

news you're not supposed to know

**nose**

**WEEK**

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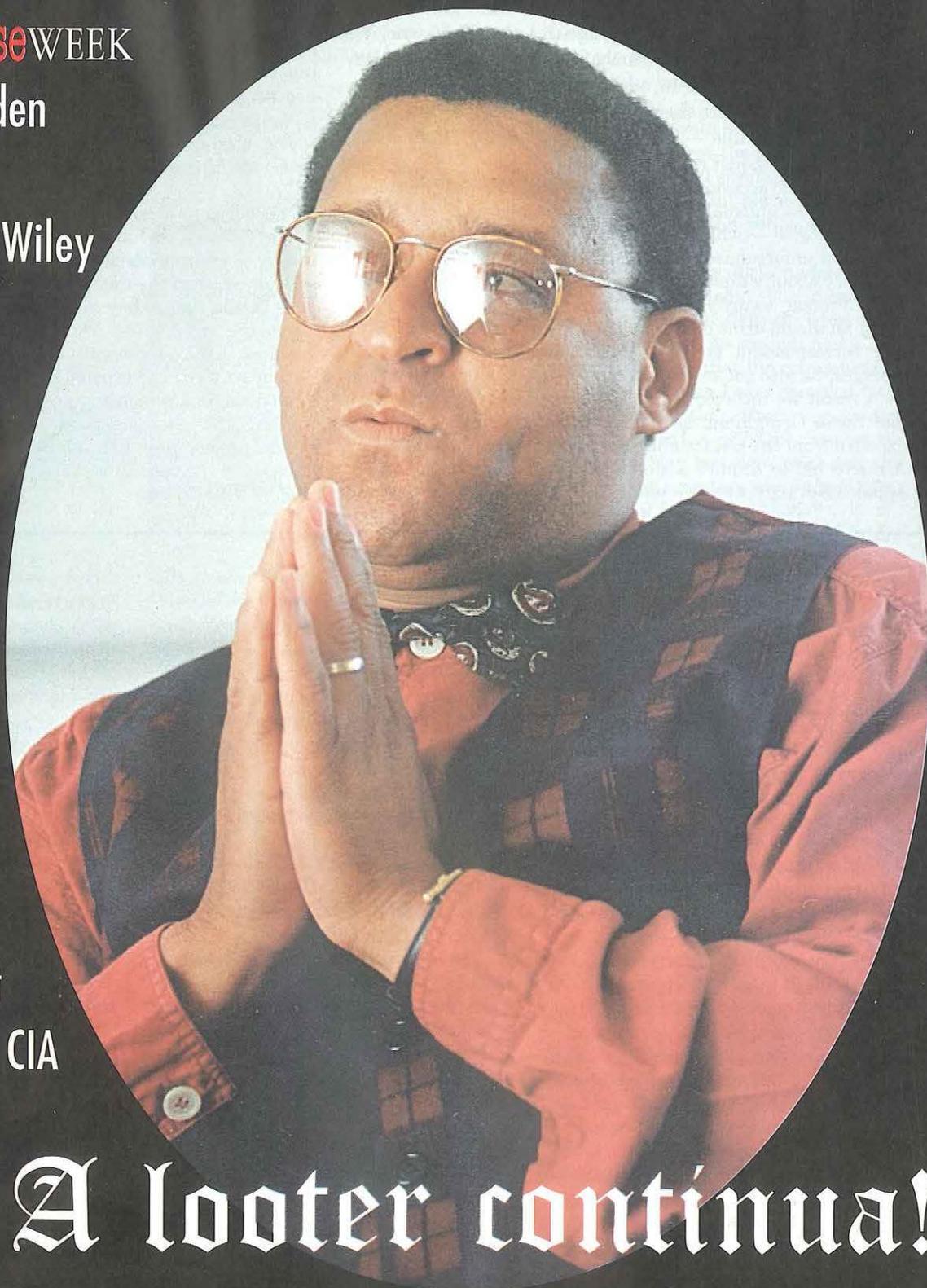
PUBLISHED MONTHLY

Issue No **15**

Dr Hall vs **nose**WEEK  
Silence is Golden

Shepstone & Wiley  
Attorneys,  
Conveyancers  
**and no trees**

General  
confirms:  
Nats  
welcomed  
international  
**hot money**  
— and secret  
help from the CIA



**A looter continua!**

April/May 1997

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Designed by *Rob Meintjes*

## THE UNFORTUNATE VICTIMS OF AN IRISH ROCKET WE FIRED AT THE WRONG TARGET.

No, you are *not* confused. Yes, this *is* issue 15, which is appearing *after* issue 16. And, yes, it is a bit odd — but all, we hope, will be explained when you read pages 6 to 9 of this issue. We have kept the original issue numbers, because, logically, much that is in 15 comes before 16, and what logically follows on issue 16 — like the Nazi art story and Old Mutual's reaction to the Zolty's disturbing tale — will appear in issue 17. If all is still mud, don't worry, just relax and read on.

And, yes, we do occasionally make mistakes. Which brings us to another, most unusual, feature of this issue of noseWEEK: We must apologise — which we do most willingly and profusely — for a most unfortunate error of fact which appeared in issue 14, in a story about a diplomatic incident which took place in 1989, when French security caught South African agents in Paris doing an illegal arms deal with Irish Protestant extremists.

Our correspondent got the general drift right but, it now emerges, he also got some quite important details wrong.

As a result we incorrectly named Robert Davis, Andre Gouws and Steve Grundlingh as the three SA diplomats who were expelled from the UK for allegedly being involved in the covert Armscor bid to acquire a stolen British surface-to-air missile system. Not only were we wrong, but they deny that they did

anything but an ordinary, overt, diplomatic job in London. The South Africans on the staff of the London embassy who *were* expelled following the Paris incident were, in fact, First Secretary Jan Castelyn, Counsellor "Tienie" Fourie, and Martin Brummer, who was standing in for the Defence Attache who had previously been asked to leave the UK.

In April 1989 three members of the Protestant "Ulster Resistance" and a South African diplomat were arrested at the Paris Hilton Hotel. The Irish were swapping rocket components stolen from the Shorts factory in Belfast for a consignment of small arms which Armscor had arranged for them.

The original noseWEEK article claimed that two London-based diplomats had been arrested in Paris. It now emerges that the French in fact arrested only one South African, Daniel Storm — who was based at the embassy in Paris. He was subsequently deported by the French. The second man arrested in Paris was a Swiss-based arms dealer, Douglas Bernhardt, who admitted to working in association with Armscor at the time.

The matter was not so simple, however. The UK authorities apparently knew that South African diplomats in London had also been assisting with the nefarious Irish rocket-for-arms deal, and expelled them. Those three, now correctly named as Fourie, Castelyn and Brummer, are, indeed, still employed in the South African Public Service today.

We apologise to Messrs Grundlingh, Gouws and Davis for any embarrassment we have caused them. Fortunately for them — and us — their employers may reasonably have been expected to know which of their employees were employed on covert missions at the time. They must have known that our story had named the wrong three. We also owe our readers an apology for the lapse in our — generally high — standard of reporting.

How or why our correspondent should have named the wrong three diplomats remains of grave concern to us. It is especially puzzling since our correspondent claimed to have been involved in the project and did, himself, operate from the London embassy at the time. But that is another story for a future edition. — *The Editor.*

## LETTERS ...to the editor

P.O Box 44538, Claremont, 7735

Dear Sir,

My warmest congratulations on your having successfully defended the defamation action brought against you by Dr Robert Hall. Those of us who value freedom of information and expression in South Africa are grateful for your courage and fortitude in facing an extremely unpleasant situation.

I speak from experience. In 1993 I was sued for defamation by Nick Steele, Director of the KwaZulu Bureau of Natural Resources, over an article I published in *Index on Censorship*. It covered several issues: the suppression of a school play, forced removals and conservation, and the death of David Webster. Like you I was assisted by the Media

Defence Trust. Unlike you I was at the wrong end of an out-of-court settlement. Most of all I remember the stress and the feeling of helplessness facing a system that favours the rich and powerful.

You have struck a major blow for civil rights in South Africa. I wish you every success in your journalistic endeavours.

*Christopher Merrett*

Librarian, University of Natal, PMB

### WE GET SOME ROCKETS ABOUT THAT IRISH ROCKET (PLEASE DON'T REMIND US)

Dear Sir

A minor correction to your excellent, amusing article about the Irish rocket: to the best of my knowledge the Rapier is a large system designed for airfield defence etc. The one so desired by Armscor was the hand held Javelin.

Hence the almost unseemly interest in and dedication to (Protestant) Ulster of one Raymond Pretorius, an Armscor alumnus so enchanted by the Paddies that he felt compelled to spend a great deal of time in that fair land. I like the theory that it was a Brit sting. As I

recall, rumours did the rounds in Pretoria after the Paris debacle to the effect that the content of the rolled up carpet was a Blowpipe, older forerunner of the Javelin, and also built by Shorts, but high on Armscor's DON'T WANT list.

Yours sincerely

*The Airman*

Cape Town

### I NOSE WHAT I LIKES

Dear Sir,

Well, well, just what have you created here? A South-African crotch-kicker like Private Eye. It's long overdue, and has been sorely missed.

We live in a time in which the gravy train has taken on the appearance of a blubber cauldron, and you must give every VIP the benefit of doubting him.

So we need frequent sanity checks on all big business and government.

Sincerely

*Matthew Loxton,*

Centurion

*Where have you been for the past two years? — Ed.*

Dear Sir

As always, I found the latest noseWEEK interesting and entertaining. There is one story, though, I thought should be brought to your attention: I have known Stephen Grundlingh from before I joined the Mission to the UN and have always found him to be a reliable and upright citizen. He assures me that he had no involvement whatsoever in the incident reported on page 7 of issue 14 and that he has never been a member of NIS. It would seem that the article has done him a serious injustice. I have no reason to doubt him and thought you would want to rectify the matter.

Keep up the good work.

Peter Soal

SA Mission to the UN

New York

*Absolutely. See Editorial — Ed*

**DELIGHTFUL, DEDICATED  
WOMAN SEEKS MEDICAL  
ADVICE FOR  
A HARD DAY'S NIGHT**

Dear Sir

Reading your organ is like a breath of fresh air.

Now please investigate the plight of the women who work like dogs for the medical fraternity in the Mother City. The pay is lousy, the hours are long, there is no medical aid and, wait for it, no pension! In return for these fantastic working conditions, the puffed-up med men get delightful, dedicated women (quite often with a marvellous sense of humour too — they need it) who must toil until their old age as there is no security to look forward to in their twilight years. Do these same loving, caring doctors have any pension plans for their domestic staff, one wonders? My God, a retirement annuity is not exactly going to break the bank. I don't see any signs of the med men going without — holiday homes are common, together with all the trappings that go to make life as comfortable as possible.

I look forward to a full exposé.

*A lady in distress*

Claremont

**A MESSAGE FROM INSIDE**

Dear Sir

When I was being besieged by the Authorities, a senior advocate advised me that I had no chance of winning a war against the Reserve Bank. Unfortunately, I did not believe him. I am therefore pleased to see you have taken up the cudgels with Dr Stals. Little would please me more than to be

able to witness the downfall of a mafia-like power that has ruled unchallenged for so long and has trodden on so many along the way.

I still wonder what has happened to Mr Amore (Piet) Strydom who defrauded Pretoria Bank of millions of rands, and yet the police refuse to investigate — or has his file also been 'lost'? [Masterbond was, with encouragement from the Reserve Bank, to have amalgamated with Pretoria Bank at the time!]

Now the Masterbond curators are claiming to be the big heroes, while, as you quite rightly pointed out, they have

**MILLENNIUM  
"BYLINE"**

Dear Sir

I note that noseWEEK doesn't appear for months at a time.

It would appear that the editor now publishes in *Millennium* under the by-line "Paul Bell".

Would it be possible for me to transfer my subscription at no extra cost?

Yours Faithfully

*I J Muller*

Cape Town

*We're having difficulty deciding who should get this year's award for cheek, you or Paul Bell. — Ed.*

become multi-millionaires while supposedly looking after the interests of the poor pensioners.

All the directors of Masterbond together were never remunerated with a fraction of the amount that the curators have received in fees.

They boast about success but the facts are that the sale of Phinda (R43m — enough to pay all the investors in full) was concluded two months prior to provisional liquidation.

It merely had to be executed by the curators. Some thirty units (about 10% of the total) at Fancourt were sold to an overseas investor, Abraham von Praag for R23m long before October 1991, but the curators were unable to execute this sale.

All they managed was a fall-out with the developer, followed by the sale of the entire estate at half its value. The Mykonos settlement was not orchestrated by them, but by a few shareholders. They have achieved nothing with Marina Martinique and did not need to do anything at Silverhurst

other than to collect huge fees for transfers and other services.

But they are not satisfied yet. They are continuing with Supreme Court cases against the auditors and others, which sounds meritorious — but it will be interesting to find out what percentage of the eventual 'settlement' figure accrues to the legal team as opposed to the poor investors.

A number of these claims are against us Masterbond directors and their families. When we exhausted our own funds and virtually all our family's funds on legal costs, we were compelled to apply for bail reductions in order to be able to use the balance of family funds.

This was vehemently opposed by the state who sent the police to investigate our financial position. They came up with nothing, but perhaps the curators believe that the police are incompetent.

This is not difficult to understand.

On the one hand [accountant/liquidator] Horton Griffiths\* has been "perusing" our books for four and a half years. He knows that the criminal trial cost me more than I ever received from Masterbond (other than my salary, which I had to live off). One case, which started in May last year, will cost the Masterbond investors more than R300 000 in legal fees.

Despite the fact that the curators know that they have no chance of recovering any of it from us, they are still hungry for fees.

They will tell you that they want to go for my family trust, but that family trust liquidated every single asset it ever had and lent the money to me (more than R1m) for the criminal case. The balance sheet will reveal that the money has been written off. They may also tell you that they want to have a go at my wife's assets, which she has held since 1967 and which survived my sequestration in the mid seventies. The best that they will achieve is to cause my wife some hassles, which I believe will be minuscule in comparison to the ordeal which she and my family have already endured. The curators will make a lot of money from the poor investors, but then who worries about another million or two?

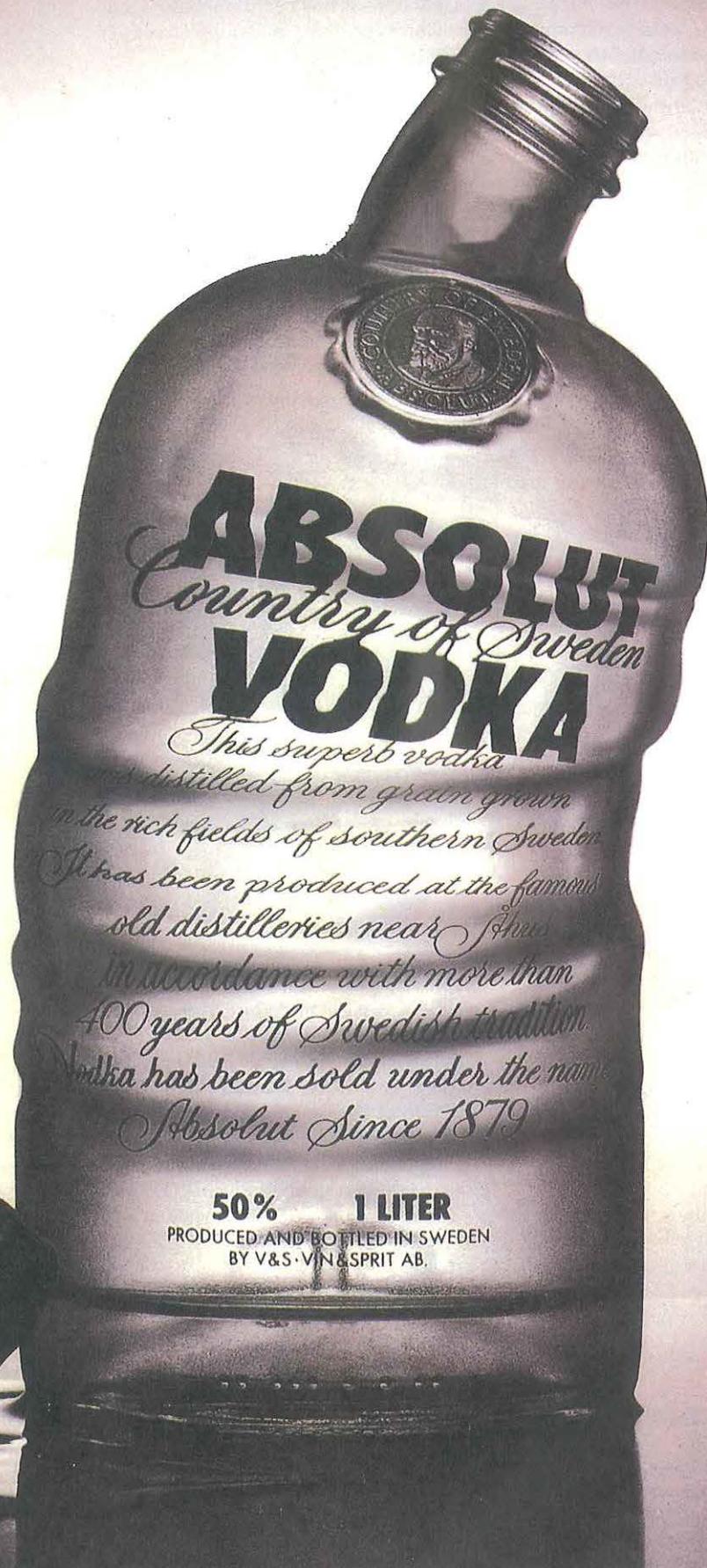
Kind regards

*Abraham 'Kooos' Jonker*

Victor Verster Prison, Paarl

*\*Griffiths was, of course, once also the auditor that approved Cape Investment Bank's unfortunately-misleading accounts. See nose 16. — Ed. ■*

ADBUSTERS  
IN  
nose WEEK



**ABSOLUT**  
*Country of Sweden*  
**VODKA**

*This superb vodka  
is distilled from grain grown  
in the rich fields of southern Sweden.  
It has been produced at the famous  
old distilleries near Åhus  
in accordance with more than  
400 years of Swedish tradition.  
Vodka has been sold under the name  
Absolut Since 1879*

**50% 1 LITER**

PRODUCED AND BOTTLED IN SWEDEN  
BY V&S VIN & SPRIT AB.

**ABSOLUT IMPOTENCE.**

DRINK "PROVOKES THE DESIRE BUT TAKES AWAY THE PERFORMANCE" — WILLIAM SHAKESPEARE

# 'This is an off-the-record discussion tonight'

Rumours that the former National Party government had turned South Africa into a haven for international "hot" money and that the Nationalists had enjoyed the secret support of the American CIA, despite America's anti-apartheid laws, were confirmed as fact by a former head of SA Military Intelligence in an extraordinary confidential address to US right-wingers. noseWEEK has obtained a recording of the speech.

While on a mysterious, "semi-official" visit to America in 1987, Maj Gen Tienie Groenewald told a closed meeting of the American Conservative Caucus how the CIA had helped him get missiles for use in Angola.

He also invited them to use South Africa as a hiding place and laundry for their "hot" money. Hot money — money from illegal sources or intended for illegal purposes — was welcomed in South Africa, he assured them — they could come and go with it as they pleased and no uncomfortable questions would be asked by South Africa's currency authorities. This, presumably, included the Reserve Bank.

The speech included a sentimental account of his close relationship with Mozambican Air Force defector, Lt Adriano Bomba — who, recent reports indicate, may subsequently have been murdered by the General's own men.

Questions raised by Gen Groenewald's trip include: What was the nature of his "semi-official" assignment in America? And why did the US authorities, who could not possibly have been ignorant of his identity and status, issue him with a visa?

The meeting, attended by members of the US's right-wing Conservative Caucus, was hosted by its chairman, Howard Phillips.

Conservative Caucus members are drawn from a variety of right-wing

organisations in the US and frequently have influential political, intelligence and military connections. They include former Republican Youth League President and International Freedom Foundation founder, Jack Abramoff (now a Washington lobbyist and a close friend of the Republican Speaker of the US Senate, Newt Gingrich).

A recording of Groenewald's speech was sent to members who were unable to attend, amongst them Dr Robert M Hall of Stellenbosch.

The tape featured in a court application last year.

At the meeting, Phillips introduces Gen Groenewald to the audience as follows: "This is an off-the-record discussion tonight; General Groenewald is not on

active duty. He is in the United States as a civilian on a civilian, non-official — or semi-official — assignment. But he did serve previously as the head of the South African Military Intelligence. My good friend, General Groenewald ..."

Groenewald acknowledges the generous introduction with a most revealing anecdote:

"Ladies and Gentlemen, I have met Howard Phillips several times during his visits to the Republic of South Africa. And in this period, I have discovered that here was a man of great integrity who believed very firmly in conservative principles ...

"And I would like to mention just one example, to give you an idea of the kind of man Howard Phillips is," Gen Groenewald said. "During his previous visit, I happened to address a group of ... the American group ... in the Union

Buildings, a beautiful building in Pretoria. And at that stage, the debate on the supply of ground-to-air missile systems, the Stingers, to Unita, was very high on the agenda. And everyone had believed, at that stage, that the American government had agreed to the supply of these missiles to Unita."

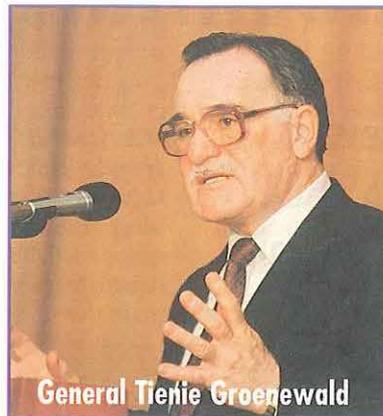
Not long before this particular meeting, said Groenewald, he had

heard from the CIA that these missiles would not be supplied to Unita. "I mentioned this fact (to the group visiting Pretoria), and immediately Howard climbed onto our communications system — the telephone lines. And, let me say that when I saw Mr [Bill] Casey, Head of the CIA, a few weeks later, he confirmed

that the missiles would be supplied to Unita, primarily because of the way in which Howard Phillips had handled the situation. Howard, thank you very much."

In his speech, Groenewald also confirms what has long been suspected by many: that the Apartheid state had become dependent on international hot money, making South Africa a major laundering centre for foreign tax evaders, and a destination for the illegal proceeds of the international drugs and arms trade.

"We have relied greatly on foreign capital, and as a result of that, South Africa is one of the few countries in which there is no control whatsoever over foreign capital," he assures his right-wing American audience. "Any



General Tienie Groenewald

# The Hall Case: At last a legal victory for the press - but at what cost?

## 'Can the press afford to criticise the rich, famous and influential?'

noseWEEK's success in defending the R550 000 defamation case brought against us by millionaire dentist and prominent right-winger, Dr Robert Hall — he also claimed R2m from Weekend Argus — was a rare victory for the Press in our courts. While pleased at having won the case, we were nevertheless disappointed that the judgment did not deal with various issues crucial to a free Press.

WE CANVASSED our rights to free speech and equality before the law extensively in court. We argued that these rights arise as a logical consequence of democracy, our newly established form of government. If the ultimate power, the ultimate right to decide, is vested in the people, then the people must have the ultimate right to information and an exchange of opinion.

In addition, South Africa's new Constitution in fact explicitly purports to guarantee freedom of the Press. But, in the end, the judgment in the Hall case made no mention — and apparently took no account — of either.

In fact, on the first day of the trial already, before having heard any evidence in the case, the Judge, Mr Justice J J Conradie, ruled that he intended to apply the reactionary terms of the Appeal Court's infamous 1993 judgment in *Neethling vs Max du Preez* (the *Vrye Weekblad* case - see noses 6&7).

Subsequently, the court frequently intervened to discourage or disallow evidence or argument directed at raising the issue of the rights and role of the press in a democracy. Because of noseWEEK's lack of funds, we did not have the legal weight necessary to resist these interventions and force the issue. We could not afford to call the eminent

expert witnesses we had hoped to call to testify on the function and practice of a free press. Nor could we contemplate an appeal. So, instead, we were forced to meet the absurd onus of proof imposed on the press by hostile judges of another era. It took seven long and costly weeks in court to do so.

To justify a single news report in nose4, which amounted to some critical and mildly humorous social comment prompted by Revenue and Police actions against Dr Robert Hall, a man who for years has actively promoted himself in the media as a politically influential celebrity. The court put the press to the task of, in effect, conducting a massive and complex criminal prosecution.

Our courts have yet to take account of the fact that newspaper journalism is simply a mass exchange of information — of necessity, mostly hearsay information — observations and opinions amongst laymen. And that ordinary people — and the media they employ — take part in this exchange by right as citizens of a democracy.

In the process of compiling a newspaper, an editor has to make scores of almost instant "judgments" concerning the truth and public interest — the newsworthiness — of articles prepared for his newspaper each day. A newspaper editor could not possibly apply the procedures applied in a court of law to arrive at these judgments.

Readers understand the difference between a newspaper report and a Supreme Court judgment. In fact, they tend to treat the former with too much scepticism, and the latter with too little.

Newspaper reports are a passing, fallible indication of what may, at that moment, be of interest to ordinary citizens. Readers are free to read them, disagree with them, ignore or simply forget them. Court judgments, on the other hand, serve a different, more formal purpose. Confronted with a court judgment, a citizen dare not ignore it. Court judgments are, therefore, supposed to be of a much higher quality.

The courts certainly take a lot longer to arrive at a judgment than it takes a newspaper editor to arrive at the many judgments he must make in a single day. And whether the quality of the court judgments justifies the vast difference in cost — and the wait of years — is increasingly the subject of serious debate amongst intelligent people.

South Africa's Supreme Courts (with

very rare exceptions) still refuse to acknowledge that the press has rights and a special function in a large, open, democratic society. In the apartheid era, judges of the Appeal Court were able to exploit the parallels easily to be found between the laws that were applied to protect the class-based oligarchy that ruled in Britain through the 19th and early 20th Century, to introduce similar rulings to protect the racial oligarchy that ruled in South Africa until only three years ago.

Anything which might empower the masses — and newspapers, if they contain information and alternative opinions, would normally tend to do so — will always be treated with suspicion by the ruling class. Judges, quite naturally seeing themselves as members of that class, will tend not to acknowledge a special role for the press and, as a matter of principle, treat the press with the utmost suspicion.

So, if we wished to prove our own innocence of legal wrongdoing in publishing something critical of Dr Hall, we had to prove him guilty, with first-hand evidence obtained from all corners of the globe, of tax evasion, fraud, currency and exchange control contraventions, contraventions of the Immigration Act, forgery and uttering, and perjury — and then prove that he still owed various debts, both here and abroad. In addition, it was deemed advisable to prove that most of his claims to an illustrious academic career and fame as an inventor, from which he derived his influence, were largely false. His counsel then argued that our evidence was impermissible, claiming that, if 19th century English law is to apply as South Africa's common law, then the fact that a man *has* a reputation is all that matters, not whether it is genuine or was legitimately come by.

To dispute the more extravagant aspects of Hall's reputation involved examining more than 50 000 pages of documents obtained from his auditors, thousands more pages from his bankers, his former attorneys, the Reserve Bank, the Department of Home Affairs and the Police. Before court records, obtained at great expense from America, could be used in evidence here, a special court application was required which took half a day to argue and cost several thousands of rands to prepare.

In order to introduce Dr Hall's own financial records into evidence, we were required to summon to court and lead the evidence of seven bank managers and officials, two attorneys and an accountant. Half a dozen journalists from various newspapers had to be

brought to court to confirm reports that they had written about Dr Hall.

To present and process the case required the full attention for two months of ten professional people, each with five or more years of academic training and years of professional experience. This was in addition to the several months spent in preparation. It cost noseWEEK and the Argus nearly R1,5 million, and Dr Hall the same again, in legal fees. This does not take account of our lost income and lost editions of our publication. And, of course, it leaves out of the reckoning the cost of a judge and courtroom provided by the taxpayer; expensive manpower and facilities which should have been better utilised dealing with the huge backlog of desperate cases.

**D**espite its conservative attitude, the Court was persuaded to make, if only indirectly, one important advance: the judgment expands the range of people about whom the South African press may now lawfully report and comment critically, without the press infringing rights to privacy and incurring liability for damages.

Earlier judgments had held that the press is only free to publish reports defamatory of individuals when reporting court proceedings and judgments, or if reporting about politicians or public officials. In the noseWEEK judgment, Mr Justice Conradie has now held that *any* person may, by his actions, "throw away the shield of privacy to the same extent as a public figure or politician", adding of the Plaintiff: "He cannot strut on the public stage and then be heard to say that it is against the public interest to be told what kind of a man he really is." In the end, the outcome of the case was less a credit to the law, than a measure of the lengths to which the two publications were prepared to go — and could afford to go — to prove the truth and legitimacy of their reports. And of the Judge's extraordinary ability and stamina to handle such a mass of information and

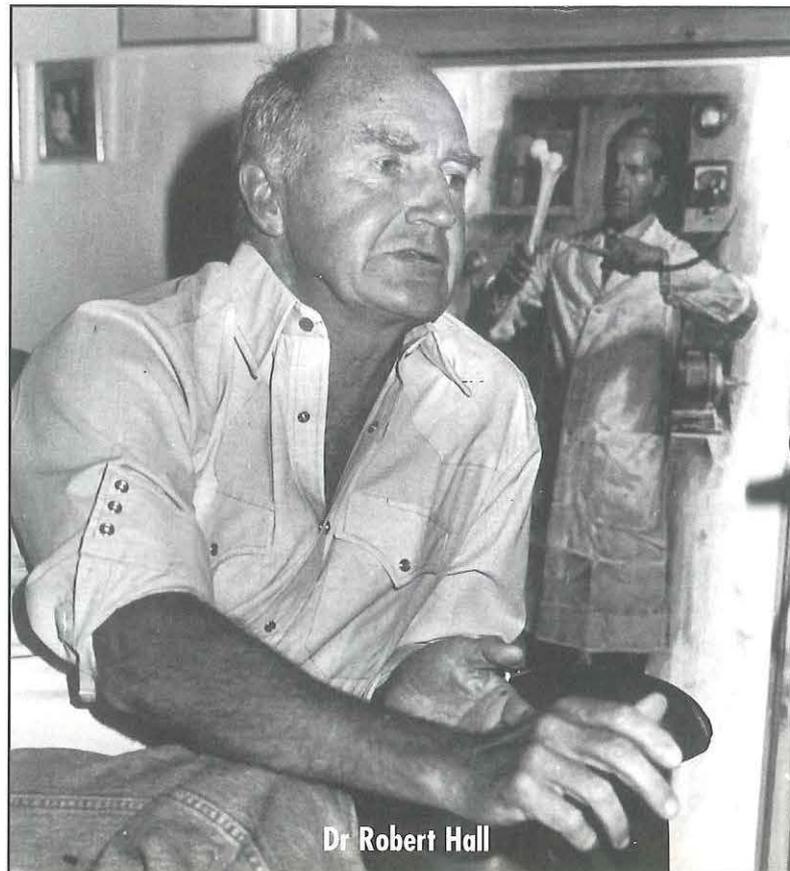
still arrive at a fair judgement. The outcome of the case could easily have been the reverse, had it not been for the intervention of the Freedom of Expression Institute's Media Defence Fund.

Thus, while the judge would ultimately find that Dr Hall's public image was "the result of a carefully contrived and sustained deception" and that he had litigated against the press "with a psychopathic ruthlessness as to the outcome", the case could very easily have ended badly for the press.

Dr Hall was not obliged to testify that he had been defamed — he did not bother to testify in the case at all — nor did he claim that our reports were false. The law of defamation, as it stands, assumes these things against the press on his behalf.

Having been presumed guilty by the law, the extent and complexity of the evidence which noseWEEK was obliged to produce to prove its innocence was such that all its funds had been exhausted even before the trial began in March last year. The Media Defence Fund of the Freedom of Expression Institute was fortunately able to respond to an urgent appeal for help, and was able to raise R70 000 for legal assistance three days before the trial began. Without the FXI's assistance, noseWEEK would have been obliged to abandon its case and the court would, as the law stands, have been obliged to find in Hall's favour and to order us to pay his costs which, alone,

To page 9



Dr Robert Hall

# Cover story

Here are some of the covers we would have liked to have printed last year had we not been otherwise occupied in court with Dr Hall. Fortunately the Reverend Boesak has come home to console us!

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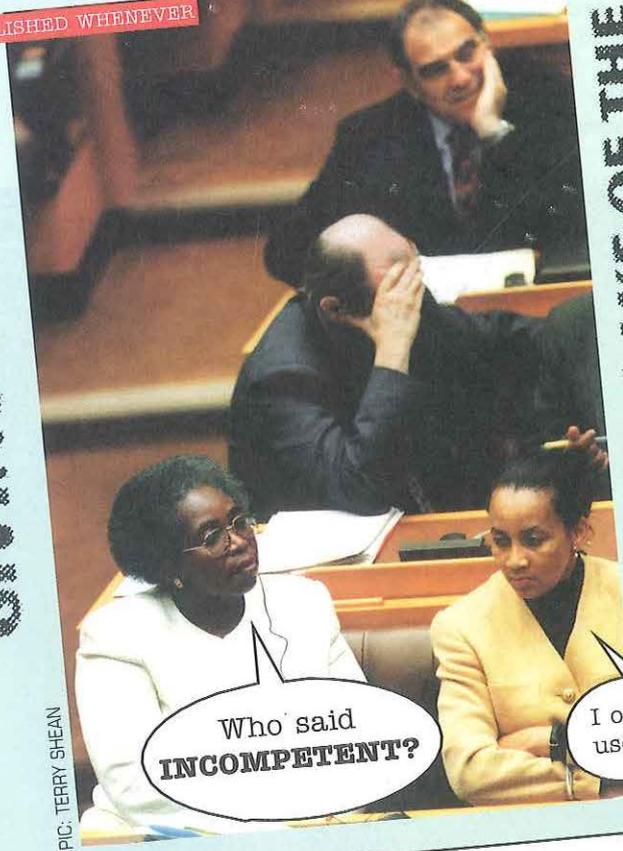


I'm only doing it for the children

Me too

PIC: RUVAN BSHOFF

news you're not supposed to know  
**noseWEEK**  
Issue No 16  
PUBLISHED WHENEVER



Who said **INCOMPETENT?**

I only use Lux

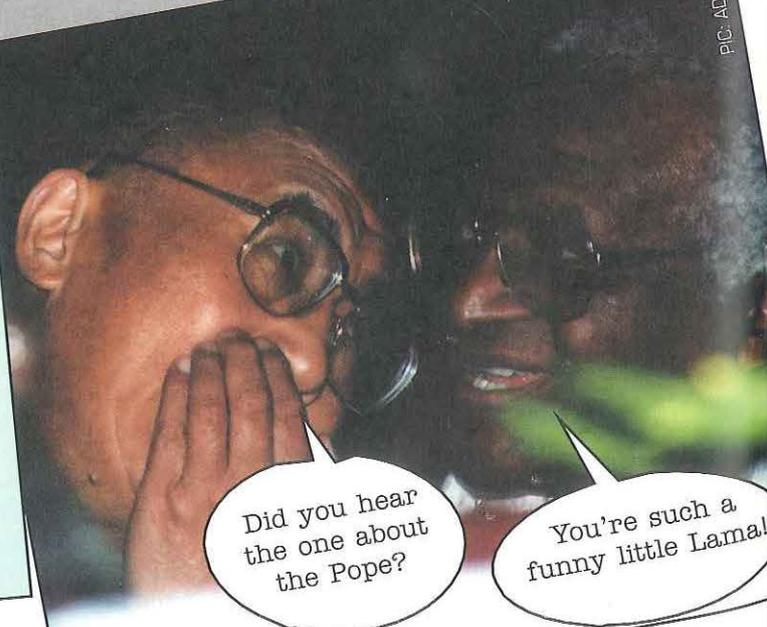
PIC: TERRY SHEAN

GIVING IT A GO

FOR THE SAKE OF THE SHOW

news you're not supposed to know  
**noseWEEK**  
Issue No 17  
PUBLISHED WHENEVER

## RELIGIOUS LEADERS CONFER



Did you hear the one about the Pope?

You're such a funny little Lama!

PIC: ADAM WELZ

# The Hall Case

From page 7

given the seniority of the representation he could afford, were enough to bankrupt us.

Two weeks into the trial, when the court adjourned for a long recess, the defence case had hardly begun — and our funds were again exhausted. In the following months, despite encouraging indications from leading newspaper editors, efforts to persuade the mainstream South African press to help fund noseWEEK's defence were unanimously rebuffed by the Newspaper Press Union. Again the FXI made urgent approaches to its sponsors and, only days before the trial recommenced in August, succeeded in raising another R180 000 — half the amount our lawyers had estimated would be required.

This assistance at least enabled noseWEEK to acquire the backing of a new attorney, and the services of new junior counsel to represent the publishing company (a legal requirement). Both agreed to a reduced rate.

As the new legal team had had too little time to master the vast and complex documentation, it was deemed advisable for me, as first defendant in my personal capacity, to conduct my own defence for the remainder of the trial. (While they are likely to be at a disadvantage, individuals are allowed to represent themselves in court). With increasing logistical and legal input from the FXI-funded legal team, I was able to carry the defence case to its successful conclusion.

The more elaborate defence prepared by the Weekend Argus is estimated to have cost in excess of R900 000. This despite the fact that noseWEEK, as first and second defendants, took the brunt of the defence and led all but two of the witnesses.

All this to defend a single report!

The case has, once again, illustrated how the current laws of defamation, as peculiarly applied to the media, are a factor which must seriously inhibit the development of media diversity in South Africa and discourage investigative journalism of any real relevance.

The prohibitive cost of mounting a defence in terms of existing law could, in itself, amount to a denial of the press freedom ostensibly guaranteed in the Constitution of South Africa.

Ironically, the current legal position — and concomitant costs — might favour the large established media: A single court case can wipe out a small competitor, and discourage new entrants and investors: Simply stand back and let the legal system do the dirty work. A commitment to democracy and press freedom does not necessarily make commercial sense to corporate newspaper management, particularly to those fully occupied in trying to achieve short term marketing goals and maximum advertising income. For them lip service is good enough — and cheaper. I cannot say that this thought did not cross my mind when I was informed of the NPU's unanimous decision *not* to help fund our defence.

But, after it all, yes, we are older and wiser. And, yes, we will do it all again if we have to — only better. And who knows, maybe one day a judge will read the Constitution and decide to give the Press its due.

We have done a deal with Dr Hall which has entailed considerable changes to this issue which would, otherwise, have appeared weeks ago. The reasons for the deal and its terms are apparent from the agreement which is reproduced here. As far as Dr Hall personally is concerned, we have made our point. But as regards the professionals — accountants, lawyers, bankers, government officials and the Police — who featured in the case, see future issues of noseWEEK!

The report — which appears as our lead story on page 5 — on the extraordinary claims and admissions made by South Africa's former head of Military Intelligence at a secret meeting in America — arises from the evidence led in a related court case.

It remains for me to

thank the many who so generously gave us moral and financial support: the scores of readers who telephoned and wrote to express good wishes, my media colleagues who came to testify at court without charge or complaint, or simply came to raise the flag; The SA Union of Journalists; *Star* editor Peter Sullivan who lobbied for donors; *Die Burger*, who alone of the press not actually directly involved in the case, thought the issues sufficiently important to justify regular reports on the progress of the trial. ■

## IN THE SUPREME COURT OF SOUTH AFRICA CAPE OF GOOD HOPE PROVINCIAL DIVISION

In the case of  
DR ROBERT M HALL, Plaintiff

Case No: 4960/94

vs

MARTIN WELZ,

First Defendant

CHAUCER PUBLICATIONS cc,

Second Defendant

ARGUS HOLDINGS LTD and others,

Third to Seventh Defendants

### SETTLEMENT AGREEMENT

Whereas judgment in the above matter was awarded in favour of the Defendants and Plaintiff was ordered to pay the Defendants' costs on an attorney and client scale; and whereas the Defendants' Bills of Cost are due for taxation; and whereas various ancillary matters involving the Plaintiff and other parties are currently still pending before the courts; and whereas the Plaintiff, Dr Hall, has approached the First and Second Defendants and their attorneys and proposed an arrangement whereby payment of a substantial part of their costs would be made in settlement of their claims on certain terms and conditions.

Defendants have consulted all the parties involved in their defence, who are in agreement that the alternative would be for Defendants to pursue Dr Hall in the courts for their costs, probably involving extensive and costly further litigation.

In view of the fact, further, that defendants have successfully asserted their right to publish by obtaining judgment in their favour, and that all the evidence and the judgment in the case are public record which is available to anyone who wishes to avail themselves of it, It has now been agreed between the parties that

1. The plaintiff, Dr Hall, concedes the judgment of Mr Justice J J Conradie, and will no longer petition the Appeal Court for leave to appeal against that decision or will withdraw the petition if it has been lodged. The Plaintiff undertakes not to enter into any polemic concerning the Defendants' publication or the merits of this case.

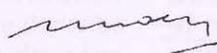
2. First and Second Defendants will not republish the evidence led in the case relating to the personal affairs of Dr Hall, except as it may be proven to be relevant to any future newsworthy conduct by him. Publication as stated above includes syndication or interviews.

3. Should either party be in breach of these undertakings, the other party will no longer be bound by this agreement.

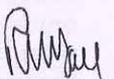
4. It is recorded that, concurrent herewith, in a separate agreement with the Defendants, various payments in settlement of the Defendants' costs will be made, which payments will include R236 300,50 as partial reimbursement to the Media Defence Fund of the Freedom of Expression Institute who advanced these funds for the First and Second Defendants' defence. These payments will constitute all of the Plaintiff's obligations as agreed.

Cape Town

7 February 1997



M Welz



R M Hall

In 1994, reports appeared in Durban newspapers that 200 of the city's top businessmen had lost millions in a "low-risk, tax-effective" investment scheme dreamt up by Durban's largest and most promoted attorneys, Shepstone & Wylie. The scheme, set up in 1990, involved the purchase of farms for the planting of timber plantations by a number of "syndicates" of the rich and famous of Natal. The whole operation was to be overseen by a "management company", Shepway, whose shareholders and directors were all Shepstone & Wylie partners. Since those early news reports, silence has reigned

The idea was to offer clients the opportunity to convert their taxable income into non-taxable capital gains by investing it in tree planting schemes. By planting trees, letting them grow for, say, 20 years, and then selling the farms with their grown plantations to Sappi or Mondi — at a vastly increased price. The senior partners of Shepstone and Wylie formed a company, Shepway, through which they undertook to manage the schemes — at their usual professional fee.

Meanwhile, as "timber farmers" (Shepway would regularly send them circulars reporting on progress to help create the illusion — for the taxman — they were actively "farming" and not mere speculators), their clients were supposed to be able to write off the cost of the scheme against tax.

## Stuff you, lumberjacks (we're OK)

bastion of provincial propriety, the management of Natal Newspapers. [Their indecently cosy relationship has previously been the subject of our interest — see nose12.]

Two years ago, Shepway was put into liquidation by its creditors. Ever since, S&W have been trying to distance themselves from the scheme. There is always risk involved with investment and anyway, the Shepway management company is completely distinct from S&W. This was pointed out in an article helpfully published by the *Daily News*, which, as helpfully,

in Country Club circles.

Here are just some of the items of interest that have somehow failed to gain the attention of Durban's press:

The directors of Shepway, Messrs Dwyer, Blanckenberg, McGowan and Theunissen were, without exception, partners of S&W, and Shepway operated out of the firm's spacious Aliwal Street offices, using a strikingly similar letterhead. S&W were paid "facilitation fees" amounting to R999 439 by the investors to set up the schemes. In addition, S&W charged Shepway hundreds of thousands in fees for manag-

# Lost in the woods with Shepstone and Wylie

Older Durban residents recall that about thirty years ago, Shepstone and Wylie (S&W) promoted a similar (and similarly disastrous) scheme. [The theory being, if a new crop of suckers aren't born every day, at least they're born every thirty years? — Ed.]

S&W earned huge fees from managing the schemes. But, instead of vast tax-free gains, their clients face losses totalling millions — many believe, with some justification, because of the recklessness and/or professional incompetence of Shepway's management. Worse, they think Shepway was effectively just a front for the partners of S&W to avoid liability, and that those rich and eminent lawyers should be ordered to cover the losses.

But that is a suggestion that the S&W partners are determined the newspaper readers of Natal — and the courts — should not get to consider. As regards the Press, they appear to be assured of the support of that other

failed to publish even a suggestion that there might be a contrary view of events.

Now S&W are going to court, hoping to force the liquidator, Andries Geyser, who has dared to sue them, to withdraw. They are asking the court to order Geyser to personally provide security for the undoubtedly vast legal costs they intend incurring while defending the matter all the way to the Appeal Court — a threat which must make even the most stout-hearted waver. Earlier they wrote to warn Geyser that any further stories that appeared in the press on this matter would be regarded by S&W as black-mail, and would prejudice the chances of the creditors seeing anything of what was owed to them.

Thus invited, how can noseWEEK resist entering the debate? As our readers have come to expect, we are delighted to tell more about the extraordinary and seedy tale of vendetta and intrigue

ing the affairs of the company — around R270 000 for the period January 1991 to December 1992 alone. As for risk, the S&W gentlemen mentioned above invested a stupefying total of R68,37 in setting up Shepway, a figure based on the initial issue of 6800 shares at one tenth of a cent each.

The interest of globetrotting accountants Deloitte and Touche in the scheme has been underplayed. At the launch their confidence in the venture was such that when S&W partner Peter Blanckenberg presented it to potential investors, Barry Gieskin of Deloitte took to the podium to lend the whole thing an air of financial solidity. Apparently, many of the people invited to the presentations were, in fact, well-heeled Deloitte clients who had been encouraged by their financial and tax advisors to "go along". And, in the end — how, we do not quite understand —

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Murray & Roberts' UK front-men face disqualification proceedings - but not a word from the bosses in Johannesburg

# HOW NOW *Mr Brink?*

**I**N 1986, Sanlam-owned Murray and Roberts secretly controlled a UK subsidiary, Multi Construction, which in turn owned 26% of the famous motorcycle company Norton.

While Norton's MD, Philippe le Roux, a South African, secretly reported to the M&R board in Johannesburg, there was nothing on UK company records (or in M&R's published South African balance sheet) to suggest that Multi was an M&R subsidiary.

Le Roux's records show that most of his secret dealings were with M&R's then CEO (and now ABSA boss) David Brink and his deputy, Jeremy Ractliffe [see box].

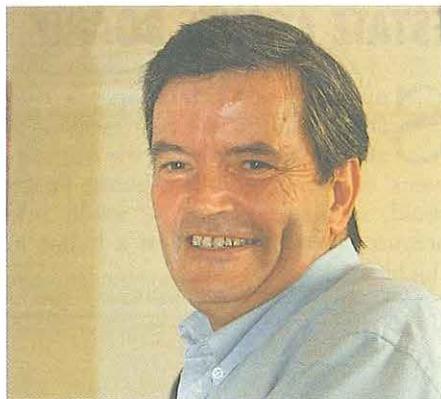
In fact, at the time of the wheeling and dealing with Norton's shares, Multi Construction's ultimate holding company was named as Ellerby Investments Ltd SA of Luxembourg, and its directors were all British. The only possible clue was that some of these were also directors of a company called A Roberts (Properties) Ltd.

From 1986 until it went belly up in January 1991, some £34 million had flowed through Norton. Where it went is still unclear. Equally curiously, the company never made a motorcycle in that time, but Margaret Thatcher nevertheless saw fit to recommend Le Roux for an OBE. Why?

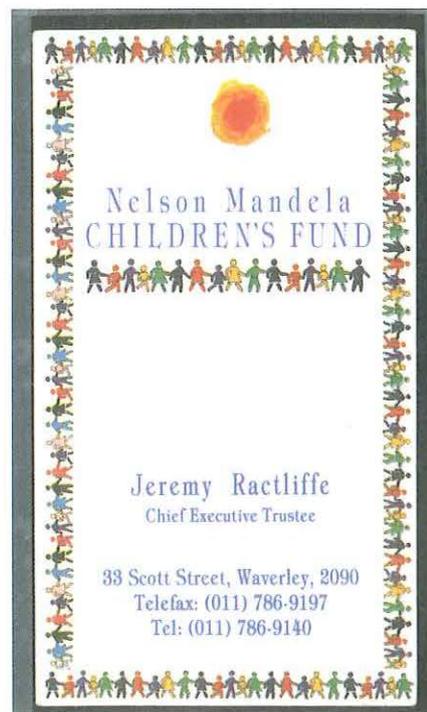
Amongst the Norton papers UK Department of Trade investigators found after Norton collapsed was a memo written by Le Roux to his notorious father in law, Tony Rudd (discredited stockbroker and one-time financier of companies illegally supplying arms to SA) and to Norton's company secretary, Peter Hooper (who had links to the even more notorious international share scam artist, Thomas Quinn).

In the memo, Le Roux refers to a discussion he had with M&R's then financial director, Roger Voysey, in the course of which, he says, they talked

**JEREMY RACTLIFFE,  
sanctions-buster for  
Apartheid and off-shore  
money mover for Sanlam's  
Murray and Roberts ...**



**... has a new calling card.**



about the possibility of using Norton as a "finrand vehicle" ...

The inspectors also found a 1987 letter from Le Roux to James Guerin, the American defence contractor currently serving a 15-year jail sentence in America for having illegally supplied Armscor with sensitive components. [It was Guerin's court testimony which led the US Authorities to issue warrants for the arrest of three Armscor officials, a situation which was until recently still the subject of controversial high-level negotiations both in Pretoria and in Washington.]

In the letter, Le Roux thanks Guerin for taking up what appears to have been a very significant share in a Norton rights issue.

Readers will recall that, already in October 1986, Le Roux and M&R (in the form of David Brink and Jeremy Ractliffe) were having some tense discussions [see nose1]. They were preparing to part ways when, in May 1987, Norton agreed to repurchase the bulk of Multi shares with funds raised via the rights issue.

The company collapsed when the rights issue failed to raise the minimum amount required and Le Roux's cheque to meet his underwriting commitment bounced. An August 1987 letter from Rudd to an old friend suggests that it was Rudd rather than his son-in-law Le Roux who engineered the Multi deals with Murray & Roberts on the one hand and Guerin on the other. And that Rudd is far more than just a former stockbroker whom UK DTI inspectors regard as unfit to be a director of any company.

The DTI has launched proceedings to disqualify as company directors four men formerly associated with Norton, including two South Africans: former chief executive Le Roux and former finance director David Gnodde. Gnodde, like Le Roux, is a UCT graduate, and is believed to have returned to South Africa.

Under the UK's 1986 Company Directors Disqualification Act, the Secretary of State for Trade and Industry can bring disqualification proceedings in the public interest against company directors about whom the inspectors have made adverse findings. The maximum period of disqualification is 15 years.

The devastating 1993 report on the Norton Group by DTI inspectors Richard McCombe QC and chartered accountant John Haywood form the

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nose  
updates

## CROOK BANNED FROM WORKING IN THE CITY

WAY back, in August 1995, noseWEEK referred to First National Bank's offshore enterprise, Henry Ansbacher and Co, whose branch on the British Virgin Islands ran several accounts on behalf of Admiral Boozy Bierman's son, arms dealer Hugo Bierman, and his friend, Mr Toms. We then reproduced the following notice which had appeared in the UK financial press:

WE ARE pleased to announce that Henry Ansbacher & Co. Limited has been admitted as a full member of the London Stock Exchange.  
Contacts: David Crook or Michael Lawless.  
Telephone 071-220 7201.

Which seemed appropriate enough to us at the time, considering the nature of Bierman and Toms' business there. Those who thought otherwise should feel chastened and wiser after reading *The Times* of London's edition which appeared on 14 February this year:

*The Times* reported that a "former senior trader" at merchant bankers Henry Ansbacher & Co, has been banned from working in the City of London for the "grossly improper" transfer of \$70,000 to an associate's account in Zimbabwe.

The report continued:

"The Securities and Futures Authority (SFA), the watchdog for brokers and futures traders, announced that David Crook, who joined Henry Ansbacher in April 1994 as a senior dealer to trade and market South African gilts and gold shares, had been expelled and ordered to pay £8 500

costs. The bank was reprimanded, fined £2 000 for 'supervisory and procedural failings' and told to pay the costs of £5,400.

"During the investigation, Mr Crook was asked for details of his bank accounts. The SFA reported: 'Mr Crook subsequently provided false, misleading and substantially inaccurate particulars relating to the existence of bank accounts held by him in the UK.'

"Mr Crook took his case before a disciplinary tribunal. But it, too, found that he had 'consistently and repeatedly resorted to half-truths during interviews with the SFA about his bank accounts'."

## JOBURG BIG SHOT APPOINTED TO ESTATE AGENTS BOARD

South Africa's estate agents who think their trade has received a shot in the arm with the appointment of a new Estate Agents Board could, if history is to be taken into account, face the threat of a bullet in the head instead.

Visitors to the board are advised never to use the board's lifts unaccompanied.

According to the October 1996 edition of the Board's newsletter, the new board was appointed by the Minister of Trade and Industry, Smart Alec Erwin, and will hold office for the next three years.

It is claimed that the appointees were selected by the Minister from no less than 600 applicants "following personal appearances by shortlisted applicants before three inter-departmental selection panels". So the appointment of Clive Leonard Gilbert as one of the board members was, presumably, no shot in the dark.

noseWEEK readers will, however, be surprised and amazed, if not delighted, to find Mr Gilbert amongst the guardians of the ethics (and fidelity fund) of that saintly profession.

In a profile published by the board, our Clive is introduced as being "a graduate of the University of the Witwatersrand, having majored in Law and African Government", and having "served" articles at the State Attorney's office in Johannesburg, besides having run his estate agency, Gilbert Estates, since 1978.

As for being a Wits graduate: we

checked and, yes, Clive Leonard got a BA on April Fool's Day in 1967 after after 4-odd years at Wits. In 1969 he contemplated registering for an LLB, but changed his mind and cancelled his registration in March. And as for those attorney's articles: in noseWEEK (and police) records Mr Gilbert is recorded as having done articles — incomplete — with attorney Leon Isaacs, whose life and legal practice were soon to be devastated by Clive's gangster brother, John. [See nose4.]

The police file we have contains a sworn statement by the victim of one of brother John's many diamond frauds, Mr David Prissman.

In it Prissman relates how Clive had assisted his brother John in forcing Prissman into a lift where John robbed him of the evidence which proved the fraud, while Clive held a pistol to his head, shouting "if harm comes to John, you're a dead man".

In the same police file Sydney Melunsky, the victim of another of John Gilbert's diamond frauds, declared that he, too, had been threatened to silence by our Clive.

We have the Democratic Party to thank for introducing Clive to politics as a Johannesburg City Councillor.

Like so many others, he has since found the ANC a more rewarding party to support.

● Tradition, tradition. Clive last year had to pay off some most unfortunate debts incurred by his law student son, Ryan (in fact now a Wits graduate with an LLB, despite his ill repute).

Ryan misappropriated R100 000 of the funds of the SA Union of Jewish Students at Wits for a dreadfully misguided personal investment with stockbroker Sydney Frankel — his law professor, Michael Katz's brother-in-law. Our uncle Sydney (the Scallywag! — see nose8) claimed to have lost another R300 000 on the deal, and instructed Prof Katz's firm, attorneys Edward Nathan, to sue.

But then, we believe, the Board of Deputies was prevailed upon (by whom?) to intervene to prevent the whole sordid business from becoming public knowledge. But noseWEEK readers at attorneys, Werksmans, were well enough informed to be understandably reluctant to accede to young Ryan Gilbert's request for articles.

So readers wishing to make use of (Wits graduate) Ryan Gilbert's services can now find him at Andersen Consulting in Johannesburg, Ph (011) 328 3000. The firm specialises in setting up "black empowerment" deals. ■

## Shepway From page 10

no fewer than 18 Deloitte partners ended up as members of timber syndicates managed by Shepway.

S&W arranged with NBS (a client of the firm) that the syndicates of investors could get bonds to buy their farms through that worthy institution. The curious thing was that NBS normally offer only a 45% or 50% bond on a farm, and then only if it has proven itself profitable and the prospective buyer is well-secured. The bonds arranged by Shepway were for 100% of the farms' value. The man who was dishing out these bonds, and who had made the decision to get involved with Shepway in the first place, was NBS senior manager Lionel Gafney. Readers may recall that Gafney was jailed for fraud in 1995.

With the sort of fees S&W were charging, you'd think that they would carry the can for any mismanagement. Nevertheless, they have applied to be excepted from the claims of creditors.

By making it known that only if ordered to make payment by the Appeal Court will they do so, they have made their message clear: only the really big boys can afford to play hardball in court, and only the very wealthy are entitled to full access to the law.

And what of Deloitte and NBS, the apparent co-authors of the scheme? The NBS have busily been sending nasty letters to Shepway's creditors calling up the substantial bonds they were once so keen to grant. The fact that some creditors at least are unable to repay the full bond amounts must be inhibiting for those hoping for justice. Deloitte, who according to S&W partner and Shepway director Shane Dwyer "created the financial structure for the venture and shared in the fees", are keeping an understandably low profile, although a Deloitte partner has indicated privately that the firm expects to be sued by one or other of the creditors for its involvement in promoting the scheme as a low-risk tax-effective venture.

*Next issue: where all the money went, and much, much more ... ■*



HORNET'S NEST BY PATRICIA CORNWALL (LITTLE BROWN & COMPANY).

Patricia Cornwall, readers will recall, has written a series of thrillers about pathologist, Kay Scarpetta. These started off well enough with *Postmortem*, in which we met Kay's gay niece, first a student then an FBI agent. Unfortunately, both Scarpetta and her relative — morose rather than gay, if you ask me — got more and more boring until I personally could have taken a sharp implement to both of them.

Anyway, real life turned out to be more dramatic than plot when — follow carefully — author Cornwall's lover's husband tried to murder the pair of them. Lover lady and her upset hubbie were both FBI agents, incidentally. Mr Agent went on trial, Mrs Agent went bananas and Ms Cornwall went on a public relations tour. For me, the most intriguing part of the drama was not the sexual aspect, hetero or other, but the fact that Cornwall was stopped by, I think, the British Customs, who found she had not one, but two guns in her handbag. *Shades of Lady Bracknell.*

Since those heady days, peace has descended and Cornwall has now produced a new, post-trauma book, *Hornet's Nest*. I opened it more with a sense of duty than excitement. Surprise. It's not a bad read. She's dumped Kay and the kid and invented a new character, Virginia West, Deputy Chief of Police of Charlotte, N Carolina. The Chief of Police is also a woman, which stretched my credulity somewhat, but what the hell, even the city's a lady.

Charlotte, the city, is plagued by a series of murders — all respectable visitors to the city, in hired cars, found in dark alleys where they normally wouldn't have ventured, with their genitals spray-painted orange. These, if Ms Cornwall won't mind my saying, somewhat Freudian slayings have repercussions on business and politics which make the mayor seek a quick and easy solution.

## From another world

### William's barking blues

Rosemary Courquin from Gloucestershire, England had always wanted a parrot, so a year ago she acquired William, a 6-year-old Amazon Blue, from a divorcing couple who advertised the sale in a newspaper.

"I fancied a bit of company as I'm a pensioner living on my own, although if I'd known what William was going to be like I wouldn't have bought him," says Rosemary. "But I'm so attached to him now I wouldn't part with him, even though he's almost had me evicted.

"It began about three weeks after I got him. He suddenly started barking like a dog. This is a housing association property and we're not allowed to have dogs. William kept up such a loud barking that my neighbours reported me and I was threatened with eviction if I didn't get rid of the dog. I got hold of a pet behaviourist who had to write a letter explaining that it wasn't a dog but a parrot with problems. I'd heard about this device they can fit to dogs to stop them barking all the time, but the behaviourist said he'd be surprised if it worked on a parrot.



William also repeats the arguments he must have heard as his previous owners were divorcing. He suddenly shouts 'Steve, you're a liar! Don't go, Steve. I love you, Steve,' and then starts sobbing just like the wife must have done.

"The behaviourist thought William would probably forget all the arguments, sobbing and barking as he learned new things from me. I'm very fond of *The Three Tenors* and play them all the time, and now William has started to sing opera — although he can only manage the very high notes at present," said Ms Courquin, speaking to *Sue Heal* in *Good Housekeeping*, March 1997. ■

Cornwall's female characters in this book have a depth and humanity which was absent from her previous works. Virginia West is interesting, and so is the Chief, Judy Hammer — a smart and ambitious woman married to a grossly obese man who is trying to overdose on junk food. Not so successful is the male lead, cub reporter and part-time policeman, Andy Brazil, whose life is restricted because he can't bring himself to leave his alcoholic mother. Hetero Brazil is the bizarre one, if you ask me, and I sort-of wasn't surprised his mother turned to drink.

A rather odd, but interesting thriller. Perhaps adversity has made Cornwall go back and start writing again.

#### THE LIST BY STEVE MARTINI

**A**NOTHER thriller writer who has departed from his previous formula is Steve Martini, who has just produced *The List*. Not a moment too soon, in my opinion, to drop the courtroom drama — the subject of his previous five successful thrillers. It has all got a bit much; since Grisham got on the stand there isn't a thriller around where the characters have an ordinary conversation without somebody, usually me, screaming, "Your honor, I object!"

Martini's new story is exciting if far-fetched and tells of a female attorney, Abby Chandlis, who writes a blockbuster novel in her spare time. She believes that it won't get the attention it deserves if the publishers realise a woman wrote it. So she looks for a front man to pose as the author. Enter Jack Jermaine, handsome, and not quite nice to know. Well, very nice to know, really, but not for good girls.

Someone is out to get rid of Abby and claim the credit and the millions of dollars her book is earning. Is it Jack? A couple of murders later, you find out.

Good fun and the bits about male chauvinism in publishing or convincing if depressing.

#### THE MEMORY GAME BY NICCI FRENCH

**A**NEW author is Nicci French, whose *The Memory Game* (Heinemann: London) is well worth reading. The body of a young girl, Natalie Martello, who has been missing for 25 years is found buried in the garden of her country house in Shropshire. Her closest friend, Jane, now middle-aged and linked to the Martello family — parents and four talented, beautiful sons — by marriage

and emotional ties, has misty memories of the last time she saw the dead girl.

With the help of a psychotherapist, Jane tries to recall what happened at that anniversary party a quarter of a century ago when her friend vanished

into thin air. But is this a genuine case of suppressed memory or just recollections of teenage fantasies? It's a topical subject and, in Ms French's hands, well written, intriguing and interesting all the way through. — *Maureen Barnes*. ■



## IT MAY NOT PLEASE YOUR LORDSHIP, BUT ...

**S**enior Advocate Abdullah Motala of Rondebosch last year took an acting appointment as Judge of the Cape Supreme Court. It is common practice for acting judges to receive an allowance to cover the cost of maintaining their practice at the bar while on the bench. When Motala was first appointed, he had been subletting chambers from Melissa Mort. But sometime thereafter, Mort decided to emigrate to Australia.

The Bar Council allocated her rooms to an advocate from Transvaal, leaving Motala without chambers — and, of course, without any obligation to pay rent.

Motala consulted fellow judges on whether he was still entitled to receive the allowance, since he no longer had chambers. They explained that the allowance was not specifically to pay rent, but also to cover Bar Council dues, subscriptions to law reports and other continuing expenses of a practice. He obviously consulted the wrong judges, because sometime later, Deputy Judge President Fagan called him in and informed him that some of his more senior brothers on the bench

had "brought it to his attention" that Motala was collecting the allowance while he no longer had chambers. By then some R20 000 in allowances had been paid to the happy but soon to be hapless Acting Judge. Motala immediately offered to repay the amount, but Fagan generously said he "should not worry" about it, which he didn't. But, once again, he was obviously listening to the wrong judge.

For when Motala was summoned to appear before the Judicial Services Commission as a candidate for permanent appointment to the Cape bench, the matter was raised again — at the prompting, it is said, of certain "conservative, white" Cape judges who wished to have the vacancy filled by one of their friends — and the panel, including an about-to-be-robbled Judge Chaskalson and the very depressed Prof. Mureinik, declared poor Acting Judge Motala "an opportunist", disqualifying him from permanent appointment to the Cape bench.

Judge Motala has since accepted another acting appointment, this time on the Free State bench. May he find better fellowship there! ■

# Gen Groenewald

From page 5

foreigner can, with no restriction, either bring money into South Africa — whether it is hot money or not, does not matter — bring it in, or take it out. There is no restriction whatsoever on the flow of capital.”

At about the time of Groenewald's speech to the American Caucus, *Sunday Times* Washington correspondent, Simon Barber, had the following to say about Phillips and his friends in the Conservative Caucus: “Each year Phillips and [Donald] McAlvany rake in thousands of dollars leading a tour of like-minded Americans to South Africa, promising access to ‘her highest black and white government, military and business officials.’”

Clearly ignorant of Phillips's intermediary role between the CIA and South African Military Intelligence, Barber dismissed Phillips and McAlvany as “figures of the right-wing lunatic fringe who have managed to con many South Africans into believing that they are a substantial force in American policy-making”. Barber went on to describe them as “a pair of self-promoting intellectual buffoons”.

With the latter description he was correct: Barber's only mistake was to assume that self-promoting intellectual buffoons are not a substantial force in American — and South African — politics and intelligence circles.

The central theme of Groenewald's speech is no less revealing, and perhaps more chilling in its possible implications. He tells the story, in warm fire-side tones, of Lieutenant Adriano Bomba, the Mozambican pilot who defected to South Africa with a Mig-17 jet in 1981.

“He (Bomba) became my personal responsibility for a number of years,” says Groenewald. “And I got to know Adriano Bomba very well. A number of experiences made a great impression in my life and I would like to relate one or two of them to you.”

In the first, he recalls accompanying Bomba on an eye-opening shopping trip to the Hyperama, near Pretoria. Groenewald had given Bomba “a few hundred rands” with which to buy clothes and, as a lover of classical music, “obviously I think you should buy yourself some classical music tapes to pass the time”, the General recalls telling the lucky anti-Communist. But Bomba, used only to shopping at the co-op with coupons “couldn't spend money: he did not know how to do it”, the general tells his [no doubt shocked] American audience. He goes on to describe Lt Bomba as intelligent (“he had an IQ of 147 — he was no idiot”) and courageous, a patriot and anti-Communist whose commitment to democratic ideals drove him to flee from Communist Mozambique to South Africa and the welcoming arms of General Groenewald.

“I can relate many things about Adriano Bomba,” he says wistfully. “From many reports we believe that Adriano was killed, but I would just like to tell of a final experience the night before he returned to Mozambique.” He fondly recalls the farewell braai held on a starlit night shortly before Bomba left to take up arms for (South African-sponsored) Renamo.

“I looked across the fire and saw tears running down Adriano's cheeks. I said: ‘Adriano, what's wrong?’”

“Tonight I feel very sad,” the General quotes Adriano's reply.

“I suddenly realised that my country, everything, has been destroyed and we have returned to a primitive existence in the bush.”

One of the many ironies in Groenewald's speech is, of course, that he himself played no small role in the destruction of Mozambique when South Africa sought to bring its neighbours to their knees through military intervention and economic destabilisation.

And in recent weeks, perhaps not surprisingly, a rather less sentimental account of Bomba's life — and death — in the forces has begun to emerge. In evidence led at the bail application of Dr Wouter Basson, the SADF frontman who headed various secret chemical warfare projects and who was arrested on charges of having manufactured or dealt in the drug, ecstasy, it was claimed that Basson had documents relating to the murder of Renamo leader Orlando Christina. By way of explanation, Basson said he had been appointed by the SADF to investigate the murder on a Northern Transvaal farm occupied by SA Special Forces. Christina was said to have been murdered by Bomba's brother, Bonaventura.

Basson's bail application was immediately followed by a report in *Beeld* in which it was claimed that, shortly after the murder of Christina, both Adriano Bomba and his brother were, in turn, murdered by members of the SA security forces. According to *Beeld*, their bodies were dumped in Mozambique.

● *Howard Phillips, former director of Richard Nixon's Office of Economic Opportunity, appeared in 1992 as the presidential candidate of the US Taxpayers Party on 21 state ballots.*

*In 1990, he angrily denounced “wily” Soviet President Mikhail Gorbachev for manipulating the situation so that South Africa was “conferring legitimacy, honour and international prestige on a gang of communist criminals, the African National Congress”.*

● *General Groenewald has become a leading figure in General Constand Viljoen's Afrikaner Volksfront. ■*

## How now Mr Brink? From page 11

basis of the DTI's disqualification action. Earlier this year, Jimmy Tildesley, former non-executive Chairman of Norton, was disqualified from acting as a company director for the next eight years. Hearing dates for Le Roux and Gnodde have not yet been set.

Meanwhile, the Serious Fraud Office's separate enquiry into the causes of the Norton collapse is also continuing. It is understood the SFO is concentrating on events surrounding Norton's disastrous £8.2 m acquisition of FUS, a German fastener company, from the Tildesley family trusts

and the subsequent failure of the rights issue needed to finance it.

Le Roux and Tildesley had been friends since 1986, when Le Roux assisted Tildesley in selling another company, PSM Ltd, for £25 million (from which Tildesley pocketed a £17 million profit).

The SFO is believed to be trying to locate Mrs Filippa Cumming, Le Roux's mother, who is said to be living somewhere in South Africa.

Mrs Cumming and Le Roux owned the two issued £1 shares in Manstorm, the company Le Roux intended to use to meet his underwriting commitments to Norton. [To be continued.] — *Lorana Sullivan, London. ■*

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## PERSONAL

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**BEVERLEY** — you're the best as wife and friend. Love, James. [3209]

**C P WESSELS** — bel 'n bietjie jou ou vriende in die Kaap. [3448]

**DISFELLOWSHIP** for 'apostasy' is not from Jehovah. For Bible proof write Box 47, Heiderand, 6511. [1739]

**SAMANTHA LOUISE** is a real Barbie — her Dad says so. [3158]

**AUBREY AND DAVID** — Two super entrepreneurs. No licence needed yet to talk to you. (021) 439 9871. [3173]

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