he said. “I suggested some changes to my bosses, but they told me to shut up and do my job. And that’s what I’m doing.”

Thus the new owners realized the major problem with the company was the rigidity of the old management. So they stopped everything, explained to everybody what needed to be done, and, in the middle of bankruptcy, even managed to get government protection. The Department of Trade increased the import duties on Japanese motorcycles.

In the meantime, Harley Davidson reorganized and began manufacturing really first-class machines. Also, people began to realize that the main thing about a motorcycle wasn’t

whether it could do 150 miles per hour. The main thing was the fun of riding a real motorcycle. In the end, the Japanese couldn't touch Harley Davidson's image. Today the demand is so great for their motorcycles that Harley Davidson just cannot make enough of them.

I'm telling this story for two reasons. One is that if you get your employees interested, from the operators up, and give them the responsibility to make some decisions that let them feel they are doing something meaningful, you can really achieve miracles in productivity. The second is that Harley Davidson may someday be one of Cortec's best customers. They want their bikes to be in impeccable state when they are delivered anywhere in the world, without the slightest trace of corrosion.

I wanted to give Cortec a jump-start like Harley Davidson's. I hoped implementation of the ISO 9001 quality system would do that. After I explained to my employees what it was all about, I selected a task force to implement the program. It turned out, however, that I had chosen the wrong person to lead the group. I asked the operators to start statistical quality control, to write down data.

But nothing happened because something had to be measured, and that's usually the job of inspectors and people like that. The operators wouldn't do it.

Six months passed and nothing changed; the quality remained the same. I hadn't forgotten what I had told them, but even though I believed even more strongly that this was what we needed, I didn't do anything. I was waiting for the right moment.

It was Cortec's practice to hold employee reviews in March of every year. Each interview lasted at least twenty minutes and sometimes hours. Each employee was expected to bring in data, records, suggestions, even criticism, with the objective to increase the productivity of each job. After the review, I usually gave employees a raise. The reviews always took place on weekends; employees had to take it out of their own time, and of course I did the same.

Well, in 1992, March came and went and I didn't invite anybody in for review. A month later some of them asked me indirectly if I had forgotten about the reviews.

I replied, "No, I haven't forgotten. There aren't going to be any reviews."

There was silence for two weeks. Then somebody else came and asked, "There will be reviews, won't there?"

And again I said, "No, no reviews. You are comparatively well paid; you have good benefits."

The question came up more and more often, and finally, four months later I wrote a memo saying that there would no longer be any annual reviews and reminding them of ISO 9001. Basically I was telling them that if they wanted raises, they had to contribute more. They knew the competition was strong, so we simply had to do better. For the time being, they were well paid, and if they didn't like it, they could leave any time they wanted.

That was a shock.

A couple of weeks later, while I was doing my usual rounds of the premises, I noticed something unusual. An operator, a simple man with a drinking problem, was surrounded by graphs, diagrams, and data. He was producing tablets, which was normally one of our major problems. In the winter it is very easy to make tablets, but in Minnesota's hot, humid summers, it's almost impossible

to make them. The mass becomes sticky, the machines get clogged, and repairing them is expensive.

“Why are you trying to make tablets in the middle of the summer?” I asked him.

So he told me. He had started out measuring simple things like temperature and humidity and he made diagrams. After a while he realized he only needed to look at the diagram to know whether or not he could make tablets on that particular day.

That’s how it started, and soon others followed suit. We really began implementing ISO 9001, and I must say we saved a lot of money that way. Because, usually when people come to work, they just turn their brains off. As they say, you pay for a pair of hands, and that’s what you get. Brains are for free. It’s the job of the management to find a way to release the enormous creativity of the people. The most important factor in the success of a company is that positive approach of the employees, their desire to accomplish something. Otherwise, the company is just a hollow building.

Even before ISO 9001 we had an employee suggestion box, but it really wasn’t being used

and over the years we forgot where we put it. Even I had forgotten. But now we have no shortage of ideas and suggestions. And some of the ideas the employees have are very interesting.

But again, it is management that has to take initiative. It's like in the story about Harley Davidson, when that man said: "Nobody told me." If you arouse the interest and creativity of your employees, they will desire to make a contribution and will grow to love their jobs. Then the possibilities are unlimited.

Secrets to Cortec's Success

From its humble beginning in a garage in suburban St. Paul, Cortec has grown into a global supplier of corrosion control systems. Throughout its growth, I always strived to involve Cortec's employees in my vision for the company. Our mission was clearly defined, and from that we developed a strategic plan for the future. A fire was built and it was soon ablaze.

Our sales grew constantly. As we improved our products and expanded our product line, more and more companies became interested in our technology, and thus we were able to enter even the most distant markets. In an era of world trade with multinational manufacturing sites, Cortec was positioned to provide its customers with product anywhere in the world, even in my home country of Croatia.

Early on, I had tried hard to develop sales in Croatia, but it was just not possible within the communist system of central purchasing for everything. Even though Cortec had developed a well-respected name within the Croatian technical community, it didn't make a difference. The suppliers were stipulated and

that was that. There was very little opportunity to break in.

When the Berlin Wall came down in 1989, things started to change. In the years since then, companies like Cortec had the opportunity to introduce new American-style marketing to Eastern European countries. Our products provided the best that new technology had to offer, which in turn opened a gap where better performance and value added products allowed us to compete effectively against older products of twenty, thirty, and forty years ago. Even though we were somewhat higher priced, the overall cost versus performance became much more appealing to the customer.

However, selling also required better service and support, or nothing would happen. We had appointed Herbos, an old style chemical company, as our licensee in Croatia, but they didn't do much. Two of their technical people were assigned to sell Cortec products, but their management wouldn't give them the support they needed to serve customers. The result was low sales.

We talked with these two guys about the situation. They wanted to set up their own

company as a Cortec distributor. It was a risky decision for them—their sole source of income was riding on the deal and they had families to support. Cortec had very little to lose and much to gain because here were two people who wanted to make a real commitment to sell our product.

The risk paid off. In one year they became one of our largest volume distributors in the world. They knew that selling took more than a great product. It took service to get and keep the sale. Plus, both of them had a deep understanding of chemical technology, which combined with high performance Cortec products turned into a winning combination. Interestingly enough, in Eastern Block countries the central buying function of the past had been dismantled totally, so when a company got into those markets, sales would build rapidly, provided the company had good people working for it.

I have always believed that Cortec's success depended on our ability to create new products and new markets. Equally important in today's business environment was a structure that allowed us to react to business opportunities on a global basis.

From the start, Cortec chose to focus attention on selling to the industry, rather than directly to consumers. In fact, I learned a lesson about the retail market the hard way. In the late-1970s a man named Tom Kuuti came to me to buy Cortec products. Kuuti's business, Biox, sold consumer rust removing products through retail outlets. He was going to market Cortec's products in the same way. I had no experience in consumer sales, and I thought a sale was a sale. Unfortunately, Kuuti ran up a sizeable bill and then could not afford to pay it. In 1983, Cortec bought Kuuti's company from him in an effort to recoup our losses. That was a mistake. We weren't equipped to sell directly to consumers, and the purchase of Biox contributed to our serious cash flow problems that ultimately resulted in having to sell Cortec to Sealed Air.

After that initial unsuccessful attempt at direct sales to consumers, Cortec went back to its original focus of selling only to the industry. Still, in more recent years, our research indicated that consumers were looking for environmentally safe products such as those we had developed for the industry, and there really wasn't anything similar on the market.

To fill this need, we launched our first line of environmentally safe anti-corrosion products to be sold through retail stores, the Bull Frog Consumer Line. It was a bold move for Cortec, but one that fit with our overall plan of diversification and expansion of sales. Everything for the line is done in-house, from manufacturing to packaging to marketing. We did our homework this time and I believe we learned from the mistakes of the past. The Bull Frog line has been an exciting new venture for Cortec.

I've found that being committed to research and development (R & D) results in discovering things that weren't known before. Such intellectual assets need to be protected through patents and trademarks. We have had problems with the protection of our patents. In Germany, for instance, we worked with Heidelberger, a well-known manufacturer of printing presses. They have had difficulties with corrosion since the invention of the printing press. We solved their problem in a very short time. And what did we get in return? A kick in the butt. Another German company simply copied our product and offered it at a slightly lower price to Heidel-

berger. Heidelberger accepted their offer and canceled our contract. We didn't even get a thank you. Of course we could have sued Heidelberger, but then you have to weigh the legal cost of defending the patent versus the potential reward, which in this case wasn't favorable for us.

Even more important is protecting our trademark. We do not permit anyone to have a trademark similar to ours. In some countries, South Africa and Argentina for instance, other companies registered our name because they knew we were coming into those markets and they wanted to blackmail us. In South Africa we chased them all the way to the Supreme Court, spending thousands of dollars in attorney's fees. But there was no other way to protect our name. In all our licensing contracts there is always the provision that the trademark is our property. It's not a subject open to discussion.

On the other hand, we found that we could make good money with the private label business, manufacturing exactly the same product as ours for another company and letting them use it under their name. We have done this a lot, but only with good, well-established com-

panies. Profits are a bit smaller because we have to sell to them at a price slightly lower than for other distributors. But these companies are giants in their own fields, and it's good for us that they're using our product under their own name.

Cortec's mission has been to become globally positioned. Building distribution worldwide has become easier as Cortec has grown, because distributors come looking for us. We have been able to be more selective when choosing distributors, which in turn has allowed us to work with better distributors. When choosing distributors, I avoid going through a lot of red tape or a lengthy selection process. I have learned that those who make the best Cortec distributors are the ones who almost immediately understand how we do business and who are not shy about investing in the initial inventory of Cortec products. That understanding and eagerness tells me a lot more than a half dozen meetings which simply eat up a lot of time and money.

I like to do business with our distributors and I like to have them as friends. I find that often there's a good chemistry between us. It's important to have legal documents, but it's

the personal commitment that we show each other that makes the real difference. You can always have lawyers find a loophole if there is one. Friends will never insist on the loopholes if they want to work out a successful relationship.

That's why we have kept the paper work to a minimum when negotiating with Cortec's distributors. There's no benefit in analyzing to death a potential distributor's sales ability. My philosophy is: draw up a simple agreement and sign it. Have them buy product, even the smallest stocking order, and then help them make the sale final. If the distributor can't make that happen, we're working with the wrong people. In the beginning of the Cortec saga, a territory would be tied up with an exclusive agreement and all we'd get was a lot of promises. Once I changed tactics and did away with exclusivity, it was easier going and much more successful. I learned how to spot distributors with worthwhile potential. And if a distributor showed no sales, we were only out a small amount of time and expense, far less than if we had visited them several times, then signed the agreement, then gone back and pioneered sales! Under

the new business strategy, only when the distributor shows sales, do we help them get more and get better.

Our representatives and sales managers help them do that. And occasionally I get to do that as well. In fact, half my time is spent marketing or selling in some fashion. A great deal of that time is out in the field, meeting face-to-face with reps, distributors, and our customers. It's the only way I have found to be successful in staying in touch with the market. While I'm out in the field, I can observe many sales and marketing opportunities that I'd never discover staying in the office. I can also map out how to develop opportunities into sales.

Several years ago, I worked a very promising deal with a Swiss company called SIKA to private label our MCI® products. SIKA was one of the world's largest suppliers to the concrete construction and repair industry. When we can set up a good private label arrangement, we always go all out to help make it work because this type of arrangement has been successful for us in the past. The SIKA group in the U.S. worked very well with us. However, the parent company in Zurich only wanted to use us to prove the market viability

of the products. We found out that they had copied our products and were trying to sell them behind our back. That's what happens when you try to develop a strategic partnership with the wrong company. They turned from partner to competitor.

I've also determined that there is enormous opportunity in forming strategic alliances with key suppliers. They have at their disposal a wealth of information, and the key is to know how to tap into this resource and use it to better your business. I have met regularly to discuss a variety of subjects with Dave Boie, our key supplier of high performance coatings for resale to our distributors. We talk about quality, delivery, pricing issues, competitors, and product improvements.

Having the ability to spend half my time on sales and marketing was only possible because I gave up managing the day-to-day operations and the lab. You may have already asked yourself, "How can he spend nearly seventy percent of his time out of the office and still run a company?" It's because I don't try to do it all. I realized that was a mistake I made the first time around, and I chose to correct it once I had Cortec back. It's impos-

sible to run everything and do it effectively. That's why I have managers. I'm available to help them with advice and direction, but I no longer am available for running operations or the lab. That allows me to be out in the field, staying close to our customers and their needs.

Back in the office I always check to see how responsive we are to customers in a variety of ways. Lack of response, slow response, or inappropriate response will kill the customer relationship. It makes no difference whether it is poor quality product, slow delivery, or lack of technical service. At some point, we have all been on the receiving end of poor responsiveness, and we've quit buying from a company, store, or person.

It doesn't have to be the distributor sales person who destroys a customer relationship. It can be the person who answers the phone in a tactless manner after hours. It can be a late lab report. It can be shipping out the wrong product. Killing a customer relationship is very democratic. Anyone can do it. Thus every person becomes essential in building good customer relationships. Everyone's job is necessary and critical for success, and

at times, the corrosion Cortec controls does have lives depending on it. Everyone who works for Cortec is important. Depending on the situation, they are more important than me. I can't write out checks through our sophisticated computer software. I only know how to sign them in an emergency. I can help load a semi, but I can't run a forklift. I can help determine the right product to use, but I don't know how to get it delivered the next day to Japan. I can read the instruction on chemical safety, but I don't know how to clean up a dangerous chemical spill. Everyone is here because we need them for the job only they can do. We need them because they are our greatest creative resource in making Cortec better. We need them for new product development. Working on the ISO 9001 showed us that.

New product development is an essential part of Cortec's ability to grow. It's an attitude of constant renewal and innovation. I've learned that sharing technologies is probably the quickest way to develop new products. For instance, in 2003, Cortec teamed up with a company in Japan whose technology was in a special form of anti-static packaging

for critical computer components. We cross-bred our corrosion technology with their packaging technology and put together a new product line. By working together with other companies in such a way, we are able to expand our markets without having to spend huge amounts of money. I believe such sharing of technology is the wave of the future.

New products now make up the fabric of who Cortec as a company is. We witness continual change on a variety of fronts. It goes on all the time. Innovation keeps us all fresh and young at heart. Half of the sales we have today come from products that are less than five years old. How do you keep a company excited and enthusiastic? Much of it has to do with new products that solve customer problems. Many times every year we solve someone's corrosion nightmare. We do it with new technology, better performing products, products that do things that could never be done before, better cost performance, and people that took the time to support and service the customer. Doing it well is like winning the Super Bowl.

Today, Cortec is ablaze with new product opportunities and matches in eight major in-

dustury segments. It's the cycle of rebirth and renewal. We keep the cycle going by feeding the fire. As Cortec's leader, I'm in the driver's seat, ready for wherever the road ahead leads.

Oh, yes—I'm behind the wheel of a fire red Ferrari.

Fame and Fortune

When your working formula is BST-blood, sweat, and tears, there is little time left to think about fame. Besides, I was never particularly interested in it. All my energy and time went into building Cortec, so during the first fifteen years in the United States I didn't have much contact with famous people. I always believed that for Cortec the most important publicity was what we accomplished in the technical community and our stature with our customers. Since most of our customers were in the industry, that's where we had invested most in publicity.

When Cortec made it to the INC 500 list in 1983 I felt for the first time that we were ready to present ourselves to the world. The publicity we got then was very pleasant and very useful for the company, especially since it came while I was negotiating with Sealed Air and it had an impact on our image in their eyes. Since I had imagined our future with Sealed Air would be something completely different from what actually happened, I thought it was the first and last time we would make the INC 500 list, because as part of the bigger corporation we would no

longer be able to qualify.

After 1988, when Cortec was once again under my control, I put all my energy into rebuilding it. This time my goal was to build a large corporation with a worldwide network. My status as a business leader in the community began to grow, and the following year I received a call from Minnesota's Governor Rudy Perpich. I had had a few casual contacts with Rudy over the years, but we were never more than passing acquaintances. He knew me only as a fellow Croatian. When Cortec had made the INC 500 list in 1983, Rudy attended the awards ceremony, but it wasn't until 1988, when Cortec was again mine, that we became better acquainted and eventually developed a close friendship. Rudy was a strong supporter of business in Minnesota, and he and I shared many of the same ideas for stimulating business here and in Croatia. His ideas and leadership impressed me. I considered him a really first-class politician, the governor of Minnesota for ten years, the longest in the history of the state.

I had had little to do with politics since coming to the United States. Perhaps it comes from the bad experiences with politics in my

home country, I don't know, but politicians usually made me uneasy. I just found it difficult to talk to them. But Rudy was different than most. He was a very open and kind man. I found him easy to talk to, and what's most important, he really listened to you. He was not the least bit conceited, and I never heard him raise his voice. Rudy really made a deep impression on me, and so did his beautiful wife Lola with her kind and compassionate smile.

After 1988, Rudy and Lola started inviting us to receptions at the Governor's residence and included us in other social occasions. I remember once when Pavarotti was in town, Rudy and Lola invited us to attend a concert with them. It was a pleasant evening. In the years that followed, we became good friends with both Lola and Rudy Perpich, and we spent many enjoyable evenings with them.

On June 10, 1994, the twentieth anniversary of my emigration from Croatia, Rudy spoke of our friendship at a dinner in my honor. He admitted that since January of 1991, when he left the governor's office, he had given only a few speeches, which made his words that night even more touching:

"I accepted Boris's invitation to speak to-night for two reasons.

"First, because Boris is my friend.

"Secondly, because when I was very young, immigrants were looked upon as a major source of nothing-more-than brute labor. Boris, with his great success, helped to prove many of the old prejudices wrong. [He] has prospered because of his talent, intelligence, and determination.

"Some who succeed forget the world. Others don't want the world to change-they have the attitude that, 'I suffered, so why should I make life easier for anybody else?' Boris has taken the humane course. [He] is working to create conditions in which entrepreneurs can succeed, without having to leave friends and family and move to a new country.

"Twenty years ago, Boris Miksic came here with energy, intelligence, determination, and a dream. He was Croatia's gift to America.

"Today, [he] travels to Croatia with the same energy, intelligence, and determination, but also with the skills of a successful entrepreneur. [He] is now America's gift to Croatia. Boris lived the dream in America and he is now helping others to see that dreams can

become reality.”

Perhaps Rudy and I were close because we shared the same heritage. Rudy grew up on Minnesota’s “Iron Range.” His father worked the mines in the Carlson Lake area, where many Croatian immigrants lived. Rudy’s mother was born in Minnesota, but his father had come to the United States from Croatia as a poor immigrant. Both his parents spoke Croatian fluently and Rudy himself spoke a little Croatian. Respect for his heritage was important to Rudy, as was education. He was trained as a dentist and his brothers were also very successful. It is wonderful to see how these second generation immigrants from Croatia did so well in the United States.

As governor, Rudy Perpich was a visionary, although not all of his ideas were appreciated by his peers or the voters, and especially the local media. It bothered me a great deal when a Newsweek article labeled him “Governor Goofy,” and the local media chose to pick up on it, ignoring the many other favorable things said about Rudy in the national press. In 1990, *Innovating America* said that under Rudy’s leadership “Minnesota is the best governed state in the nation,” and *Fortune Maga-*

zine called Rudy “one of the top ten education governors in America.” Presidents Reagan, Bush, and Clinton all praised Governor Perpich’s education reform program as a “model for the nation.” And USA Today chose Rudy Perpich as “the ideal governor for growth in high-tech industry.”

Rudy Perpich should be remembered for his great accomplishments for the state of Minnesota. After all, among many other things, he was instrumental in bringing the Mall of America to Bloomington. At the time a lot of people had scoffed at the idea of building a “megamall” complete with an enclosed amusement park in the center. I doubt anyone would laugh today. The Mall of America is a huge success, bringing in millions of dollars a year in tourism money and tax dollars.

Rudy consistently worked to improve education, create jobs, and shape government policy and programs to help working people and those caught in the web of poverty. He also championed the roles of women in state government. In 1982, he chose Marlene Johnson as his running mate, and she became Minnesota’s first woman lieutenant governor.

While governor, he also appointed Rosalie

Wahl as the first female State Supreme Court justice, and before leaving office he appointed Sandra Gardebring to the State Supreme Court, thus making it the nation's first state court with a majority of women.

Though the media was not always kind to Rudy during his terms in office, after his untimely death from cancer in 1995, he was applauded for his many accomplishments, including bringing to the state the Super Bowl, the Mall of America, and Soviet President Mikhail Gorbachev. What set him apart from previous governors was his ability to make Minnesota visible on a world scale.

Rudy's invitation to Mikhail Gorbachev to spend an afternoon in Minnesota was one of those "world scale" events. Thousands stood along the highways on a cold, gray Sunday to catch a glimpse of the Soviet President's limousine. Hundreds of top state officials and business leaders vied for a chance to meet with him at the governor's mansion. For a brief moment, all eyes were turned to the Twin Cities. I was privileged to be among those business leaders and government officials who assembled to meet Gorbachev, although I never got close enough to shake the man's hand.

Out of that visit came the announcement of an international business training venture, the Maxwell Institute, funded by publishing magnate Robert Maxwell that was to be based in the Twin Cities. It sounded like a good opportunity for Minnesota business. Unfortunately nothing really came of it, as it seems happened with much of what Robert Maxwell promised.

I met Maxwell through Rudy a couple of years later. To be honest, he really didn't impress me very much. From day one I had the feeling he was not an honest man. We met for the first time in Zagreb, where Rudy and I were both staying at the same hotel. At the time, Rudy was working on behalf of the Croatian government to bring in outside capital and Maxwell was one of the investors interested in doing business in Croatia. Rudy asked me to help Maxwell in the negotiations concerning the acquisition of the publishing house Vjesnik in Zagreb. I attended several meetings with Maxwell and so far as I remember there was Mr. Vedris on the Croatian side and some other people. Robert Maxwell had an odd way of conducting these meetings. Though he had signed a letter of

intent, saying he was going to buy the company, I knew he didn't have the faintest idea what the company was all about. I was at the meetings and I could plainly see he was completely in the dark. He didn't take the time to read anything; he just signed documents like there was no tomorrow. I decided he was an eccentric. That much was obvious. He was also very wealthy, or at least he kept trying to impress that fact on everybody. But what he did and said during those meetings certainly didn't seem like sound business.

After I returned to St. Paul, Maxwell called me and asked me to be his advisor in the transaction. I didn't feel like going. When I don't trust someone, I can't justify wasting time with them. But he was persistent, so I finally said I'd do it for \$5000 a day.

"That's very expensive," Maxwell said.

"Yes, but that's what my time is worth."

He accepted my terms and asked me to come to his office in London.

His headquarters were incredibly crowded, with people coming and going constantly. In order to get to see him you first had to wait in line in the lobby, then outside his office, and once you got into his office, you'd find five or

six other people already there, for he was conducting several negotiations at the same time! It was a madhouse.

I was confused. I didn't understand what he wanted from me. Finally he noticed me and said: "Ah, you came from the United States. OK, we have to buy this Vjesnik thing, so why don't you fly to Zagreb tomorrow with a group of my analysts and take care of it."

I really felt sorry for those analysts. Here it was the end of the day and they simply had to drop everything and go to Zagreb. No briefing, no nothing. One analyst actually was in Hungary at the time, so they had to catch him at the Budapest airport and tell him to go to Zagreb instead of returning to London. Nobody explained anything to them. They were going to make this deal, buy Vjesnik, a company worth hundreds of millions of dollars, and for most of them it was the first time they ever heard of it. You can imagine how I felt. This was absolutely the last time I would make such a long trip for that pompous fool.

When we got to Zagreb, I tried to help in the negotiations. The people from Vjesnik obviously were very interested in the trans-

action, but Maxwell's people needed some time to get into the swing of things. I have to admit, though, once they did, they really performed. They were open and honest and obviously knew their job. They immediately noticed all Vjesnik's problems and determined that only one publishing company within the group, the Vecernji List, had a real potential to produce profits. Eventually they made a pretty good analysis. One thing could be said for Robert Maxwell, he had good people working for him. And that's important for any business.

Croatia is Calling

In 1990, Governor Perpich called me with some exciting news: “Croatian President Tudjman is coming to the United States. In fact, I have invited him to come to Minnesota, and he has accepted. I want you to be in the welcoming committee.”

I was glad to be included. Although I had left Croatia sixteen years before, I still had strong ties to my homeland.

Olga and I had become citizens of the United States in 1980. Yet, even with being a U.S. citizen and holding a valid U.S. passport, in 1980 it still wasn't safe for me to go back to Yugoslavia. I had been black listed, and some people like me who had gone back were locked up and never made it out again. That's just how things were. However, in 1982, I couldn't stand being away any longer, so I had taken a chance and gone back home. I was lucky.

No one could have predicted what would happen in the years that followed—the fall of the Berlin Wall and the collapse of communism all over eastern Europe, including Yugoslavia. I never dreamed when I left my homeland that some day I'd get the chance to welcome

the first leader of a free Croatia to Minnesota. I was thrilled.

I remembered Tudjman from the late sixties. I had gone to high school with his son Stjepan, so I had met him a few times when I was still a young man. Naturally I figured he wouldn't remember me-I was just one of his son's many classmates. Still that didn't diminish my enthusiasm in meeting him again.

So Joe Rukavina, Minnesota Supreme Court Chief Justice Peter Popovich, and I went to meet the Croatian delegation at the airport. Actually, Cortec had the honor of sponsoring the entire visit of the delegation to Minnesota. When I had been asked whether I would participate in the sponsoring, I said no, I wouldn't, I wanted to pay for the whole thing!

Of all the prominent public figures I have had the fortune to meet, Dr. Franjo Tudjman impressed me the most. After renewing our acquaintance during his visit to Minnesota, we became good friends. Whenever I was in Croatia, I visited him and his family and we would play tennis and have a good time together. Some years ago, I had the privilege of becoming godfather to President Tudjman's

granddaughter, Ana Marija.

I respected Franjo Tudjman both as a great leader and statesman as a genuinely good person. While he is now widely recognized around the world as the first democratically elected president of Croatia, few people outside of his home country know the details of his life and career.

President Tudjman's biography is in a way typical for the generation that went into World War II and the socialist revolution with great idealism, only to be disappointed soon after the War. Like many others, Tudjman ended up directly opposing communist tyranny in his country. Many of the important episodes of the forming of Tito's Yugoslavia had direct impact on Franjo Tudjman's scientific and political career.

He was born in 1922 in a small town not far from Zagreb. He was raised in the spirit of "eternal Croatian statehood," but as an idealistic youth, he took part in the activities of the young communists, later fighting against German occupation in the partisan movement.

During World War II he left the impression of a communist deeply convinced in

the necessity of revolution, and he demanded of everyone around him the same level of commitment that he himself displayed. However, the germ of doubt was planted in him as early as 1942, when he realized that the leadership of the Communist Party did not practice what they preached. This was especially apparent in their position on national issues, to which Tadjman, like many Croats, was very sensitive. Due to their experiences in the “old” (pre-war) Yugoslavia, they fiercely hated anything Yugoslavian and feared the formation of a similar Yugoslavia in which the chauvinist proponents of a Greater Serbia would once again have the power.

The political biography of President Tadjman cannot be fully understood without the knowledge of the tragic destiny of his father Stjepan, one of the key figures of the anti-fascist movement in the northwestern region of Croatia, Zagorje. Stjepan Tadjman was a follower of Stjepan Radic, the former leader of the Croatian Peasants’ Party, who was brutally murdered in 1928 during a session of the National Assembly in Belgrade because he fought for the rights of Croatia.

Stjepan Tudjman was opposed to the newly formed Independent State of Croatia not only because it was acquired with the help of German and Italian tanks and paid for by a hunk of Croatian territory, but also because he could not accept the brutal methods this state used against anyone who opposed it. Stjepan Tudjman believed that Radic's peacemaking option could be compatible with a deeper reconsideration of the position of peasants in Croatia. From the beginning of the War, he helped his son Franjo in all his illegal partisan activities and was arrested several times, but was saved by the great reputation he had in Zagorje.

From 1944 on he was less active because he disapproved of the methods of the Croatian partisan leadership, which under Belgrade's rule had copied the same bureaucratic system. It was obvious that the solution of the national issues was being totally pushed aside. What is more, it was pronounced that such issues were "a hindrance in the way to communist welfare."

During the first months of the "People's Democracy," a number of participants and collaborators of the partisans mysterious-

ly disappeared. The single common thread running between all of them was their open criticism of the government's approach to these national issues. Some of the "opposition" was allowed to speak, but only as a facade to show the Western Allies.

When he saw his son Franjo for the last time, Stjepan did not hide his total disappointment with the new developments, repeatedly asking him, "Son, is this what we fought for?" Franjo Tudjman, still a young man hoping the situation could change, had no way of knowing that this was the beginning of a tragedy that would haunt him for the next forty years.

Early in the morning on April 25, 1946, Stjepan Tudjman and his second wife Olga were found dead in their home in Veliko Trgovisce. They had been shot. A revolver was found in the middle of the room. Many people believed they were killed because they disagreed with the communist government's methods, but there was nothing to prove this. Franjo was told officially that they fell victim to someone who had fought on the German side of the war, but confidentially, they said it was "classical suicide."

Franjo didn't believe either the official or confidential version of events. He knew that suicide was highly unlikely, and if it had been revenge, some sign would have been left to indicate that this was the case. Thus Tudjman suspected that the secret police were involved, but again there was no proof. He found out the truth only in 1986, when a former official from that area told him that two members of the Yugoslav secret police had murdered his parents. An official investigation was initiated, but, according to documents, it was decided "the case was closed until it was determined who had done it," which is obviously a legal absurdity.

President Tudjman had no plan at the end of World War II to a further military career. He wanted to continue his studies and then, perhaps, enter diplomatic service. However, those were not the times when one could choose his career. Instead, Tudjman was selected as part of the prescribed quota of officers from northwestern Croatia to report for duty in Belgrade. For ten years he worked in the administration of the Department of Defense. The newly-formed Yugoslavia was trying to decide what system of defense to or-

ganize. Some advocated the separation of the military from political control, but, realizing what dangers this would bring, Tadjman opposed it and worked on a proposal of territorial defense, whereby the army would not be centralized. Because of this, the Serbs and Montenegrins who were in favor of centralization labeled him, “bullheaded and impudent, not giving up even when he remained alone in his convictions.”

In his private time he began scientific research in the area of military doctrine. The result was the book *War to End Wars*. Its publication in Belgrade was hindered, but it did appear in Zagreb and in Slovenia. Tadjman's critics said that his approach was “not sufficiently Marxist,” which in those times was a deadly sin. However, soon thereafter, his views became part of official policy, and in 1959 the book was pronounced the best in its field. It became part of required reading and was translated into several languages. This fact helped Tadjman to leave the military service. He was demobilized and returned to Zagreb. By then he had reached the rank of general-major.

For several years the foundation of an in-

stitute for the research of the history of the proletarian movement had been discussed in Zagreb, and in 1961 Tadjman was selected to be its director.

Tadjman's fall from political grace began in 1963, when ("A Survey of the History of the Yugoslav Communist Party") was published in Belgrade. Both in Croatia and in Slovenia, historians were upset by the contents.

He was expelled from the Communist Party in 1967 because of the famous "Declaration of the Name and Position of the Croatian Language." Although very similar, the Croatian and Serbian languages, like the nations, had separate histories, literatures, and standards. But an attempt was continually made to conquer Croatian with Serbian in all possible ways, through school textbooks, on television and radio, and in the print media. It was not even allowed to call it Croatian. The official name was "Serbo-Croatian." In these days of the beginning of the "Croatian Spring," the rebirth of Croatian national awareness, many intellectuals and writers defended the right to use their own language and its great literary tradition dating back to the ninth century.

Even though Tadjman neither wrote nor

signed the declaration, the government considered him the most responsible for its creation by nurturing a climate in which it could be conceived. Thus the Communist Party declared that the declaration was pointed against “brotherhood and unity,” one of the staples of the communist regime. Tadjman was forced to resign from the Institute. Since as a dissident he could not get work anywhere, he was also forced to retire at the age of 45.

With the growth of the “Croatian Spring,” also called maspock (massive movement), the situation changed somewhat, and in 1970 Tadjman was once more able to carry out his scientific work more or less normally. These were the days of the Student Movement, and we all had high hopes. However, the movement was brutally smothered in 1971 and the leaders imprisoned.

Tadjman was arrested in 1972, along with nine other Croats. He was accused of attempting to overthrow the government through continued enemy propaganda in the media, founding an illegal counter-revolutionary political organization, and instigating the student’s strike. He was sentenced to two years in prison and was forbidden any

public appearance for two years also. He actually spent ten months in jail, but the period of forced silence lasted nine years, except for a few interviews he gave to foreign journalists, until a new trial in 1981.

This new trial, known throughout the world as the first major political trial after Tito's death, had the purpose of demonstrating the strength of the government and of preventing the possible rebirth of the Croatian Spring. The indictment stated that Tudjman attempted to "convince the world that the position of Croats in Yugoslavia was not one of equality and that Croatia was being exploited, and that in Yugoslavia the citizens could not enjoy their constitutional rights." In his defense, Tudjman stressed that the real problems Croatia was facing in Yugoslavia could not be solved by sweeping them under the rug. He also argued that the fact that he was being tried for expressing his opinions and doing research was contrary to fundamental internationally recognized human rights.

He was sentenced to three years in prison and a five year ban from all media. Even though he was taken ill and spent some time in the prison's hospital, he stayed in prison for

seventeen months.

Then, in the late 1980s Slobodan Milosevic loomed high on the Serbian and Yugoslavian political scene, fueling Serbian nationalism. Since the Croatian political leadership was not up to the task of becoming an active factor in Yugoslavian politics or to opposing Milosevic, it did nothing.

Although Tudjman had never considered a political career, he now realized that the Croatian political space was empty. He was the first to sense the dissatisfaction of the Croatian people and the instability of the government. He realized he couldn't wait for political parties to be legalized in Croatia, so he first sought support from Croatian immigrants, the million mass of Croatian citizens of immense material and intellectual potential who were prevented from normal contact with their homeland by the short-sighted communist government. Tudjman was deeply convinced in the possibility of a "national reconciliation," whereby all Croats, regardless of their individual political convictions, could partake in the building of a free, independent Croatia. Thus in 1987 and 1988 he visited immigrants throughout the

United States, Canada, West Germany, Sweden, and Austria, winning their support.

The Tudjman visit to Minnesota was important for several reasons. While he was here, he garnered support among Croatian-Americans for his party, the Croatian Democratic Union, which was formed in 1989, and for an independent Croatia. The first democratic elections were held in 1990 and Tudjman's party won by a huge margin, in some communities taking as much as ninety percent of the vote. At that moment, Croatia was still part of Yugoslavia, and the U.S. government did not officially recognize it as an independent state. Tudjman's visit had been the first visit to the United States by an official Croatian delegation. However, Tudjman was not received as a head of state by President Bush at the White House. The official thinking in Washington was still for a united Yugoslavia and continued to remain so even when in 1991 Serb forces, under the name of the Yugoslav People's Army, attacked Croatia.

Although the Yugoslav forces, under Belgrade's command, took all the arms, President Tudjman quickly organized the Croatian forces and managed to save many lives through his

wise political decisions. During the war, Croatia received a great deal of humanitarian aid from Croatian immigrants in Minnesota and other parts of the United States. Those same supporters also helped wage their own war for Croatia through political lobbying for backing from Washington.

It was also during Tudj man's visit that he and Governor Rudy Perpich came to the conclusion that Minnesota would make an excellent partner for Croatia in the United States and they planned to establish direct connections. The principal idea was that Zagreb would become the Southeast European hub for Minnesota based companies. I thought it was a wonderful idea, and I'm sure it would have worked. But then Rudy lost his bid for a third term as governor.

My Good Friend, Rudy

I don't think Rudy ever expected to lose. He didn't even have a back-up plan. Why should he? The polls had him leading his Republican opponent by something like seventy-five percent.

I had seen him just a couple of nights before the election, surrounded by hundreds of people at a last minute campaign gathering at the governor's mansion. He was on top of the world, working the crowd, never once thinking he would lose.

I was one of the first persons to talk with him after he conceded his defeat. Immediately after the election results were in, Rudy called and asked me to come over to the governor's mansion. The guards knew my car by that point, and they waved me on through. The mansion was silent. There were no adoring crowds that night. There was no one on the first floor at all, and I went directly to the governor's private quarters.

We sat around the fire drinking coffee, just Rudy and Lola and I. I don't think we started conversation for five minutes. We just sat in the quiet darkness, staring at the fire.

Then Rudy turned to me and said, "Boris, what am I going to do?"

I didn't know what to say at first. I wasn't really prepared for such a question.

Then it occurred to me to suggest, "Why don't you go to Croatia?"

I wasn't talking about taking a vacation. I was suggesting he and Lola move to Croatia and work there for a while helping President Tudjman build his country. It wasn't that strange a notion. Rudy was an intelligent, knowledgeable man who also had a great love for his Croatian heritage. I believed he could really make a difference for the country.

Rudy took my suggestion to heart and decided to investigate the possibilities in Croatia. I agreed to assist him with the arrangements and make necessary contacts in Zagreb. The first thing we did was contact President Tudjman. After several discussions with him, it was agreed that Rudy would assume the position of minister of foreign affairs in Tudjman's government. It wasn't a high paying job. In fact, Rudy was never paid for the work he did on behalf of Croatia.

In early 1991, Rudy and Lola Perpich moved to Zagreb. I paid their moving expens-

es for them.

Rudy was offered the job of minister of foreign affairs, the secretary of state for Croatia, during the crucial days before Croatia received international recognition. There was great instability in the region, and the western world was still strongly supporting Serbia. The leaders of Croatia, including President Tudjman himself, were virtually unknown outside the country's borders. Tudjman's idea to offer Rudy the job of minister of foreign affairs was an effort to bolster recognition of his government. At the time, Rudy Perpich was probably the best-known and highest-ranking Croatian politician in the world. He had name recognition and important contacts from his years as governor of Minnesota. Tudjman and his people and I believed Rudy could really help Croatia.

However, the plan ran into an obstacle. It was opposed by the U.S. State Department. When Secretary of State Jim Baker learned that Rudy had accepted the position of minister of foreign affairs, he immediately phoned Rudy in Zagreb and ordered him to turn in his U.S. passport at the embassy in Belgrade. He was told he could not remain a U.S. citi-

zen if he took the job. At the time, the United States didn't have an embassy in Croatia; the closest one was in Belgrade, across the border in Yugoslavia. However, fighting had already broken out with terrorist acts by Serb rebels backed by the Yugoslav Army. It was not possible to travel to Belgrade.

At about the same time, Milosevic got the idea to use well-known Americans in his government, too. He appointed another U.S. citizen by the name of Milovan Panic to the office of President of Serbia. Panic was the head of ICN Pharmaceuticals, whose headquarters were in California. It should be noted that Panic was never called by the State Department and asked to turn in his passport. He served as President of Serbia for at least two years and never had his U.S. citizenship threatened. However, this took place during the Bush administration, which was clearly pro-Serbian. Jim Baker's right-hand man, Larry Eagleberger, was a friend of Milosevic. Eagleberger was in charge of the Eastern European desk of the State Department and had been ambassador to Yugoslavia for eight years. He knew Milosevic from years back when Milosevic was governor

of the Yugoslav National Bank. Eagleberger spoke Serbian fluently.

On March 31, 1991, President Bush wrote to Ante Markovic, the federal premier of the collective Yugoslavia, expressing his support for a united Yugoslavia, which Serbia and the Yugoslav People's Army were still advocating, as part of Milosevic's dream of establishing a Greater Serbia. Bush warned that those who seceded unilaterally would not be rewarded by the United States, a warning clearly directed against Croatia and Slovenia.

Since he did not want to jeopardize his U.S. citizenship, in the end Rudy turned down the government position, and instead acted as a consultant to President Tudjman on foreign affairs and foreign investments. He traveled extensively on behalf of Croatia, financed almost entirely by himself. Croatia was struggling desperately at the time, and it could not afford to pay Rudy any salary.

Rudy was justifiably bitter about the treatment he had received from Washington. After all, he knew a lot of people there, and he had supported many of them in the past. He didn't deserve being singled out. When Bill Clinton was attempting to get the Democratic nomi-

nation for the Presidency, he contacted Rudy in Zagreb. Rudy and Clinton had met while governors and they knew each other well. Clinton wanted Rudy to campaign for him among Rudy's contacts in Minnesota. Rudy was happy to do so. He considered Clinton a friend, and he was glad to work to replace the Bush administration!

Once in office, Clinton had his chief of staff, Mack McLarty, set up a series of high level meetings so that Rudy could present his views about Croatia. He met with Vice President Al Gore, Secretary of State Warren Christopher, and National Security Advisor Anthony Lake. Also, Rudy met with many Congressmen and Senators on behalf of Croatia. It's good to see that all of our publicity efforts since then finally got the rest of Croatia's story to the Clinton administration. Washington's view is not so one-sided anymore. Rudy would be happy about that.

Rudy always kept tremendous control over his emotions. He would never say anything to intentionally offend anyone. As a rule, he was optimistic and full of jokes. Though Rudy was normally an upbeat guy, he was also human. I will never forget one cold, miserable day in

Zagreb when Rudy let his hard feelings about the election come to the surface. Peter Popovich and Rudy and I were sitting in the lobby of the Esplanade Hotel, waiting for a meeting with Robert Maxwell. Outside, it was snowy and gray, and inside the hotel, the mood was just as dreary. I think the realization that he was no longer governor of Minnesota was finally sinking in for Rudy, and he unleashed all his anger and bitterness in a monologue that lasted for more than twenty minutes. He lamented his fate and complained bitterly about the way the press had treated him.

I couldn't really blame him for his hard feelings. While he was governor, the local media did not have much good to say about him, even though he put Minnesota on the map. Rudy worked hard for the state, and though he received a lot of press, he really got little praise for his efforts. Rudy told me that he thought he got on the media's hit list the day he chose to announce that he was going to run for a fourth term as governor at Lake Itasca, the headwaters of the Mississippi River, in northern Minnesota, instead of at the state capitol in St. Paul. Television, radio, and newspaper reporters from the Twin

Cities made the trek up to Itasca, grumbling all the way, to hear Rudy give a short speech announcing his desire to seek reelection. The Twin Cities media were angry because they didn't want to have to leave the Twin Cities, but Rudy wanted to make the political point that he was governor of the entire state, not just Minneapolis and St. Paul. Still, he didn't make too many friends that day.

Rudy was in Zagreb when the bombing started. In fact, the building in which Rudy's and Tudjman's offices were located took a direct hit. Fortunately they were in the basement coffee room at the time. It was a dangerous time, and Rudy worried constantly about the safety of his family. Yet, he stayed in Croatia because he believed that what he was doing could help the struggling country.

After two years, Rudy moved on to Paris to represent a software company of which he was an owner. Rudy opened up the European market for CWC (Clear With Computers). In early September 1995, Bill Gates introduced Windows '95 in Paris, using an application CWC designed for Renault. This was a great moment for Rudy, as during his ten years as governor, he had always worked to promote

international trade, and in his private life he was able to grow his company through exports.

In 1993, Rudy and Lola returned to Minnesota, and the following year, Rudy began considering another run for the governor's office. I met with him a couple of times in 1994, and he was very excited about running again. He already had established a re-election committee, and he took a whirlwind tour around the state, talking with people in coffee shops and on street corners, garnering support and gathering a perspective on the issues. He seemed like the old Rudy again. Gone was the bitterness from his defeat in 1990. He was upbeat and ready to take on the campaign.

Then, suddenly, he decided not to run after all. When the deadline for filing for the election came, Rudy didn't show up.

I didn't know what to make of it at the time, but later, when we learned of his cancer, I understood. Rudy's days were numbered.

On September 21, 1995, my good friend Rudy Perpich passed away at his suburban Minneapolis home. His funeral was carried live on all the local television stations, and around 2000 people packed the Basilica of

St. Mary in downtown Minneapolis. For once, the media was kind. There was bi-partisan praise for what Rudy had done for the state of Minnesota. Independent Republican Representative Gil Gutknecht remarked, "Whether one agreed or disagreed with him, you would have to acknowledge that Rudy was one of the dominant figures on the Minnesota political landscape throughout the last three decades."

Helping My Homeland

After 1991, I remained in contact with Croatia. I had several private interviews with President Tudjman, and after each one of them I was tempted to go back and work for the government there. At one point, he even offered me the position of secretary of commerce in his government, but after a lot of thought I turned it down. I felt I could contribute most by carrying on with my work in the United States and at the same time helping to organize humanitarian relief and support for Croatia in the American media.

The group of Croatian families that had become close in the late 1970s was also the leading group in collecting humanitarian help when the war in Croatia started. The enthusiasm and devotion of the people were great so we managed to do some amazing things. Most of these people were second or third generation Croatian-Americans, and they didn't know much about Croatia. But when the fighting started, their Croatian loyalty suddenly was aroused. They wanted to help in anyway possible.

We organized a group to gather various

supplies and contacted area hospitals for donations of sanitary material. We also collected used clothes, and washed, ironed, and mended them. Most of the goods were kept in Cortec's warehouse until shipment to Croatia. The relief effort did not end when the fighting stopped, either. We still work on projects to help our homeland and to strengthen ties between Minnesota and Croatia.

It would be unfair not to mention the stories of at least some of these dedicated people. Jessica Dusich was a nurse who had never been to Croatia. When the war started, she took it upon herself to go from hospital to hospital in the Twin Cities area, collecting medical relief supplies, until her car was packed with them. Jessica worked twenty-hour days as part of the American Refugee Committee (ARC) in humanitarian efforts for Croatia. Eventually she went to Croatia and stayed there for more than a year, helping where help was most needed.

Joe Rukavina, whom we always called Poglavnik, was a retired teacher who literally gave his life for Croatia and would do anything to help. Despite his poor health-he had several heart attacks-nothing could stop him. He just kept on pushing. Joe answered the phones in

our temporary headquarters, diligently recording the offers of assistance and money. Gifts of money were important, because it meant we could buy supplies we could not get through donations. For instance, if a dialysis machine was needed, we would call people from other parts of the United States and organize several donation drives at the same time in different places, and in a couple of days we'd raise the money. Even people who had nothing to do with Croatia helped us. One of them, the owner of a neighborhood Chinese restaurant called Tai Pan, gave us a check for \$300.

This concentrated relief effort was very good for Croatia, but it was also very good for us here—we got to know each other better and became a more closely knit group. Various Croatian organizations in the United States also connected and began to cooperate instead of competing.

One of our major objectives was to beat the Serbs in the media war. We organized many interviews, calling on newspapers, radio and TV stations. The image of Croatia at that time was not very favorable. Nobody really understood what was going on. We attempted to bring to the forefront the facts about the war

which the Serbs waged first against Slovenia, then against Croatia, and then most fiercely against Bosnia and Herzegovina. However, we had to fight an uphill battle in the media, for during the decades of Yugoslavia, the Serbs had enough time to create the image they wanted. For a long time, and in some places even today, this war was perceived as a civil war. We Croatian-Americans strove to show that this was not the case. Rather, it was a simple question of Serbia attempting to rule as large a portion of former Yugoslavia as possible. In fact, to them Yugoslavia never was anything else but a Greater Serbia.

I talked to Len Levine, who had been Rudy Perpich's right hand, and he suggested that we organize a full-fledged media campaign and press conference about Croatia. We brought in people from various fields to talk about Croatia, and we showed the movie about the victims of war. Our authorities on the subject were quite varied, including a Jewish rabbi, a Catholic priest, Dr. Vuk Pavlovich from the famous Mayo Clinic, and Minnesota's Chief Justice, the late Peter Popovich. They all spoke on the Croatian tragedy.

All the major TV networks sent their re-

porters. The media coverage was great and the whole event was very successful. I think it helped raise public consciousness a great deal. It was the first time that the people from the Twin Cities took us seriously as an organized group.

Later I was invited several times to speak at various meetings, including one that took place following the student protest in China's Tiananmen Square. I was invited to share what I had learned from my dealings with the Student Movement in Croatia, since the situation was similar to that in China. I told those attending the meeting what can happen when Communists have the weapons in their hands and use them against their own people.

Although the meetings were about festering political problems, I also always pointed out what I considered the basis of the wealth of any nation—hard work, dedication and entrepreneurship in business.

In 1993, I had the special honor of being invited to speak at the Second Congress of HDZ, the Croatian majority party, in Zagreb. I was a delegate to the congress, along with a number of Croatians from outside the

country. It may seem odd to some that delegates would be chosen from among those living outside the country, but President Tudjman realized soon after taking power that fifty percent of the Croatian population does not live in Croatia. Yet these people are important to the success of the country. Thus Tudjman made a real effort to involve Croatians from the diaspora. In fact, our minister of defense, Gojko Susak, is a Canadian Croatian.

At the congress, I tried to explain my vision of progress. I focused on the economy, especially exports. I suggested that the state needs to support innovations in technology and, of course, the people who are experts in it. And Croatia does not lack experts. Even though this too was naturally a political congress, and I am not a politician, my speech was well accepted and many of the participants approached me later with questions and comments.

In November 1995 the first Honorary Consulate of the Republic of Croatia in the United States was established in Minnesota. The office was located at Cortec's headquarters in White Bear Lake. I had the privilege of serving as Honorary Consul General for

nearly ten years. During that time the consulate worked to promote all aspects of Croatia, from travel and cultural activities to trade and investment opportunities.

Working with me were two dedicated volunteers, Maryann and Lou Novak. Maryann took care of correspondence and Lou covered cultural activities. They were a great couple to work with, always patient and hard-working. They loved what they were doing and so did I. But I suppose there is nothing more satisfying than the feeling you get when you are serving your country.

The Death of Tudjman

On December 10, 1999, President Franjo Tudjman died in a hospital in Zagreb. He had been admitted on November 1 with a perforated colon. Several operations took place, but his condition never improved. According to some published accounts, he succumbed to stomach cancer, although in his last press conference in October of that year he denied having cancer, saying, "This speculation comes from people who would like a different Croatia from the one that I have created!"

Although Tudjman never publicly acknowledged having cancer, according to U.S. sources he had been treated by doctors in Washington, D.C., in 1996, for what was said to be stomach cancer. But Tudjman's medical team in Zagreb said he had been treated for an ulcer and swollen lymph nodes. If it was cancer, it might be attributed to an assassination attempt dating back to the mid-1990s. A reliable source has confided to me that during a trip to an Eastern European capital both Tudjman and Gojko Susak were subjected to irradiation in an attempt to kill them. Radioactive rods were hidden beneath their beds in their hotel suite.

As a result of the radiation, both Tudjman and Susak developed the same sickness and both have now died.

I was saddened to hear of the President's death. I had gotten to know him over the years since his visit to Minnesota in 1990. I knew his passing would leave a void in Croatia's leadership, as he had been such a dominant leader and there was no immediate successor for him. Tudjman had been instrumental in leading Croatia to declare its independence and denounce its Communist past. He was Croatia's George Washington, the "father of his country." Even though the world held a mixed opinion of him for what has been revealed as his authoritarian policies and his actions during the war with the Serbs, his popularity in Croatia was strong enough to have him easily re-elected president in 1997. His second term was to have ended in 2002. On the day of his funeral, thousands of mourners lined the streets of Zagreb, and tens of thousands paid tribute to him as he lay in state during a three-day period of mourning. What was surprising to many was the absence of foreign dignitaries. Only Turkey and Hungary sent a high level representative

to the funeral. In contrast, when Yugoslavian Communist leader Tito died in 1980, official representatives from 123 countries attended his funeral, including four kings, thirty-two presidents and other heads of state, and twenty-two prime ministers!

President Tudjman's forty-day illness caused great political turmoil in the country, for Croatian law dictated that only the president could call for elections, and Parliamentary elections had to take place in January in order to comply with the law that dictated the opening of the new Parliament on January 27. There was no clause in the Croatian Constitution for someone to take over if the President was unable to fulfill his duties, as we have in the United States. Pressured by the approaching deadlines for elections, Parliament voted to change the Constitution and introduce a condition of temporary disability. Speaker of the Parliament, Vlatko Pavletic, a member of the ruling party, the Croatian Democratic Union (HDZ), temporarily took over the duties of the President and called for Parliamentary elections to take place on January 2, 2000. Upon the death of President Tudjman, presidential elections

were immediately set for January 24. There was no time for drawn-out campaigns as we have become accustomed to here in the U.S. The Croatian people had little time to compare the platforms of nine different candidates.

The January Parliamentary elections had resulted in a landslide victory by a coalition of opposition parties, which surprised many, but probably shouldn't have. While HDZ, Tadj man's party, had been slipping in popularity, the death of its leader obviously had a large impact. Another influence came from subtle and sometimes not-too-subtle outside pressure from Western nations who were very interested in replacing the ruling government with one that was more in line with their plans and intentions for the region. Washington had not always seen eye to eye with Tadjman, and during the elections of 2000, the U.S. and certain European countries made their preferences clear, going so far as to hint that failing to elect the opposition would prevent Croatia from making headway in forging economic and political relationships with Europe.

Coming out of the Parliamentary elections, the front-runner for the Presidential run would appear to be the leader of the opposition co-



Coat of arms of Miksic family originating from the Lukovac area in Turopolje (year of 1237), received nobility from Hungarian King Ferdinand 1560.



Zagreb City Assembly, February 26, 2009.
Giving criticism to Mayor Milan Bandic



With Governor Tim Pawlenty, Croatian Ambassador
Dr. Grdesic, and Ivana Radic
at the Minnesota State Capitol



Boris' billboard from the Presidential elections 2005

“Good and honest guy for a better Croatia!”



Boris' billboard, Parliamentary elections, 2007

“Sky is the limit-we are making greenfield investments
not taking away from people”



U.S. Open 2003. from the left:
M. Ancic, I. Ljubicic, A. Vignetti, B. Miksic .
Three years later these two guys
won Davis Cup for Croatia for the first time ever



With Goran Ivanisevic and Slaven Bilic
in Split, two weeks prior to Goran's triumph at Wimbledon,
Slaven became a coach of Croatian national soccer team



Campaigning with Croatian legend Miso Kovac, 2004



With cardinal Bozanic, during the benediction of the Croatian Martyrs Church, Hrnetic, 2004



Submitting 10,000 support signatures required for the presidential nomination, Zagreb, 2004



Election night at the Headquarters in Duke Mislav Street, after the famous announcement from The State Electoral Committee that Mesic and Kosor were going to the run off, January 2, 2005



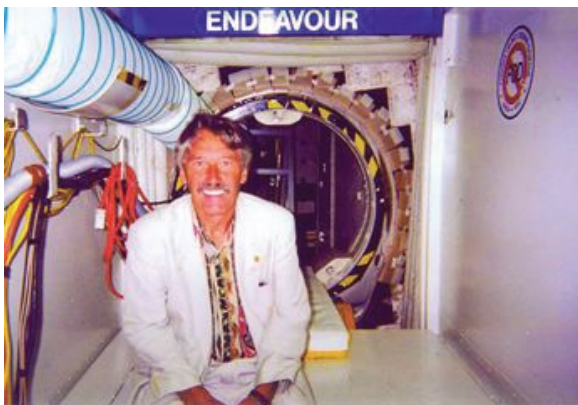
Street protests after electoral fraud of the presidential elections, January 2005



After the trial where the President of Republic of Croatia Stjepan Mesic, sued citizen Boris Miksic for slander. Judicial farce was over in record time of 2 hours, Samobor 2006



With a Mayor of Beli Manastir Ivan Dobos and Vice Mayors Nikola Redzep and Zivko Jalsovec in our high tech bioplastics plant EcoCortec



Helping NASA with corrosion solutions for their Space Shuttle program.

alitions that had won the majority of seats in Parliament—Drazen Budisa. But according to Croatian law, a candidate must receive more than fifty percent of the vote in order to win outright. If no one receives more than fifty percent, the top two vote getters compete in a run-off election. That was the case in the elections of 2000. In the first round, Stjepan (Stipe) Mesic, representing the so-called “Group of Four” parties (a left-of-center coalition consisting of the Croatian People’s Party, the Liberal Party, the Croatian Peasant Party and the Istrian Democratic Congress) garnered just over 41 percent of the vote. In second place was Drazen Budisa of the SDP-HSLS coalition, with 27.7 percent of the vote. The ruling party candidate and outgoing Minister of Foreign Affairs, Mate Granic, finished third, with 22.5 percent.

The run-off elections were set for February 7, 2000. Early results had Budisa leading Mesic, but when the votes were finally tallied, Mesic was elected president with 56 percent of the vote. Mesic had been active in Croatian politics for many years. Early on he was a member of HDZ and a strong supporter of President Tudjman. In 1992 he was

elected Speaker of the Parliament, an office he held until he was removed in 1994 when he broke ties with HDZ and Tudjman over the President's policy toward Bosnia-Herzegovina and founded a new political party. After that he became a harsh critic of Tudjman.

Some have questioned Mesic's victory over Budisa, and it has been rumored that he may have had assistance from outside forces. In 1997, Mesic had been summoned to appear before the War Crimes Tribunal at The Hague as a protected witness in the case against General Blaskic. His cooperation may have secured him a favored status with Western leaders. One source has even reported that on election day while Budisa was in the lead, a van from the American Embassy delivered a box of fake ballots to the building of the State Electoral Commission. While this cannot be substantiated, independent organizations did observe that voting irregularities took place during the 2000 elections, which may have affected their outcome.

Mesic's presidency brought a number of changes in policy for Croatia that were lauded in the world press. He turned his attention to forging relationships with the rest of Europe.

His plan was to enact political and economical reforms in order to bring Croatia into the European Union and NATO. However, not all of the government's plans worked. Despite President Mesic's promises, unemployment remained high and the country's foreign debt continued to climb. It is now double what it was in 2000. Political corruption was not eradicated under his administration, and infighting between political hardliners continued to threaten the country's democratic progress. Even the idea of acceptance into the European Union was called into question by many both in and outside of Croatia. With the Parliamentary elections of 2003 looming, the new day envisioned for Croatia had still to dawn.

Boris for President?

In 1995, shortly before he died, Rudy Perpich told me that I should run for President of Croatia someday. I didn't take the idea seriously at the time. I was too busy running my company. How could I possibly run a country! But nearly ten years later, the thought took hold of me. This time, the idea didn't seem so ludicrous.

I had been working on behalf of my homeland for a decade as Honorary Consul General in Minnesota, a position bestowed upon me by President Tudjman for my humanitarian and otherwise assistance to Croatia. My connections with the country were stronger than ever, and I was not satisfied with what I saw on the economical or political scene. Croatia was a country in transition and it needed a focus, a focus that wasn't there. I decided it was time for me to go back.

In preparation for a presidential campaign, I decided to run for the Parliament. I would run as an independent. I didn't want to align myself with political parties with ties to the past. It was my belief that I could help turn things around, help Croatia focus on more

than the left-right politics of old thinkers. Croatia needed new faces and new ideas. The country would grow with the infusion of independent thinkers who were successful in areas like science and business. I felt my experience could help build a better Croatia.

Most people would consider my foray into Croatian politics a failure since I did not win a seat in Parliament. In the end, I received 25,000 votes, just two percent of the vote. But I accomplished what I really had hoped to do, for my main motive in running was to use the campaign as a stepping off point for a much bigger prize: the presidency. I felt I did well, considering the fact that I was practically an unknown on Croatia's political scene. The campaign was a means to get exposure, since I was an outsider, an immigrant candidate not known by many in my own home country. I regarded the Parliamentary campaign a good learning tool. I found that my message of entrepreneurship resonated with a lot of people. I would build on the positive response of 25,000 voters.

One of the first lessons I learned from the Parliamentary campaign was that I had underestimated the power of political party

backing. I had run as an independent, virtually unknown in a pack of forty candidates. It was immediately apparent that in order to run a successful presidential campaign I would need to take bigger steps to make my name known in Croatia and among its citizens around the world. This would require a great deal of groundwork, and I had a little more than a year to complete it. The first step was to establish a business in Croatia to engage in political marketing and the promotion of my political views. The company was registered in Zagreb where I lived when in Croatia and where we had had our offices for the Parliamentary elections. My first employee was my secretary, Sanja Butkovic, and from this small start, my team gradually grew.

I planned out my business activities for a year in advance so that I could spend at least one week out of every month in Croatia. It made for an often-hectic schedule, trying to run a company in the United States while at the same time trying to run a political campaign thousands of miles away. I relied a great deal on my team in Croatia and on my wife Anna who is also vice president of Cortec. Every single minute I spent in Croatia was

planned, even my free time. I often used to say that my team was a bunch of slave drivers, but I have to admit they were meticulous and capable.

If I hadn't been at the peak of my physical and mental health, I think it would have been hard to transact such a complicated and arduous campaign. From September 1, 2004, through the Election Day, January 2, 2005, we averaged sixteen to twenty hours a day, seven days a week.

I already had a lot of supporters in Zagreb, both old friends and new ones I had made during the Parliamentary campaign. I knew Zagreb and people from Zagreb very well, from my years at the University and having lived there before I left for the U.S. Getting together with former neighbors and colleagues from the University, we would recollect good memories of our student years, of dance parties, sporting events, and late nights in coffee bars and clubs. At the same time I would use the get-togethers to promote my ideas for a better Croatia. Later on, I made many business contacts in Zagreb, with whom I shared my ideas and intents.

But I could not rely on name recognition in

Zagreb alone. I needed to make contact with voters all over Croatia, if I stood a chance of winning my presidential bid. The big question was, how to accomplish this? I didn't have party infrastructure or the support of associations or interest groups. This was a conscious choice on my part. I wanted to run as an independent. I didn't want all the political baggage that could come with aligning with a party. The main question I asked myself was, "How can I as an individual help my people find a better way of life?" I chose to draw on the strengths I had as a successful businessman and entrepreneur.

I asked for help from all the people I knew, including friends and sympathizers who had called and offered their help during the Parliamentary elections. They all wanted changes in Croatia and openly accepted my vision for what we could do, especially for the economic climate of the country. Over time, I created an organization of volunteers to spread my message throughout the cities and districts all over Croatia. The main goal of my activists was to organize contacts and set up meetings where I could give presentations on my business activities and achievements. An integral part

of the early campaigning was a presentation titled, "How to Dance with Elephants in the Global Market." Behind this unusual and intriguing title was a short multimedia presentation based on the first part of the book you are now reading. Dedicated primarily to younger people, "dance with elephants" was a practical explanation of business success designed to motivate young Croatians to think about entrepreneurship and encourage them to start their own businesses. At each presentation I signed books and gave them away. Gauging from the interest shown by the audiences, I was successful in getting my message out to many young voters.

Early on I had realized I could not rely on the media to help me in my campaign. I was not considered newsworthy by the Croatian media. The newspapers and television reports were focused only on two main opponents, present President Stjepan Mesic, and a possible candidate from the Croatian Democratic Union (HDZ) party, Jadranka Kosor. Little if anything was said about any other possible candidates, including me. Every time I came into a new area, I attempted to attract the attention of the local media and build a qual-

ity relationship. I informed them on a daily basis about my travel plans and sent them media announcements after every trip. Most of my attempts to appear on television or in the newspapers were rebuffed. It was obvious I was an outsider. But time would show how wrong they were!

In the early stages of my campaign, I traveled across Croatia extensively. The main goal of these interesting trips was to have direct contact with sympathizers and supporters. I wanted to acquaint them with my work in person and include them in our projects. In that way, I learned a lot about what the people wanted in a leader. I tried to stay away from political hot points, sticking instead to my main message of the importance of entrepreneurship, small business, and an ecological approach to the country's projects and problems. I realized that people were interested in employment opportunities and economical prosperity, and that's where I had a lot of experience. I could support my presentations with my own example. That's why I was always saying that politicians were to blame for the bad economical situation, while only good managers and entrepreneurs could help

to create a much-needed change.

I appealed to the youth when I talked about how I wanted to see a new generation of politicians who were honest and who put the interests of the country before their personal interests. It is my belief that politicians should create easier work conditions and requirements, and not directly and mostly unprofessionally influence economical movements in the country. In my speeches I would compare the gross income of the world's 200 largest companies with that of Croatia. Our country's gross national product (GNP) didn't come close! I think it surprised many to learn that running the economy of Croatia would be almost the same as that of some middle-sized world corporation. I liked to compare the possibilities of Croatia with those of Finland, Ireland, or Switzerland. Often I would ask the people attending my presentations, "Does anybody know who the president of Switzerland is?"

There would be silence in the room. I don't recall ever getting an answer.

I would go on. "Of course you don't know, because that is not important. Successful managers, not politicians, lead Switzerland. And

they function well. Why couldn't Croatia? Look at Finland or Ireland. Of course, these countries have politicians, but politicians are not what are most important to the nation's success. Why not use their experience? All we need is to organize, to know how and what to do. We have our own country with sovereignty and territorial integrity. The threat of war is almost nonexistent. That's why at this moment we need fewer politicians, and more successful managers. We need to have a vision and someone who has knowledge and wants to start things."

That was the message of my public appearances. That was my main political focus. I tried to give a positive, hopeful message for Croatia.

The candidates from the main political parties were occupied with other issues, such as the not-so-secret work of the Secret Service, the deportation of our generals to The Hague Tribunal, and the favorite subject of the day—the necessity of urgent access to the European Union—at any cost and in any way! Unfortunately, these were the issues capturing the media's attention. Of course I had a strong position and answers for all these po-

litical questions. My ten years of experience as a Consul General of the Republic of Croatia in Minnesota had kept me well informed about the policies of my homeland. When questioned directly, I would answer, but for the most part I tried to stick to my message, believing it to be more important.

One statement that did catch the attention of the media was a comment I made a couple of times during the campaign: "If I were President, General Gotovina would walk free." General Ante Gotovina had been indicted for war crimes and ordered to appear before by the Hague Tribunal in Brussels. He was a fugitive, and it was believed he was hiding somewhere in Croatia. The chances of Croatia's joining the European Union appeared to hinge on whether or not the country was willing to turn over the general. Many media outlets published my statement about the general. Unfortunately, they didn't bother to include the second part of the sentence: "...as long as he is not proven guilty!" I was drawing on a right we hold dear in the United States, that a person is believed to be innocent until proven guilty, even General Gotovina.

On the topic of Croatia's entering the Eu-

ropean Union, my response was guarded, "Yes for the European Union!" I said, "But not at any cost! And with no rush! We first need to be stronger economically so we can have equal negotiating positions. We don't want to agree to all conditions as a weaker partner, and in the end sell out our dear homeland."

At the outset of the campaign, I often was seen as an outsider, someone who had long ago left Croatia. Even though in my mind coming from the outside was a positive thing, for I was not tied to the politics of the past, in the minds of many citizens, I had to overcome the stigma of being an outsider. To show my interest and intent for the people, I attended the congress of the Croatian Parliament in Porec, as the only immigrant candidate for the office of President.

As part of my commitment to Croatia, I also had decided to build a factory there to produce biodegradable plastic, and I was looking around for the suitable location. One of the first I went to visit was in Bjelovar where I met with Stjepan Hitner, a successful entrepreneur and the owner of a tractor factory. We met with the hope of working together on the production of an eco-tractor,

one that would use the biodegradable oils that Cortec was producing. Cortec is dedicated to promoting the development of ecologically sound products, a topic of great interest to many in Croatia. With my associates I also visited the famous eco wine producer in Vetovo, Ivan Enjegi. In my conversations with him and other successful entrepreneurs we agreed that I was on the right track by promoting smaller and mid-size enterprises. As a way to stimulate scientific research and development, Cortec donated \$18,000 to the faculty of the Mechanical Engineering and Naval Architecture in Zagreb, from which I had graduated many years before. The donation was the result of long time collaboration with professor Ivan Juraga in the field of corrosion protection.

Despite frequent and useful meetings with business and community leaders, I found it difficult to grab the attention of the media. Getting their attention was a priority, and so it was with great pleasure that I accepted an appearance on a popular television talk show, even though the subject of the discussion had nothing really to do with any of my business or political plans. It was, however, on a

subject with which I was familiar— divorce. I told of my personal experience, and I advocated for the equality of spouses when it comes to sharing common property. I believe I got a lot of sympathy from Croatia's women voters who tuned in.

Besides media appearances, I tried to prepare for the presidential campaign in other ways too. At the suggestion of the public relations agency I hired to help me with the campaign, I took a couple of public speaking classes. I also worked on a new edition of my business biography, which was published in Croatia, and I posted all my campaign news, activities, and upcoming events on my own website, www.borismiksic.hr.

Meetings with many inventors and people having various business proposals were taking the most of my time and energy. I heard and saw so many proposals and ideas for new patents and inventions that I sometimes thought Croatia had to be the most creative country in the world! At a point early on in my campaign I had used the slogan, "The sky is the limit," meaning that I was willing to spend my own money on my campaign and that I would invest as much as I wanted and needed

to. The media found the slogan very attractive, and it was quoted many times later on. Unfortunately, many interpreted this statement in their own way and thought I would be investing in all their patents and inventions, however good or bad they were! And many thought I had an unlimited supply of money that I would gladly distribute to anyone who asked. At one meeting a stranger approached me with a request: "I need \$2.5 million, and I will pay you back one day when I get the money that state owes me." Of course I was compelled to decline his and similar requests for financing, including some unethical business proposals. After this I forwarded all business proposals and financial transactions to my lawyer. Of course, there were some good proposals and sincere offers to help. Over time I was able to increase vastly the number of supporters who shared my visions and ideas.

In May 2004, in the middle of my yearlong campaign, I received some bad news. My father Stjepan was very ill. Despite a busy schedule, I immediately cancelled all my activities in order to be with my parents during my father's post-operational recovery in Zagreb. I consid-

ered flying him back to Minnesota so that he could continue his medical treatment at the Mayo Clinic, but after consulting with friends and doctors, especially Dr. Vuk Pav-lovic, I decided to continue his medical treatment in Croatia. I believed in Croatia's doctors and the quality of the country's health system. Thanks to Doctors Marko Doko and Branko Troskot from the Sisters of Mercy Hospital in Zagreb, my father recovered successfully. As a sign of my appreciation, I made a needed donation to the hospital so they could finish reconstruction and modernization of their clinic.

After a summer of laying groundwork, in the fall, we shifted into high gear. Our first move was to rent an adequate space for the campaign headquarters' office, which was not easy at all. We were looking for something close to the city center, on the ground level with big windows, and of course clear ownership. President Mesic had his headquarters located at Croatian Journalist House, while presidential candidate Slaven Letica had his headquarters at the belot club in the main city square. Other candidates used their parties' offices. After couple of different offers we

decided to move into an office we rented on Prince Mislav Street in Zagreb. The office was directly in the political quarter, on the same street as the office of the Croatian Block, the Croatian Popular Party, and the Party of the Young. Close by were the offices of the Social Democratic Party, the Croatian Peasant Party, and the Croatian Democratic Union.

At the same time, I decided that my staff members would handle the major part of all projects, with a minimum help from consultants and outside agencies. I terminated the business arrangement I had with the public relations agency. Even today I think I made the right choice. My staff at the headquarters in Zagreb and in other cities and districts did a great job, professionally and creatively, particularly if you consider that for many of them this was the first time they had encountered a political campaign of this magnitude.

After we settled in, we held our first press conference at which we presented the members of our team and also some musicians we had hired to be part of the campaign. My team had arranged to sponsor some nationwide concerts and performances to promote my name. Many people were surprised when I

chose Mato Miso Kovac and Zanamari Lalic as headliners at these events. My thinking was that the charismatic Miso, a legend on the Croatian musical scene, would appeal to older voters. He had left a good impression on me from my student days when he was at the peak of his glory, and even today he had lot of admirers. Zanamari, winner of the contest "Croatian Idol," would appeal to the masses. She is a rising star. Zanamari personifies youth and success. By hiring her for my campaign I also wanted to help her in her efforts. Unfortunately the concerts and performances in Vukovar and later Zadar, Split, and Zagreb didn't achieve our wanted effect, partly because of bad weather in Zadar and Split where the concerts were held outdoors, and partly because of lack of promotion. However, the concerts were only a small part of all campaign activities. Though they contributed little to the campaign, the concerts were a good test of organization and teamwork for my team members. They also gave us a chance to get to know one another. After many of the concerts my team and I would gather to sing and dance the night away. I often used to ask myself during these parties

why we always were singing the text of one popular song, "...the village is lying, people are lying...."

That wouldn't be made clear until election night and the announcement of the results!

Mr. One Percent

In the fall of 2004 I moved back completely to Croatia to await the call for elections and the beginning of the official campaigning period. I would remain in Croatia until after the election, visiting St. Paul only once, for the wedding of my son, Paul. Upon my return to Croatia, I held a press conference at the airport where I announced my political candidacy and the basic points of my platform. It was at this press conference that I used the slogan “clean - clear - healthy” for the first time. By emphasizing clean air, clear sea, and healthy food, I drew on Croatia’s great natural resources that are the main engines for the future of our country.

Not long after that we hosted a big assembly of supporters of my presidential run. An impressive number of sympathizers, friends and supporters gathered in the Crystal Room of Zagreb’s Westin Hotel. What a great moment to see the faces of people from all over Croatia united together in support of my political platform! If I had any doubts whether or not to run for president, in that one moment, they all disappeared. There was no go-

ing back, I thought to myself, as I finished an emotional speech, announced my candidacy, and thanked everyone for their support. As I received congratulations from the attendees, I felt that I really had started something new and good on the Croatian political scene. Still, it was upsetting to note that the media chose not to send reporters to cover the event. I tried to rationalize their absence by thinking that perhaps the people in power were afraid of featuring something new, something different from the old political gatherings. Surely they were not just ignoring us.

However, my worst fears were realized the next day when not one word was printed about our assembly. Instead, the newspapers were filled with a small story of someone throwing St. Nicholas's statue into the Adriatic, and the announcement of Slaven Letic's run for the presidency. My candidacy was completely ignored!

I considered all my options, acknowledging that without media coverage, I had no chance of winning the election. The next day I gathered my closest associates for an announcement: "My dear friends," I said, "let's take care of business and leave politics. It's

obvious that a presidential candidate from outside Croatia is not interesting enough for the media!”

With that, I informed the media about my decision not to run. And a miracle happened! Suddenly all the news outlets were reporting about my withdrawal from the presidential run. This, in turn, evoked a strong reaction from my sympathizers. I received hundreds and hundreds of messages and phone calls of support and encouragement. Realizing how many people I was disappointing made me question my decision not to run. Once again, I changed my mind. I decided stick it out to the end. After all, never in my life had I left something unfinished!

And so we continued with our campaign. Since I realized that the most influential media, like Croatian national television and radio and the country’s leading newspapers would ignore my efforts, I decided to concentrate on local media. I traveled all across Croatia, trying to get appearances on local television and radio. One particularly influential event came with the publication of the new edition of my book *American Dream - A Guy from Croatia*. The event was held at the Croatian Press

Club, and it was carried live over the Internet. Presenters included the editor of the book, a journalist, and Croatia's former ambassador to the United States. The book had a great influence on the campaign. It was the reason for many subsequent radio and television interviews and newspaper articles.

As I crisscrossed Croatia, I tried to get appearances with practically all the local media, especially on radio shows. My staff and I thought radio was a great medium because call-in shows allowed for direct contact with listeners. It wasn't easy, but with the help of my friend and public relations manager Nik Juric, I was able to bring my message to the people. Believe it or not, during the last two months of the campaign I was a guest on 76 radio stations in all parts of Croatia. At certain ones I was a guest two or more times. We even created a special radio jingle, "For Boris," to play at each of my appearances.

I also chose to bring my campaign and its political platform to Croatians living abroad. It made sense to me that I might also appeal to voters who, like me, held dual citizenship and were able to vote in Croatia's elections. Croatians' loyalty to their homeland is strong, and

I chose to capitalize on that. I was the only candidate to visit the United States, Canada, and Germany, where I was guest on fifteen Croatian radio stations in these countries.

Little by little my message was getting through to an ever-growing number of people, but the polls did not reflect it. Official polls were still not giving me more than two percent. I knew that couldn't be right. However, it was clear that these indicators influenced public opinion, and so on every occasion I had, I would compare them with our own polls, which reflected that we had more than ten percent of the votes. Our percentage grew day by day, even though the national media continued to publish a much smaller number. It was obvious to us that old guard politicians were trying to block the appearance of new faces on the political scene, and they were controlling the media.

With most media space being blocked, it was a rare opportunity for me to be a guest on the nationally broadcast television talk show "2 in 9." During the two-hour long program viewers were asked, "Do you think that Boris Miksic is the right man to become President?" Several thousand people called in, and nine-

ty six percent of them said YES! According to the program's director, such a huge response had never happened in the fifteen years they had been broadcasting. I found the response of the listeners to be very interesting, especially when Prime Minister Ivo Sanader had stated previously at the anniversary of the Croatian Fraternal Union in Pittsburgh that "Boris Miksic belongs to a group of candidates who will get no more than one percent of the vote."

I think that the reaction to that call-in show may have sounded the first alarm in the headquarters of the other candidates, especially in headquarters of two main favorites. But their arrogance would not let them acknowledge it.

Attacked on the Campaign Trail

In December 2004, the Croatian government finally called for the presidential election and announced the deadlines for submitting petitions for candidacy. Official campaigning could start on 16th and end on 31st of December. Election Day was set for January 2, 2005. It sounded like a set-up to many—who would be around for elections on the second day of the New Year? And who would pay attention to campaigns during the Christmas holiday? But that was the date and we had to live with it.

Right after the official announcement, my headquarters sprang into action. I was lucky that at the time my team was strengthened by the arrival my longtime office manager from St. Paul, Ivana Radic Borsic, a young woman with nerves of steel and great organizational skills. Of course, diligent volunteers did great part of the work. In just five days we collected 10,653 signatures, more than enough for the quest for candidacy to be valid. I was the first presidential candidate to submit the required number of signatures to the State Electoral Commission, and because of that, for the first

time I finally received some national media coverage. The younger members of my headquarters appeared with me as I brought the signatures to the electoral committee's offices. It was quite a photo opportunity, with everyone wearing matching jackets and hats bearing the "Boris" logo.

I took the opportunity to play up our efficiency to the journalists assembled, and at the same time to take a stab at the inefficiencies of the present government. "I will run this country," I stated, "because I have a vision, unlike Stjepan Mesic who only has the backing of the government controlled media. I will be a president-entrepreneur and not president-rubber tree. A rubber tree is just an office decoration—it does no work. But I will work on behalf of the country. I will promote a strong economy, a better standard of living, and I will fight for the dignity of our citizens. Being the first candidate to qualify for the election demonstrates that we act promptly, that we are efficient, and that we do not have bureaucratic obstacles. That is how it is going to be when I am elected President."

With the quick submission of signatures we not only advanced our campaign but also

surprised the other candidates. Just couple of days later I repeated the whole event, when we submitted an additional 8000 signatures “just in case.” To thank the citizens of Zagreb in a modest and symbolic way, we decided to offer hot wine and apples at two of the busiest stands on Jelacic Square and Tomislav Square a couple of days before Christmas. I bought a nice Christmas tree during the sale, with proceeds going to charity. I watched with joy how my parents, Nina and Stjepan, even though in their late years, participated with great enthusiasm in this project. Later on I realized how they were my greatest support during the campaign.

Unfortunately, the excitement over successfully completing “10,000 Signatures for Boris” was disturbed by a break-in at our headquarters the next day. When I got to our campaign offices, I found the lock broken and two policemen at our door. Going inside, we discovered that two laptops, a digital camera, and about \$500 earmarked for the charitable program, “Thank You, My Good Angel 2” had been stolen. The news spread quickly, and a large number of reporters soon gathered in our offices. In my statement to

the press I said, "It looks like I have become a dangerous opponent who needs to be stopped at any cost, even if that means stealing computer files and documents important to our campaign." It was a Croatian version of the famous "Watergate" break-in.

The perpetrators were never found, and despite heightened security measures, two more break-ins occurred. One attempt was not successful, with only the entrance door damaged. But a second time some valuable electronic equipment was stolen. The police investigation didn't result in any arrests. Finally, in order to stop the burglaries, the police set up a 24-hour surveillance of our headquarters.

When the burglaries did not derail my campaign, the political powers took on a new tactic. My driver Stjepko Zencic was accused of pulling a gun on another driver following an argument on a city street. The police reacted right away, and after couple of hours two crime inspectors came to our headquarters. I happened to be out of the office that day for an appearance on Croatian TV at which all the presidential candidates would be introduced to the nation. It was a crucial media event. My campaign manager met with

the detectives, and in the end my driver and my car were taken to the police station for further investigation. Then, my headquarters received a report that some suspicious people were seen approaching the apartment where my wife was at the time. The police were called immediately. I learned of these events just minutes before my scheduled appearance. When I heard what was going on, I almost cancelled my participation. But that was what my opposition wanted! After being assured that Anna was safe, I appeared on the broadcast with the other candidates.

That afternoon, following the televised appearance, I decided to go public with the morning's events, and I called a press conference at the Sheraton. At the press conference I condemned the false accusations made against my driver and the attempts to frighten my wife. Even though I pledged not to be deterred by the events, I had to admit that they had disturbed the rhythm of my campaign, which obviously was the goal of whomever had ordered them. Because the police had impounded my car, I had to cancel a visit to Mostar, scheduled for the next day. I also canceled planned rallies in Karlovac that were

scheduled for that afternoon and evening. It was a damaging blow for my campaign, as virtually thousands of people were awaiting my appearance at the rallies in these two important Croatian cities. True to form, that evening the police released my driver because the person who had made the accusations could not positively identify him.

Shortly after all this took place, I was given physical protection from the Ministry of Internal Affairs, just as were the other twelve presidential candidates. From then on until Election Day professional security officers led by Dario Zepina drove me in their official vehicle. Later on, more protection had to be added because of phone threats and sabotage to our campaign vehicles. All this didn't discourage me. On the contrary, it gave me additional strength and motivation. It's funny—if the political analysts kept saying I was a long shot for the presidency, why was my campaign being attacked? Certainly we had gotten the attention of someone!

I realized that everything had started after a joke I made about the current president, Stjepan Mesic. In a light-hearted moment I had kidded him about a summerhouse he suppos-

edly had on the French Riviera. I jested that he had received the vacation home from the French intelligence service during his tenure as a spy for the Yugoslavian Secret Service, and I offered to pay for his golf lessons there as a Christmas gift. What prompted me to make this generous offer was his meager and gloomy demeanor during campaign television appearances. The joke wasn't accepted very well, although in America one can say a lot of things openly. The President was so offended he sued me, despite the fact that he himself made crude jokes about the other candidates. As a matter of fact at that time his jokes about Jadranka Kosor, the presidential candidate of Croatian Democratic Union (HDZ), were in the spotlight. On at least one occasion, his crude remarks had driven her to tears. He used to call her Susana, a colloquial nickname for cry baby, and at one point in the campaign he complained that the media and advertising space were so flooded with Jadranka Kosor that he was afraid even to open a can of pâté because she might jump out of it. That remark later prompted a journalist to present Mesic with a can of pâté after the first election results were in. As a result, she

was fired from her job. I guess the incumbent president can't take a joke!

Although the situation had begun to improve, the national media outlets were still preoccupied with following only the perceived frontrunners, Stjepan Mesic and Jadranka Kosor. Every paper you opened, every news channel you tuned in, was filled with news about these two candidates. Their photos and political slogans were everywhere, especially those of Jadranka Kosor. Her over-exposure had even begun to irritate the public and affect her campaign negatively, but obviously her campaign staff didn't sense that. The more she was seen, the slimmer her chances! Part of the negativity surrounding her campaign was due to the fact that she claimed to have spent around \$600,000 of taxpayers' money on her campaign, when everyone in Croatia knew that realistically she spent 10 times more. That didn't really resonate well with her campaign slogan, "For me, people come before politics"!

The obvious media favoring of Mesic and Kosor made it difficult for all the other candidates to present their ideas. Even though Croatian law requires equal access for all can-

didates, we had to work extremely hard to get the media to pay attention to our issues. One such issue I wished to debate was the plan of the Adria Group to construct an economically unjustified and ecologically harmful pipeline to transport Russian crude oil via Omisalj, on the island of Krk. The potentially dangerous pipeline would pass through the best of Croatian and European reservoirs of potable water. Moreover, its planned route would take the pipeline through a pristine natural park. Siberian oil is very corrosive and spills and droppings are inevitable and often. As someone whose knowledge about corrosion is well respected around the world, I felt competent to speak on the issue. After all, my patents and products in the field of ecological corrosion protection are being sold worldwide. Unfortunately not one word was ever published about Boris Miksic's views on the issue of the pipeline!

Then one day I opened Croatia's most widely circulated newspaper to see the smiling face of Jadranka Kosor under a banner headline stating how she will do everything to stop this potential ecological nightmare! The pipeline project became the main topic of

her campaign, although what she knew about the subject is only what she gleaned from my statements on the issue. And on top of that, she herself was a VP in the present administration that just a couple of months before had signed an agreement in favor of the Adria Group's project! Suddenly all the media was competing over who could give more attention to the wise statements of Ms. Jadranka. And when Mesic was asked what he would do when the pipeline started leaking, he answered laconically, "We'll change the pipes!"

Despite all this, I continued to work intensively on presenting my political program and vision. The slogan of my campaign was, "The right and honest guy for a better Croatia." It was very well accepted. I often used to say, and I really believe, that we must have people in power who will "live for politics, and not from politics," meaning uncorrupt-ed people you cannot buy, those who already have achieved so much in life in the material sense, that they need no more. My saying, "When the economy is breathing, society is blooming!" was also very well accepted.

Even though it fell in the middle of the official campaign period, I managed to get a little

rest over Christmas. I attended the Christmas mass in Hrnetić, a village close by Karlovac, in the newly constructed Church of the Croatian Martyrs. I had an obligation to come, not only as a godfather to the church's altar but also to visit The Reverend Marko Dujam who was recovering from surgery. After Christmas, I entered the final days of the campaign filled with new élan and enthusiasm, especially after polls suddenly put me in third place! I knew even before that I was on the right track. I was glad that the voters noticed that too, and that the national media finally started to air the fact. Frankly, I think that everyone—even journalists—was getting fed up with same, empty promises of the old-line politicians. They were fed up with president-rubber tree and corrupted ministers and other officials. There was no end to the soap about entering the European Union and cooperation with The Hague Tribunal. Domestic issues such as the fight against crime and corruption, the development of entre-preneurship and growth of production and exports, the lowering of unemployment, and the introduction of new technologies were swept under the rug. There appeared to be total apathy and

hopelessness toward the domestic issues of the country. Voters seemed to have no hope that something would change. And the frontrunners seemed to ignore completely the issues facing the everyday citizen. They offered no hope or promise.

Yet, our beautiful Croatia has so much to offer the world! Our competent experts and scientists need a chance to show their knowledge and talent on the world market. During a visit and lecture at the Institute Rudjer Boskovic, I observed the underused potential of my homeland. After being asked about my laboratory at Cortec Corporation, I explained how everything functioned well and the products of our work are numerous patents and many new processes for production of environmentally friendly materials. When asked how many scientists we employ at the laboratory, I answered twelve. The room fell silent. Why? Because the Institute of Rudjer Boskovic, the greatest Croatian think tank employs more than 500 scientists and they own just one patent! They publish their scientific research and results on the Internet and in technical publications, which allows foreigners to use all the valuable data for their

own needs. “Then what is the purpose of your work?” I asked. “You work for somebody else, and let them reap the rewards! But it doesn’t take much to change old habits,” I encouraged them. “What is crucial is good management, giving a chance to younger people and connecting science and economy.”

With that goal in mind, by the end of the presidential campaign I had laid the cornerstone of my biodegradable plastic factory in Beli Manastir. One of the newest Cor-tec products, EcoFilm, is just what Croatia needs. New technology and knowledge, entrepreneurial incubators and technical parks are the future of Croatia, not heavy and ecologically harmful industries. I wanted to show that with my own example.

From Victory to "Defeat"

New Years Day 2005. While most people probably were sleeping off the effects of the previous evening's revelry, volunteers for the Boris campaign had no time for rest. It was the last day before the election, and our two weeks of the official campaign were coming to an end. What was left were twenty-four hours of preliminary election silence and one more job to finish: to put up posters around trees and utility poles on heavily traveled streets in the larger cities. We had waited until now to put them up, to avoid having the weather damage them as had happened to our opponents. So during the day of election silence, when no political advertisements could be aired on television or radio, we plastered Zagreb, Velika Gorica, and Slavonski Brod with the new Boris Miksic posters. Diligent volunteers put posters around literally every tree and pole along Zagreb's main thoroughfare, the "Green Wave," which for the day was called "Boris's Wave." Motorists and pass-ersby couldn't miss them. From one end of the street to the other, the only candidate's face was mine. I was optimistic heading into

Election Day.

Election day dawned clear and cool. At least the weather wouldn't be a factor in the election. I rose early, had breakfast, and went to early mass with Anna and my parents. After mass, I did my citizen duty by voting at a polling site on Krajiska Street. Coincidentally, it was the same site that served nearby Ilica Street, the home of Stjepan Mesic, current president and my rival. Two candidates registered to vote at the same place. It would have been interesting to have arrived at the same time to vote, but Mesic came shortly after I had departed. Later, I was told that he had timed his arrival to avoid our encounter. What was he afraid of? After all, I was a political "long shot!"

After leaving the polling place, I took a walk with my wife Anna through the streets of Gornjigrad, Zagreb's Upper City, then went down to the city center and stopped at one of my favorite restaurants for lunch. I was relatively calm. In the early afternoon I went to my campaign headquarters to see if everything was ready for election night. Exit polls had begun to trickle in, and our numbers looked sensational!

I was surprised to find some television crews already had arrived on the scene. Croatian TV had announced previously that they have live coverage at the headquarters of only the top three candidates. The presence of television crews was the first real indication that we were about to pull off the impossible. Throughout the afternoon, the exit polls continued to predict success. The numbers coming from Dugaresa, my father's hometown, were especially promising. There I was leading all the candidates! I tried to keep my enthusiasm in check, but as more of my colleagues arrived, all of them, including me, were convinced we are going to the run-off election. And once in, we were sure we'd beat Stjepan Stipe Mesic.

The polls closed all over Croatia at exactly 7:00 p.m. And then the huge tumult started. According to the results coming in, the greatest surprise of the elections was about to happen. Current president Stjepan Mesic was in the lead, I was second with a big enough percentage of votes that there should be no surprises, and Jadranka Kosor, the favorite candidate of the leading party, was in third place. No other candidates were even close. Then the news went out: Boris Miksic is going to

the run-offs! Suddenly, you couldn't breathe in our headquarters. People jammed the room—people I knew and total strangers, journalists, friends, and supporters. Television crews and radio and print journalists scrambled to get a statement from me. How ironic. Before the election, I couldn't get the national media to pay any attention. Now, everyone wanted an exclusive interview.

By 9:30 p.m. it appeared the advantage I had was insurmountable. With the arrival of a tamburitza band that had followed us throughout the campaign, our celebration began in earnest. The place was packed. Security had their hands full. Everybody, it seemed, wanted to be a witness to this historical event—the moment an independent long shot with a small but effective team claimed victory over a huge party machine. Our success began to echo around the world. Radio and TV crews from Bulgaria, Germany, Austria, and Bosnia-Herzegovina broadcast the news across the region. Reports of my success were picked up by the wire services and sent to media outlets throughout the U.S. and Canada. The story was broadcast on CNN, and covered by the Associated Press, Reuters, and local media

in Minnesota including Minnesota Public Radio, ABC-affiliate Channel 5 News, The Minneapolis Star Tribune, and The St. Paul Pioneer Press.

At 10:00 p.m., the unbelievable happened. Suddenly the results changed. I listened in disbelief to the report of the State Election Committee declaring that Jadranka Kosor had taken over second place. How was this possible? I had been leading Kosor by more than four percent of the vote. It seemed statistically impossible to have gained enough votes to surpass my lead. Something had to be wrong.

At midnight the president of the State Electoral Commission declared the official results: Mesic was first with forty-nine percent of the votes, Kosor second with twenty percent and Miksic third with little bit less than eighteen percent (17.79%). Because no one had received a majority, a run-off election would be held between Stjepan Mesic and Jadranka Kosor. In four hours, after the polls had closed, I lost more than four percent while Jadranka Kosor gained almost six percent. It was obvious to us that the election had been fixed. The maximum statistical error for such a short

period of time, with majority of votes already counted could be at most one percent. But in only those two last hours a difference of ten percent was recorded. Those in charge of fixing the results obviously overdid it!

In the hours following the announcement, I tried to make sense of the outcome, but when everything was considered, it boiled down to the simple fact that I was robbed. It's obvious that at the level of power, Croatia has not let go of its communist past. The politicians of the so-called "Kumrovec school," the political school of old-line communists, have only one goal—to steal as much as possible for themselves and do everything to sell off the country to foreigners, tycoons, and the mafia. It's really sad that the people in power don't have the interest of the Croatian people in mind. They are only interested in lining their own pockets by whatever means possible, including endangering and selling off our precious resources, everything that our soldiers fought for and for which so much blood was shed. As a result, young people will continue to leave country in search of a better life, and Croatia will once again become a colony of Europe. I believe the Mesics, Sanaders, Racans and

others like them are pushing Croatia into a union for which Croatia, as a young country is not ready. If they have their way, we could say goodbye forever to real Croatian values, especially Croatian identity, and when everything is said and done, our sovereignty.

Even the United States government appears to support this future for Croatia. The official State Department website states “U.S. engagement in Croatia is aimed at fostering a democratic, secure, and market-oriented society that will be a strong partner in Euro-Atlantic institutions.” To that end, in July 2004 President Stjepan Mesic met with President George W. Bush at a NATO summit in Istanbul. According to Mesic’s own website, Bush had endorsed everything Croatia was doing in its Euro-Atlantic integration, stating, “Bush supported our endeavors and commended what we have done so far,” Apparently he felt he had U.S. support for his policies, and I would wager a guess that he was right.

I find it interesting that during my run for the Croatian Parliament and my run for the Presidency never once did the U.S. ambassador to Croatia, Ralph Frank, contact me. One would think that he would be interested

in meeting a U.S. citizen working on behalf of the country to which he is an ambassador. We even had something in common, for I had been serving as Honorary Consul General for the Republic of Croatia for nearly ten years. Instead, I was shunned by the American Embassy, to the point that when I went there to vote by absentee ballot in the 2004 U.S. Presidential election, I was denied entrance. Even though I showed them my passport, I was not allowed inside. Obviously I had gotten on the bad side of someone there, probably because in the Croatian elections I was running against the U.S. backed candidate.

It was apparent to me and my team that the outcome of the election was previously agreed upon. My guess is that Prime Minister Sanader and President Mesic made a deal. Mesic was guaranteed re-election, but only after a run-off. It would have been too obvious if he won in the first round. The candidate of the party in power, the Croatian Democratic Union (HDZ), had to make a good showing. However, Sanader delivered the election to Mesic by making sure the candidate of his party had no chance of actually winning. In the end, Jadranka Kosor was a sacrificial lamb.

And of course, the drama was directed with a lot of taxpayer's money. So what did Sanader get out of the deal? He most likely will get the nod in the next presidential election when Mesic cannot run for a third term. We just keep running in circles.

What the guys in power didn't factor in was my unexpected success and the wish of the Croatian people to support an independent candidate. We managed to mess up the plans of the political elite to the point that they were forced to resort to election fraud in order to stay in power. The events of election night and evidence produced later confirm that numerous acts of corruption took place. Even the reaction of the different camps seemed suspect. At Stjepan Mesic's headquarters they celebrated when they heard Jadranka Kosor was in second place and I was third. Was it because their initial plan had worked or because a much more dangerous candidate was thrown out of the race?

At the Croatian Democratic Union (HDZ) headquarters there was silence and disbelief when the exit polls showed I was ahead of Jadranka Kosor by six percent. It leaked from their camp that the leaders of the party

locked themselves in a separate room after the exit polls were made public, and around 10:00 p.m. a phone call supposedly was made from that room to Ivica Crnic, president of State Electoral Commission and an HDZ protégé himself. Shortly afterward, Kosor was reported in second place. And then, within two hours, without verifying the actual votes cast, the State Electoral Commission called the election results. In its attempt to explain its actions later, the State Electoral Commission dismissed the exit polls as unreliable and said that the earlier reports had not included reports from Bosnia-Herzegovina, where Jadranka Kosor reportedly won a vast majority of the votes cast.

I suppose it made sense that Kosor would carry that region, as the ruling party there is the HDZ party of Bosnia-Herzegovina. Supposedly it is independent from the HDZ in the Republic of Croatia, but in actuality the HDZ of Bosnia-Herzegovina is only an extended hand of Croatia's HDZ, Kosor's own party. HDZ's machinery unconstitutionally controlled all the polls in Bosnia-Herzegovina. In an effort to ensure a win for their candidate, the HDZ controlled government had

designated only forty-two voting sites for the approximately 275,000 eligible voters in Bosnia-Herzegovina. On average, that was one site for more than 6000 voters to complete voting in just 720 minutes. There was no way the voting sites could process all the voters in the time allowed. The State Electoral Commission reported that at some voting places the votes were coming in at a rate of fifteen seconds per voter, while independent observers reported that the real time necessary to vote was between three and five minutes. Further, the election sites were strategically placed in areas where HDZ members were highly concentrated. Given the manipulation of the polls in the region, Kosor was a shoe-in to win!

Looking back on the night, I think those moments were probably the hardest in my life. I realized I was betrayed and that the huge effort and money we had spent were thrown away. I don't know how I was able to control my emotions, but in front of the television cameras I said that this was not a slap only to me, but to the Croatian people who supported me. I refused to concede defeat and announced that I would hold a press confer-

ence at noon the next day at which I would disclose my plans. A sense of bitterness and betrayal hung over the members of my team. The congratulations of a few hours earlier had turned into ineffective consolations. Revolt was building, and I realized something needed to be done.

The next day at the press conference I announced I was going to use my constitutional right to file a complaint against the State Electoral Commission for election fraud. I also called for a peaceful gathering in Zagreb's central square that same evening. I announced that I would not concede defeat and would fight to the end for truth and just electoral results. With that in mind, I arrived in Jelacic Square that evening to face my supporters. It was at first the usual crowd, but as I stood there, people began to pour into the square. They came from every street and corner of the large square. Hundreds of them. Thousands. The excitement was great. Even greater was the responsibility to lead the mass to the headquarters of the State Electoral Commission and Parliament. The flood of people stretched for at least two miles! There must have been at least 10,000 people in the streets. All around

me people were carrying banners—"Boris Fight!—and chanting, "Down with the liars and cheaters!" It reminded me of the demonstrations during the "Croatian Spring," and I asked myself, "Why is this happening again in my Croatia?" I haven't found the answer, and perhaps I don't want to know it. For me Croatia is still the only homeland. I came back to pay my dues for everything she gave to me and for everything she means to me.

Our protest ended in front of the State Election Commission's headquarters. As the crowd began to disperse, I encouraged them to continue the fight with my parting words, "See you tomorrow, same time, same place!" They answered: "See you in even greater numbers!" Unfortunately, a number of protestors spontaneously gathered outside the headquarters of the Croatian Democratic Union and then in front of the President Mesic's apartment. They chanted slogans that reflected a general disappointment with the Croatian political scene and situation, trying to put attention on falsifying electoral results. But, as it often happens, some individuals tried to take advantage of the newly created situation for their own political goals. Their goals were

different from mine, and I didn't want to support them. But the damage was done.

I determined that further demonstrations needed to be kept very organized and under control, to avoid any negative backlash. For that purpose, we carefully planned for our main protest gathering "Fight for Croatia" for the following Friday and requested permission from the City Council of Zagreb and the Ministry of Internal Affairs. We bought scarves and candles, prepared little flags and slogans, and planned the event to be a peaceful gathering. But you could sense the tension in the air! Every day, protests were breaking out around the country, fueled by other angry individuals and groups that I didn't organize or support and from which I publicly distanced myself. The police had intervened and arrested the leaders at one of these gatherings.

At the same time, we were informed that a quarter of a million of my supporters planned to come from all over Croatia to Zagreb for the "Fight for Croatia" demonstration. Friends warned me about the possibility of being unable to control the situation, and that most likely a number of agitators would attempt to

ruin the event. After analyzing the situation, I felt I could not risk the possibility of having a peaceful gathering provoked by some people into becoming a bloody confrontation. So, on the morning of the demonstration, I reluctantly called it off. The nation had had enough of war, fighting, and bloodshed.

Instead of going to Jelacic Square, we went to the little town of Samobor near Zagreb where I organized a “farewell” party for my team members and journalists. It was not the end of my fight, however. Now, my attention turned to the courts and getting to the truth about the election.

When the Dead Vote

I had forty-eight hours to file a complaint with the State Electoral Commission concerning election irregularities. I filed two objections. My first was based on the fact that as an independent I was not allowed to have observers at the voting places. The second was based on materials that were forwarded to my office from concerned citizens and political observers that showed clear evidence of election fraud. I wanted the ballots examined and recounted, positive that if this took place, the results of the election would be thrown out.

But the Electoral Commission denied both my requests. They argued that the Constitution didn't guarantee the right for independent candidates to have observers. Croatian law clearly defines conditions under which political parties, non-governmental agencies, and even monitors from foreign countries can observe the election process and vote counting, but it has no provisions to allow independent candidates to monitor the elections. It's the opinion of the State Electoral Commission that this is not discriminatory

because in their own words, “All independent candidates are treated the same way”! Yes—all independents are given second-class status. Party-backed candidates have more rights!

They also dismissed the evidence that voter fraud took place, even though we had documents and signed affidavits that showed serious irregularities. At two voting sites in Zagreb the seals used to seal the boxes of cast ballots were not real seals and they could be compromised easily. In another case, an observer for the HSS party reported seeing HDZ party members—not official observers or local electoral officials—with access to both the list of eligible voters and to used and unused ballots. At this site, the final counts were written in pencil, not ink, leading one to believe that they might have been changed later. At yet another site, it was observed that a voter placed a folded piece of paper into the ballot box and took the actual ballot with him. Most disturbing were reports from Bosnia-Herzegovina where it was apparent that double voting took place and that even dead people voted!

In their reply to my objections, the State

Electoral Commission simply admitted that the Commission didn't have the authority or the means to investigate the situation. It seems that while the State Electoral Commission is to oversee the election process and confirm the results, in actuality it was not given any authority by the government to engage in any kind of verification or investigation process when questions arose! The Commission could only attest that "such matters should be investigated by state agencies that have the authority and means to investigate such a matter." The State Electoral Commission usually defers to the Office of the State Prosecutor to settle such matters. Unfortunately, the State Prosecutor is not an elected official and is under the direct control of the government, the same candidates who were certified by the State Electoral Commission to go on to the run-off elections, without verifying the actual votes.

I had no recourse but to send my objections on to Croatia's Supreme Court. But I was running out of time. The Supreme Court would need to act quickly on my complaint in order to have the ballots recounted before the run-off elections took place on Janu-

ary 16. You see, nothing in Croatia's Constitution guarantees a stay of the election process when an objection is filed with the State Electoral Commission or even sent to the Supreme Court. In other words, if the election results were going to be overturned in my favor, the government needed to act quickly.

The response was quick—and negative. The Supreme Court would not consider my objections.

I petitioned the State Electoral Commission again, this time armed with new evidence of irregularities. I brought up the obvious and strange disparity between the number of registered voters in Croatia and the actual number of adults of voting age. According to data from the State Electoral Commission there are 4,002,015 registered voters in the Republic of Croatia, not counting voters living abroad. According to the Institute for Statistics of the Republic of Croatia, in 2004 there were 3,447,003 adults of voting age. It would seem from these numbers that about 555,000 people either have the right to vote more than once or they have the right to vote, but they don't exist!

The most irregularities happened in Herzegovina where a record number of voters were registered and the vast majority of them voted for Jadranka Kosor, including some who had been dead for a number of years! The GONG organization, an independent agency observing the elections, discovered while checking voter registration lists after the election that many instances of double voting took place, along with voting on behalf of family members and voting in the names of those who had died. In a randomly selected sample of ten people in Herzegovina, GONG discovered that all ten were recorded as having voted, although five were buried long ago and four of the living denied having voted at all! One journalist, in an attempt to investigate the possibility of double voting, voted the same day, with no problems, in two cities on either side of the border with Herzegovina. She simply came, got a ballot and voted. Twice. She later published everything in her newspaper. Unfortunately, her story and the results of the GONG investigation intentionally were made public too late to help me. The time for filing another complaint had already expired.

Even without these reports there was more than enough evidence for the election to be called into question. Yet, once again, the State Electoral Commission dismissed my objections. While they could not disregard completely the problems at certain voting places, especially in Bosnia-Herzegovina, they alleged that those irregularities wouldn't have affected the outcome of the elections!

As a last resort, I sent another complaint to the Supreme Court. With that I used up all my legal means of trying to fight this injustice. The decision of the Supreme Court, one that to me obviously was prepared ahead of time, was devastating. The Court denied my complaint with the lame explanation that not all presidential candidates have the same rights. To me that meant that there is no real democracy in Croatia.

All my attempts to get at the truth had been thwarted by government authorities. The decisions handed down by the State Electoral Commission were arbitrary attempts at justifying the end results of a flawed electoral process. Instead of safeguarding the process and the rights of the citizens of Croatia, they had operated under the "business as usual"

attitude of the old hard-liners. Any attempts by me or by others to expose the truth were met with attacks on our character. The State Electoral Commission called one journalist who dared report that certain voting sites were kept open past the appointed time and voters enticed by free drinks to stay in line unethical. Instead of acting on the facts, they attacked him! Even I was called a liar by the president of the State Electoral Commission, when I had irrefutable evidence of vote tampering. In response, I called for his resignation. It didn't happen, of course.

I had done everything I could to get the election overturned. My efforts were successful in getting people to question publicly what was wrong with the system, but even though the discussion grew louder by the day, it was too late to change the results. All that was left were the jokes: "Why were there no election scams in Varazdin? Because its cemetery has video surveillance." Or maybe, "After the elections in Herzegovina why did Jozo stay at the voting place for another two days? He heard the dead were voting and he thought perhaps he'd see his father who's been gone for five years!"

They might have been funnier if they weren't so true.

On January 14 Stjepan Mesic defeated Jadranka Kosor handily in the run-off election. I still felt I was the moral winner, and because of that I would not acknowledge the final victory of Stjepan Mesic, neither would I recognize him as my president. I refused to betray my voters, more than 390,000 of them. I hope that it will be mentioned in the history books that Boris Miksic was ready to fight to the last drop of his blood for the dignity of Croatian people. I returned home to give everything I had—my energy, knowledge, experience, and capital—in order to find a right and honest way for better Croatia. And I wasn't expecting anything in return. I guess John F. Kennedy's famous saying, "Ask not what your country can do for you; ask what you can do for your country," could be applied in Croatia too.

Another Fateful Decision

Following the disappointment of the election, we decided we needed to take a break from the rest of the world. We returned home to the United States and went down to Florida to spend some time sailing and fishing on our boat. It felt good to get away from the burdens of modern life—cell phones, faxes, and the constant barrage of people. On the boat, it was just Anna and I.

My wife had been a constant support for me during the campaign. We had worked side by side for months. She had been my faithful helper every step of the way. I am lucky to have such a person in my life!

Even in the peaceful setting of our boat, I could not completely relax and free my mind from what had happened to me. Time and again my thoughts wandered back to the events surrounding the election. I analyzed every move I had made, trying to find something that I could have done to change the outcome. I do not take defeat easily. I have been a fighter all my life.

I have said before that my life has been a combination of hard work and fate. On our

boat, I recalled the times in my life when fate had been kind: the red Ferrari that happened to stop and pick me up that day in the Samobor hills and change my life's direction...the chance acquaintance that provided me with the means to come to America...the business award that introduced me to my good friend Rudy Perpich...even the missed opportunity to go with Ron Brown's delegation to Croatia in 1996, which ultimately saved my life. I had a lot for which to be thankful. But now, as I contemplated the events of the past months, it appeared that fate had turned against me. These were some of the hardest days of my life.

History has a way of repeating itself. Twenty years before I had retreated to this very spot on the Florida coast in order to get my life back on track. I came at a low point in my career and personal life. I had been forced out of the company I had started, my marriage was on the rocks, and I came looking for direction. It was here that I made the crucial decision the buy back Cortec.

Thinking back to that time and the decisions I had made, I realized what I had to do now. I made up my mind to withdraw from Croatian politics and devote myself to what I

knew best—business.

Even in my seclusion, I was not entirely free of media attention. Somehow, a very persistent journalist found out where I was and got through to me on my boat. I agreed to an interview but gave only short answers to his questions. I said that I felt I was a moral winner of the election and I would not acknowledge Stipe Mesic's victory or consider him my President. Mesic was not happy with this. As a way to show his authority over me, in February 2005, he removed me from my position of Honorary Consul of the Republic of Croatia and ordered the offices in Saint Paul closed. With that, he effectively did away with the most successful means of promoting Croatian business and culture west of New York. In other words, he hurt his own country's interests, for the Honorary Consulate was never about me, but always about promoting Croatia!

As fate would have it, even as I was avoiding media attention, my ex-wife Olga was in the spotlight back in Croatia, spreading lies about our former life together. In interviews she called me a violent person, an unreasonable father, and a bad husband. Her slanderous comments found fertile soil in the Croatian media.

I'm certain that the people in power orchestrated the media lynching I was receiving back in Croatia. They were intent upon destroying my reputation and my good name by whatever means possible. Why? Because the political professionals were worried by the fact that 390,000 people had voted for me. They saw me as a dangerous opponent, and they wanted to destroy all my political aspirations with their lies. It's ironic—they didn't know I had already made up my mind to leave politics, and now their very actions were causing me to rethink my decision!

The peak of journalistic unprofessionalism came during a broadcast interview with Ivo Pukanic, the editor of Croatia's weekly news magazine *Nacional*. During the interview he said Milan Bandic was a Nobel Prize winner compared to me. Bandic—a man who in 2003 as mayor of Zagreb crashed his car while driving drunk, fled from police, and later tried to bribe the officer who arrested him!

Despite the mud the media was hurling at me, I refused to take legal action, even though many advised me to do so. Instead, I positioned myself above the lies and endured stoically all the false accusations and made up stories. The

only action I took was to instruct my lawyer in Croatia to demand that National print my answers to all the accusations. Of course, the magazine that prides itself in “telling the truth” never did!

The only bright spot on the gray media scene came when acclaimed Croatian filmmaker Jakov Sedlar approached me to do a movie about my life. Of course, an inevitable part of the story would include events surrounding the Presidential election. At first I was reluctant—even suspicious—to consider the offer, but after thinking about it for a couple of days, I finally accepted it. Anna came up with the title: “When the Dead Vote.”

At the same time, I made another decision. I would return to Croatia and run in the local elections for the office of Mayor of Zagreb. What I didn’t tell anyone was that my decision to continue with politics was meant for a longer run. I entered the race for mayor in order to stay active on the Croatian political scene. Once again, I would use the exposure as a preparation for the next Parliamentary and Presidential elections. I kept my plans to myself. Even some of my closest associates and devoted volunteers didn’t know my real inten-

tions until the end of the campaign.

Having made my decision, I flew back to Zagreb and began to assemble my campaign team. I needed a group I could trust to do a good job so I chose people with whom I had worked closely during the presidential run. I also extended the lease for our campaign office on Duke Mislav Street to use during the months leading up to the official campaign time.

Despite the offers for cooperation that were coming in from different political parties, I decided to run again as an independent. I felt that it was important to retain the brand I had created in the Presidential campaign. Running as an independent was important for my political future, and my opponents sensed that I was someone to be reckoned with. Because of that, I knew they would use the media to continue to attack me. But I was up for the fight!

The announcement of my intention to run immediately brought on an avalanche of accusations and lies about my private life. My political opponents were shooting from every direction, using every available weapon in their arsenal in order to assassinate my character. The future would show whether these

early political manipulations would actually succeed. Perhaps they would use up all their ammunition too soon!

For my part, I entered the pre-campaign with a positive attitude. I was determined to build on the optimistic political image I had forged during my previous campaigns. I refused to lower myself to my opponents' level; resorting to mudslinging would only hurt my chances with the voters. In order to defend myself against the lies being spread about me I organized a press conference. It was of little use. My defense ended up buried in tiny print deep inside the newspapers, while my opponents' statements were splashed across the front pages. Despite everything, I remained optimistic, willing to prove myself, and convinced of final victory.

As part of my efforts to educate voters about the true story of Boris Miksic, I began work on a fourth edition of my Croatian biography. At the same time, work on the movie about me was progressing quickly. I was encouraged to learn that Barry Morrow was writing the screenplay. You may recall that Morrow was awarded an Oscar for *Rain Man*. His screenplay for *When the Dead Vote* was excellently written, and I

was hopeful that when the movie was completed, I could use it to counteract the negative attacks of my opponents. Unfortunately, my hopes were short-lived. When the documentary was released some months later, nearly every Croatian television station refused to show it or was prohibited from doing so. Obviously, the ruling government officials wanted to put the whole election scandal to rest. They didn't want me raising more questions!

Only after a great deal of lobbying did the documentary air on OTV (Open TV) and Z1 (TV Sljeme). The number of people who saw it was greatly reduced from what we had hoped. Not wanting all the good work to go to waste, an English version was made in cooperation with Public Broadcasting in the U.S., which incorporated some of the original material plus new scenes shot in Minnesota and at my home in Colorado. I hoped to use this version to influence voters outside of Croatia and to bring my story to the world.

I also took time to fulfill some promises I had made during my Presidential run. It was important for me to keep my word. One promise I had made during the Presidential campaign was to help solve a housing prob-

lem for the Jelenic family. As soon as I received from the State the refund due me for my campaign expenses, I donated more than \$12,000 to this family from Glina. Shortly after that I accepted the invitation to be a godfather to Vesna, the tenth child in the Krznarevic family who lived in Soline, near Glina. These actions brought me a great deal of joy.

Even as I lay the groundwork for a new political campaign, the legal battle to prove irregularities occurred during the Presidential elections was not yet over. Just by accident while on a business trip to Chicago I ran into Andjelko Galic, a lawyer who recommended I send a complaint to the European Court for Human Rights in Strasbourg, France. I forwarded to him all the evidence and statements my team had received following the elections, and Galic's office prepared the legal ground to file a formal complaint. At the time of this writing we have begun international legal procedures to show the truth about the Croatian elections. Besides getting moral satisfaction, by proceeding with this complaint it was my intention to stop similar things from happening in the future.

Forging Relationships

For most of my life, I have relied on my own instincts when it came to making decisions, and that has served me quite well, especially in business. Relinquishing decision making to others is not always easy, so when members of my team in Zagreb suggested that a good way to start our campaign was with a two-day convention, I was skeptical. I had hand picked the team, yet I wasn't sure I could trust their initiative. Even though I had my doubts, I let them run with the idea. They proposed the theme, "The Right and Honest Path for Croatia" and suggested the convention be held in Krapinske Toplice. I approved the idea but continued to question everything! I remember coming to the office one day and saying, "There's something I don't like about the rules of ethical conduct you have prepared for the convention. Can you change it?"

The answer was unexpected.

"Just a moment," somebody called from the back of the office, and suddenly a PowerPoint presentation appeared on the wall. My campaign manager began explaining the

whole idea to me. Everything was clearly laid out: technical presentations, accreditations, cultural programming, entertainment, Bingo, organized press conferences, accommodations, financial issues, and of course, the rules of ethical conduct. After that I had no further questions about the convention or the ability of my staff!

It turned out that the convention was a very successful political gathering of more than 150 representatives from fifteen different political parties, associations, and individuals from all over Croatia. The main purpose of the gathering in Krapinske Toplice was to unite political forces out of Parliament and to announce future cooperation at the local elections. The majority of attendees signed a cooperation charter, and candidates for other local offices who wanted my help in the upcoming elections also signed the ethical rules of conduct.

Better yet, the media covered the event. Of course, not all the press coverage was good. I was interviewed by *Globus* magazine, but what was printed was not an interview. Instead, they published a small article with negative connotations and statements that had

nothing to do with my answers.

At one point in my pre-campaign, I attended a soccer game between Dinamo and Osijek in Osijek. At the invitation of one of my sponsoring hosts, I was seated in the VIP box. Dinamo leadership immediately protested this special treatment, not knowing that I was there by invitation. During halftime I went to the VIP hall with my hosts. The spectators noticed me, and some even began shouting, "Don't give up, Boris!" "Show those thieves and dupers" "Go, President!" It made me feel good to hear their cheers. It was nice to receive some accolades for everything I had been working for in Croatia.

Media Lynching

By the time the formal announcement was made beginning the official campaign for local elections, my office was technically and organizationally ready. Billboard space and radio airtime had been reserved. Our campaign slogan was set and our graphics finalized. For continuity with the Presidential campaign, we kept the same slogan but modified it slightly to be more appropriate for the local election: “The right and honest guy for a better Zagreb.” For the same reason we also kept the same basic graphic design for print ads and posters and ran the well-known jingle “For Boris” on all our radio spots. A new publicity idea we hatched was to rent space on the trams in Zagreb to promote the publication of my latest book in Croatia. We thought it was a great idea to have the cover of the book appear on all the trams. Despite the fact that we had a signed agreement and had paid a deposit to Zagreb Electrical Trams, the company stopped the whole project without giving us a reason!

Our campaign leaflets and flyers took two different tracks. Some promoted our platform

with short, positive messages. Others pointed out the unfulfilled promises of the present City Council. We tried to stay on the positive side—telling voters what we could do for them—rather than resorting to negative campaigning. We left the political mudslinging to our opponents.

The same media campaign was used by the other independent lists I supported. In addition to the resources we sent them, they also created their own specific materials, referring more to the problems in their electoral districts. I have to admit that they had some original and interesting solutions, and the passion and effort people were putting in this project only made me work harder too.

At the same time that I was putting together my independent list, I remained a subject of political wheeling and dealing, and many parties offered me favors to become their candidate for Mayor. But I wasn't about to give up the image of an independent candidate and enter a political coalition. I realized that the reason behind their offers was pragmatic, because according to the polls I was doing pretty well and the election of our members to City Council was not in question at all.

That fact was brought home during the May Day celebration at Maksimir and Jarun. We were there giving away apples and talking with the people on the street. I was surprised by their support and their desire to actually change the political scene. Passersby were still reflecting on my Presidential run and my fight for the truth. All afternoon, I heard people call out encouraging remarks: "How are you, Mr. President?"... "Don't give in to the thieves and don't let them stay in power!"... "Fight, Mr. President!" ... "Finally we'll have Zagreb native for Mayor!"... Many of the passersby wanted to take a photo with me or asked for an autograph. Obviously the people were on my side.

The political "mafocracy" also was aware of my popularity with everyday voters, and they worked very hard to keep me out of the limelight. I had few if any media appearances. Even when we arranged special media events, very few journalists would show up. A perfect example of how the media ignored me came with the premier of *When the Dead Vote*. I had waited with great anticipation for the movie to be finished. Upon its release we planned a premier showing of

it at the Zagreb Cinema. It was my gift to the citizens of Zagreb. In conjunction with the showing, all the candidates on my list were introduced and I presented my future political plans and activities. Jakov Sedlar was there to talk about movie, and singer Stjepan-Dimi Stanic, Croatia's Frank Sinatra, gave a special show. The evening ended with a banquet and performance by the folk ensemble "Dr. Ivan Ivančan". Unfortunately, the media ignored even this event. History tends to repeat itself. The more I tried to show my sincere intentions for real change in Croatia, the louder and more aggressive my political opponents became.

My ex-wife Olga fit perfectly into my opponents' plans when she opened an exhibition at the Museum of Arts and Crafts in Zagreb. I was very interested in seeing what the exhibit titled, "Violence and Conscience," entailed, and so I checked it out. My appearance surprised a lot of the people working there—even a photographer of the *Vecernji list* recorded my visit. I guess people thought I would be afraid to come because of what Olga had been saying about me in the press. Before leaving I wrote in the visitor's book:

“I am glad that my ex-wife’s years-long wish has come through and that she has opened an exhibition in Zagreb, especially because I myself invested and helped her through her art education and development in Minnesota.”

The next day I stopped by the museum again in order to take some photos. I was surprised to find empty walls. The people in charge of the museum explained that they themselves had learned just the day before the opening that it was to be a very short exhibition. I’d say that was an understatement! Museum officials admitted they never had a case like this before, and it was obvious to me that the exhibition had more political than artistic dimension. According to information we got from the City Office for Cultural Affairs, \$6500 of taxpayers’ money was used for this five-day art exhibit whose main purpose was to expose lies and details from our matrimonial life.

The attacks on my personal character were relentless. Some editors continued to portray me as a violent man and even included my children in their slander. In vain, I attempted to discredit the lies being published about me by providing notarized written statements

from witnesses. It was important for me to prove to the voters that I was not the animal the press was making me out to be! This was especially true for women voters, among whom I had great support. I made frequent contact with various women's organizations and joined the "Safe Address" project that was trying to help victims of family violence. But I was facing an uphill battle. I found out that the women's organization B.A.B.E. (Be Active, Be Emancipated) got nearly \$4000 from the State just because their president said publicly she would not vote for that violator, Boris, a statement the press picked up and often repeated.

Days before Olga's 61st birthday, our son Paul delivered the letter from my ex-wife:

" Dear Boris

I've been waiting for years to send you this letter, thinking that there's enough time, but my time is running out..

Having been bed ridden for months even years, always between same walls, chemo therapies, radiation treatments and surgeries, all what was left was to re-examine the past, over and over... It is terrible to have to live with guilt and sorrow-and

I have so much to pay for damages I caused.

I can't understand how has a young woman with best intentions transformed into a totally destructive adult person, that eventually ruined her own life, and the lives of her children.

To make things short-as I am getting weaker by the day-the fact of the matter is that I have always loved you...but everything got so complicated and I eventually fell apart...

Please forgive me for all the bad things that I have done to you (if you can) and continue to be available to Evonne and Paul as they are not guilty.

Dear Boris thank you for all the wonderful moments and the best children in the world.

Olga"

The culmination of personal attacks came with publication of an article on the cover of Jutarnji list in which an ex-policeman implicated me in a theft of some typewriters that took place in the 1970s. He said he recognized me as the thief who got away! It was more than obvious that this article, with its sensational title and absurd statements, was meant to throw me out of the race for Mayor. The press is still under the control of those in

political office! The biggest purveyors of these false stories were EPH (Europe Press Holding) publications. EPH was later rewarded for their efforts with a buyout of the media house Slobodna Dalmacija (Free Dalmatia), just another indication of the illegal connection between politics and the media—mafocracy in action. Since the media was not on my side, the only thing left for me to do was to sue them for slander and defamation of character. At my headquarters we often asked ourselves what would be next: Boris, the pedophile? Boris, the drug user? Why not, Boris, the hit man?

I had entered the Croatian political scene with honest intentions. Funding my campaign with my own money, I wanted to show the people of Croatia—my people—that there was a better way. I wanted to help my home country throw off the corruptness of the past. And what had I received in return for my efforts? Terrible shocks and attacks from corrupt politicians and journalists. I asked myself if I really needed this. Being financially independent, I could have just sat back and enjoyed the results of my work, thinking only about what brings me happiness and joy. But that

would not be Boris for Croatia!

I kept reminding myself that the political oligarchy was trying, even on the local level, to keep the existing structure, and I didn't fit into their picture at all. I was able to understand their moves, but I couldn't accept them. I didn't want to use their dirty methods and dirty tricks because I believed that Croatian voters were responsible and smart enough to distinguish between injustice and truth. Public opinion polls were showing that many independent lists were doing pretty well, and for me that was proof that Croatian voters were tired of the existing politics and politicians.

Even though the negative media campaign raged on, I tried to appear in a positive light as often as possible. My campaign actions and appearances tried to put forth how I could relate well with the people and could be trusted to keep my word. As such, I fulfilled a promise made to the academic artist and invalid, Ante Teskara, to finance the construction of an elevator ramp at his house.

I found out how strong the media's influence was one day shortly after the publication of a political cartoon, "Good Night, Croatia,"

in a Zagreb paper. In the cartoon, the character Moris Biksic alluded to my connections with the U.S. and told the newest slanders circling around me. While riding a streetcar in Zagreb, I overheard a group of young teenagers imitating Moris Biksic and having fun. Getting closer to them, I said,

“You guys are really good at imitating that American accent!”

Recognizing me, they didn't know what to say. One uttered in surprise, “You, you....are Boris?”

I didn't want to scare them, so I simply invited them to join me for some ice-cream. We had a very interesting and honest conversation! I think it is very important to talk frankly and honestly with the young people of Croatia. They are the country's future. I would like to give young people a chance to be involved in politics. I want to see a new generation of politicians who are honest and who see in front of them the interests of the country before their personal interests. One way to do this is to engage the young.

Friday evening right before the day of election silence, we presented our final pre-election gathering in Ban Jelacic Square. Barbara and

Stjepan Jimmy Stanic, the rock group "Route 66" and the Zagreb folk ensemble "Dr. Ivan Ivancan" performed at the open-air event. At center stage hung a huge signboard that we had received from sympathizers in Tresnjevka, proclaiming, "The more lies and slanders about Boris, the more we like him!". I gave away more than 800 copies of my book, *American Dream: A Guy from Croatia*, and on request, I autographed many of them. I didn't want to upstage the evening's entertainment, so at the end, I gave only a short speech thanking everyone for coming and urging them to get to the polls on Sunday to vote. The night's festive atmosphere will be best remembered by a joke Jimmy told: "Did you hear the one about President Mesic, Prime Minister Sanader, and Carla del Ponte's husband?" (Carla del Pointe is the lead prosecutor at The Hague Tribunal who had organized the hunt for Croatian General Ante Gotevina.) "It seems the other day they all got together and were talking about their wives. Sanader says, 'My wife is timid as a doe!' Mesic says, 'My wife is slender as a gazelle!' Carla del Ponte's husband joins the conversation: 'Don't worry, guys. If

it's of any consolation, my wife doesn't look human either!"

It was a good end to the campaign. After the event, I had the great pleasure of visiting with the oldest man in Tresnjevka, Zagreb's largest suburb. This distinguished man told me that during the Presidential election he had voted for me from his bed! What a vote of confidence coming from a person wise with years!

I spent Saturday relaxing and taking walks with my wife Anna. I wasn't worried about Sunday's election results.

Victory at Last?

I was full of optimism as I came to vote at Krajiska Street. But shortly after voting, I learned my optimism was not justified. For the local elections we were able to position observers at many of the polling stations. They reported a very light voter turnout, and exit polling indicated I was getting only around six percent of the votes. Once again, I was disappointed.

I think the low voter turnout could be attributed to voter apathy. Some of my supporters were still discouraged by the results of my Presidential run and the electoral fraud that had taken place. Thinking that the system could not change, they didn't see any real reason to come out and vote this time. In the end, I received six percent of the votes. It was not enough to win the position of Mayor, but it did secure three seats on the City Council for my list. Seven independent lists that I had supported outside of the city also were successful in the elections. Although people were approaching me and saying that three representatives on the City Council was not a bad result, I didn't share their opinion. I have to

be honest—I don't like losing, and to me this was a defeat.

After thinking it over, I realized there was long-term political work in front of me. At stake was the ability of independent candidates to get elected to positions of power. I determined that I needed to stay involved in Croatia's political scene in order to promote the image of the independent candidate. After I had single handedly opened a road for independent candidates, most of them stumbled under the pressure and various offers by political party opportunists. For the presiding positions in the Zagreb City Assembly and the City Council of Split, both Tatjana Holjevac and Zeljko Jerkov gave up their independence. Because of that, they got votes, but to me they sold out to the powers that be. Even greater political treason happened in Jastrebarsko where elected independent representatives joined SDP (Party of Democratic Changes). This kind of political near-sightedness talks only about the desire to be in power and make profit out of it. I'm sure the voters will recognize this and punish them in the next elections. My ideas were exactly opposite. I am happy to say that all the in-dependent lists that I supported stayed and

will stay independent. I realized I could not betray those who stood by my principles of an honest, independent Croatian government. I determined to continue to prove the integrity of the idea and remain a strong pillar of political independence. As such, I accepted the honorable position of City Representative

I never wanted to be a classic politician, and I am glad I was never part of the so-called Croatian political establishment. I don't want to be associated with old-fashioned politicians, but instead with modern and successful managers in politics. The majority of world famous politicians were first and foremost statesmen. They had the vision and sense to lead their countries and peoples without losing themselves in party quarrels. They worked for the betterment of all. I really think it's necessary to distance ourselves from politics and move toward economy and production, things that make our living. And therein lies my greatest strength and advantage—I am, after all, a businessman.

Although it's not my style, I decided finally to seek justice through judicial institutions for the character assassination I had endured during my political campaigns. I hired a lawyer

and filed suit against my ex-wife, the retired policeman who accused me of stealing typewriters, the editorial board of Jutarnji list, and the media house Slobodna Dalmacija.

At the same time, I strengthened the legal team representing me in my complaint about Presidential electoral fraud at the European Court of Human Rights in Strasbourg. I am determined to get moral satisfaction in front of an International Court, something I am not able to achieve in Croatia. With great interest, I also waited for the court decision on the lawsuit President Mesic brought against me for the joke I made about his having a villa in France.

In February of 2006 the courts handed down their decision in the libel case against me. They sided with Mesic, and sentenced me to one year's probation. Mesic told journalists after leaving the courtroom that the decision of the court sends the message that "lies about Presidential candidates should not be allowed." I agree! So when will they start telling the truth about me?

It's a shame that Croatia's President felt he had to use this process (and taxpayers' money) to show how serious a politician he is—ob-

viously he cannot take a joke—while at the same time, he continues to be irresponsible and frivolous in performing his statesman's duties. Among other things, he reportedly has hosted big parties for his supporters, even taking his sponsors and campaign contributors for a ride on Navy ships to Brijuni. He also has awarded medals of honor to his contributors and mediated in the suspicious business transactions of his friends. But this is only the proof of his consistency in being inconsistent!

I continue to work on behalf of the Croatian people, both politically and through my business dealings. Even while actively campaigning for public office, I didn't neglect the construction of my plant in Beli Manastir. By opening this production facility, I will show to the Croatian people that I am serious in my efforts to help the country economically. It will be among the most modern factories in the world for the production of biodegradable plastics. At the outset the plant will employ more than fifty people and will cover about ten acres of land. Phase 1 is slated for completion in the summer of 2006. Expansion plans have already been drawn up, and

we will continue to add additional space to meet market demands. In the end, the plant may cover as much as ten acres of land.

In February 2006, the government of Croatia entered into the Stabilization and Association Agreement with the European Union, with hopes to become a full-fledged member of the EU by 2009. I was not in favor of rushing into the EU, because I see problems down the road. Economic growth is crucial for Croatia's success. If we lose economic independence, and we are going that way, we will lose our political and national sovereignty and independence. That's why Croatia desperately needs radical economic change over and above political change. I have tried to push economic change through my political actions, but have been met with many roadblocks along the way. Perhaps as a successful entrepreneur and businessman, I can make a difference.

I have traveled a long way to get where I am today, and I don't have a map for the road ahead. What I do know is that I am deeply convinced that you cannot hide the truth forever, and one day I will get my chance to use all my energy and knowledge for the

wellbeing of the Croatian people.

And, finally, what do I say to my countrymen? The formula for a better future is quite simple, and together we can make it happen. Let this book help you in making the decision to get involved in the process of political renaissance of our country. Only the sky is the limit for what the Croatian people can achieve when they have the leader with vision, the true leader. God help Croatia.

Last Train to Bad Gastein

It seems that I am a mechanical engineer who cannot leave the pen on his desk. Each time I pick it up I think that this will be the final chapter I write. Perhaps. But life continues to offer me new possibilities, and some I feel the need to share. This chapter in particular is important to me, for it is a love story—my love story.

In 2006 my marriage to Anna ended. Looking back, I can see how all the travel between America and Croatia and the time spent working on behalf of my home country and my company took a toll on my personal relationship with my wife. Even though Anna shared my dream for Croatia, and she was a great and constant support to me in my run for the presidency in 2005, the demands that put on my time and energy caused strain in our marriage. Though we are no longer partners, I am happy to say that we remain friends.

Following my divorce, I spent time at my house in Florida, where my parents were now living. I kept my boat in Sarasota, and I tried to get down to visit as often as my schedule

would allow. It was on one of my visits in 2007, that my life would again take a new turn. Fate would intervene yet another time.

My mother has the gift for bringing people together. She is not afraid to strike up a conversation with anyone she meets, and she often greets people as she takes her daily walks along Longboat Key beach. On one such walk, she met a nice couple—Ines and Seth—who, it turns out, lived right next door. The woman was from Germany, and when she found out my mother could speak German fluently, they became instant friends. My mother almost immediately invited them over for coffee and her famous sour cherry strudel, and the couple, with some reservation, agreed to come. It happened that I was visiting at the time, so I too got to meet them. I liked Ines from the start, but I was slow to warm up to her husband. He was from New York and had a driving East Coast manner about him. It reminded me of some of the people I have worked with in my career. Even on vacation, those folks have to be in charge. I, on the other hand, go to Florida to relax.

During our conversation I learned that



In Beli Manastir, Croatia with our '73 Mustang Mach I



There are three things inevitable in life:
death, taxes and corrosion.
Thank God for corrosion!



“Saga” is taking us out to the international waters
of Gulf of Mexico



The happy newlyweds and their amberjacks for good luck!



Our “Casablanca” house on Longboat key
with our island hopper “Affe” and the ultimate
sport fishing machine “Heidin’...away”



Twice champion of the Bud Collins’ Open Tennis
Tournament at the Colony Resort on Longboat Key
with my “island cruiser” ‘80 Rolls Royce Corniche



My first collector's car '59 Rolls Royce in front of North Oaks Golf Club where the idea about Partnership for Peace between US and Croatia was born that resulted in NATO membership 14 years later



At Singapore's Raffles Hotel with our butler



Apres ski Colorado mountain style



Safari in Sabi Sabi, South Africa



“Rainbow” and rainbow
with our peaches in the background



Our Croatian dream, “Peachill Eko Farma”



With the National Folk Ensemble “Lado”,
in St. Patrick’s Cathedral, New York



Munchkin “enjoying” island of Cres



With Barbara ready to party at Oktoberfest in Munchen



My parents, the “matchmakers”, walking the
Longboat Key beach

Ines had never been fishing before, so I invited them to join me on my boat, *Saga*, a few days later. For a first-timer, Ines was very lucky, catching more sh than any of us. We had an enjoyable time on the water, fishing and conversing, although I found it hard to get a word in edgewise because Seth did all the talking. At one point I even had to ask him to be quiet so his wife could talk!

Several months later I was in Croatia at our plant in Beli Manastir, a city on the northern border. It happened to be my fifty-ninth birthday, and the employees surprised me with an enormous birthday cake. Just as I was about to blow out the candles, my cell phone rang. It was Ines. Out of the blue.

She explained that she was in Germany visiting her mother Barbara. She also told me that she and her husband had divorced. When she learned that it was my birthday, she suggested we get together to celebrate.

I wanted to leap at the chance. But even though Europe is a lot smaller than the U.S., and Germany is a relatively close neighbor to Croatia, there are still several hundred miles and two countries between Beli Manastir and Garmisch Partenkirchen where Ines was

staying with her mother. And the route is not so direct. It would take hours to get there. I suggested a compromise.

“Let’s meet halfway. I know a nice place in Bad Gastein.”

Ines agreed.

I tried to wrap up my business at the plant as quickly as I could, but I was already running late when I climbed into my ‘73 red Mustang convertible and headed for the Austrian Alps. I love my Mustang. It’s a classic American car that I found in a garage in Beli Manastir and had restored. Co-incidentally, it was built the same year that I sold my Citroen 2CV to pay for our voyage via Mallnitz in search of the American dream. Good year. Great, fast car. Now I hoped it would get me to Bad Gastein on time!

I was excited to get to there, counting the minutes to see this woman whom fate had brought into my life. Traffic was slow as I approached the Slovenian border. I glanced nervously at my watch and decided to call Ines to let her know that I was delayed. Unfortunately I was on my cell phone as I ap-

proached the crossing. This did not sit well with the Slovenian customs official, and in the spirit of “neighborliness” she fined me 150 euros—about \$200—in cash. Of course I didn’t have the cash on me, so I had to find the nearest ATM and then return to pay the fine. This caused me to be even later, so I called Ines—this time after getting through customs—to let her know. She was understanding and told me she would wait.

Bad Gastein is in the Austrian state of Salzburg. The highest mountains in Austria are located in the region, and the area is famous for its ski resorts. In order to reach the city from the south you have to go by rail through the Tauern Tunnel at Mallnitz. It was through this tunnel that I had traveled so many years before on a supposed Austrian ski trip that took me instead to my future in the United States. I wondered briefly where it was going to lead me this time. I was really running late by the time I got to Mallnitz. I would just make the last train to Bad Gastein, if I hurried. The train was boarding, but as fate would have it, as I approached the train station the traffic light turned red.

“Damn. There goes my date.”

I reached for my cell phone to call Ines to let her know that I wouldn’t make it after all. I couldn’t believe it—the battery was dead! Now I couldn’t even let her know what happened. This was turning into a lousy birthday.

Suddenly I saw headlights screaming toward me. A Mercedes pulled up and in the driver’s seat was Ines! She had seen me at the light and had persuaded the train operator to wait. With her help, we managed to get on the last train to Bad Gastein.

Over the next few months we continued to see one another. Ines brought such joy into my life. We found that we shared many of the same passions. She especially enjoyed deep-sea fishing, even though she had been a novice at fishing when we first met. On a trip we made to Hawaii, we took part in a world-class fishing tournament, where Ines hauled in a rare swordfish that weighed 357 pounds and was nearly seven-and-a-half feet long! She caught the fish and she caught me. I was falling in love.

In January 2009, Ines and I sailed the Saga into open seas off the coast of Florida.

My skipper Captain Richard Nutter and my fishing buddy Bob Kramer were with us. We planned it to be a fishing trip, but I had other thoughts in mind too. I asked Ines to marry me right then and there on the boat. Captain Richard was persuaded to perform the ceremony in international waters. But I had one condition. Ines needed to catch a fish first! So she cast her line and almost immediately she was fighting to haul in a big one. Was it fisherman's luck or fate ?

"Do you, Boris, take Ines to be your wife ?"

"I do."

"Do you, Ines, take Boris to be your husband, and promise to fish and ski with him forever?"

"I do."

We exchanged vows on the deck of the Saga as she reeled in a huge amberjack. We were married in casual clothes, wearing polo shirts and pants, just as we had when we first met. I was in heaven! Once back on land we went straight to the county clerk's office and completed the paperwork.

While I never hoped for new love in my sixties, I found it in Ines. She is a confident, beautiful, and talented woman. Together we

have made a special home in Beli Manastir, though we also have residences in Florida, Hawaii, Minnesota, Colorado, and Wisconsin. The house in Croatia is my smallest house and the one most dear to me. It has a soul and warmth. Positive energy oozes out of the old wood from which it is constructed. Ines, who I sometimes call my Heidi because of her native Bavarian Alps, brought to my life another joy, and that is a cute Pekinese that I renamed Munchkin. Of course she claims her own doghouse on top of our Peachill farm, pretending to be a watchdog. We feel a mutual closeness there, as well as oneness with nature.

Ines named the farm Peachill because the house sits surrounded by a three-acre orchard of fruit trees. There we pick peaches, plums, apples, cherries, and figs and donate the fruit to local schools. In a good season the 350 peach trees can produce more than 40,000 pounds of fruit. The house at Peachill is filled with simple, rustic furnishings. Ines chose the handmade bedcovers and tablecloths and oversaw the decorating of the house. She is a wonderful cook who enjoys fixing meals

from simple foods, such as fish we catch ourselves while in Florida, and of course Bavarian delicacies when in Europe. Sometimes I tease her by calling her Bavarkica, which in Croatian means little Bavarian girl. She also has learned from my mother how to make some Croatian delicacies. We enjoy a simple life when we are in Beli Manastir. Time spent there with Ines gives me the opportunity to reflect on my life.

From what I can see, it has been good.
Damn good! And the rest is history...

Contents

Hard Work and Fate	6
The Red Ferrari	10
New Life in Minnesota	22
In for a Rough Ride	33
Cortec is Born	43
Chasing the Dream	50
Early Success	58
The Darkest of Days	81
Forced Out!	92
The Libyan Affair	100
A Fateful Decision	112
Unlimited Possibilities	129
Secrets to Cortec's Success	141
Croatia is Calling	166
My Good Friend, Rudy	180
Helping My Homeland	190
The Death of Tudjman	197
Boris for President?	212
Mr. One Percent	230
Attacked on the Campaign Trail	236
From Victory to "Defeat"	249
When the Dead Vote	264
Another Fateful Decision	272
Forging Relationships	281
Media Lynching	284
Victory at Last?	296
Last Train to Bad Gastein	303



With \$37 in our pockets and much apprehension in our hearts, we flew toward our future. We had no time to think what lay ahead because the future comes too soon anyhow.

American Dream: A Guy From Croatia is the exciting saga of a man who fled his home country with nothing but change in his pockets and built a successful company with determination and guts in America. It's a story of business savvy and risk taking that will arouse the entrepreneurial spirit in every reader.

"When he arrived in the United States, Boris Miksic brought along energy, intelligence and determination. But also a dream. He was the Croatian gift to America. Today, as a successful entrepreneur, he is the American gift to Croatia."

Governor Rudy Perpich



If there were such a thing as an "American Dream Award", Boris Miksic would be the prime candidate to win it. With a few dollars in his pocket and a pregnant wife, this Croatian immigrant started his own company from scratch and built it into a \$100 million enterprise. As seen in August 2000's Twin Cities Business Monthly, Ernst & Young awarded Miksic it's 2000 Entrepreneur of the Year Award for what Miksic refers to as "luck and good fortune". Yet it has become evident over the years that it is nothing short of hard work and that entrepreneurial "fire in the gut" tenacity that has made Miksic a success story. Through thick and thin Miksic's company has flourished, increasing by double digit percentage points every year. "We always stayed with one principle: customer service," says Miksic, "... whether it was in Des Moines or Tokyo. We treated everyone equally. We still do. "By sticking to narrow niches and avoiding stepping on the "big guys" toes too soon, Miksic's company has thrived and grown into an industry leader.

