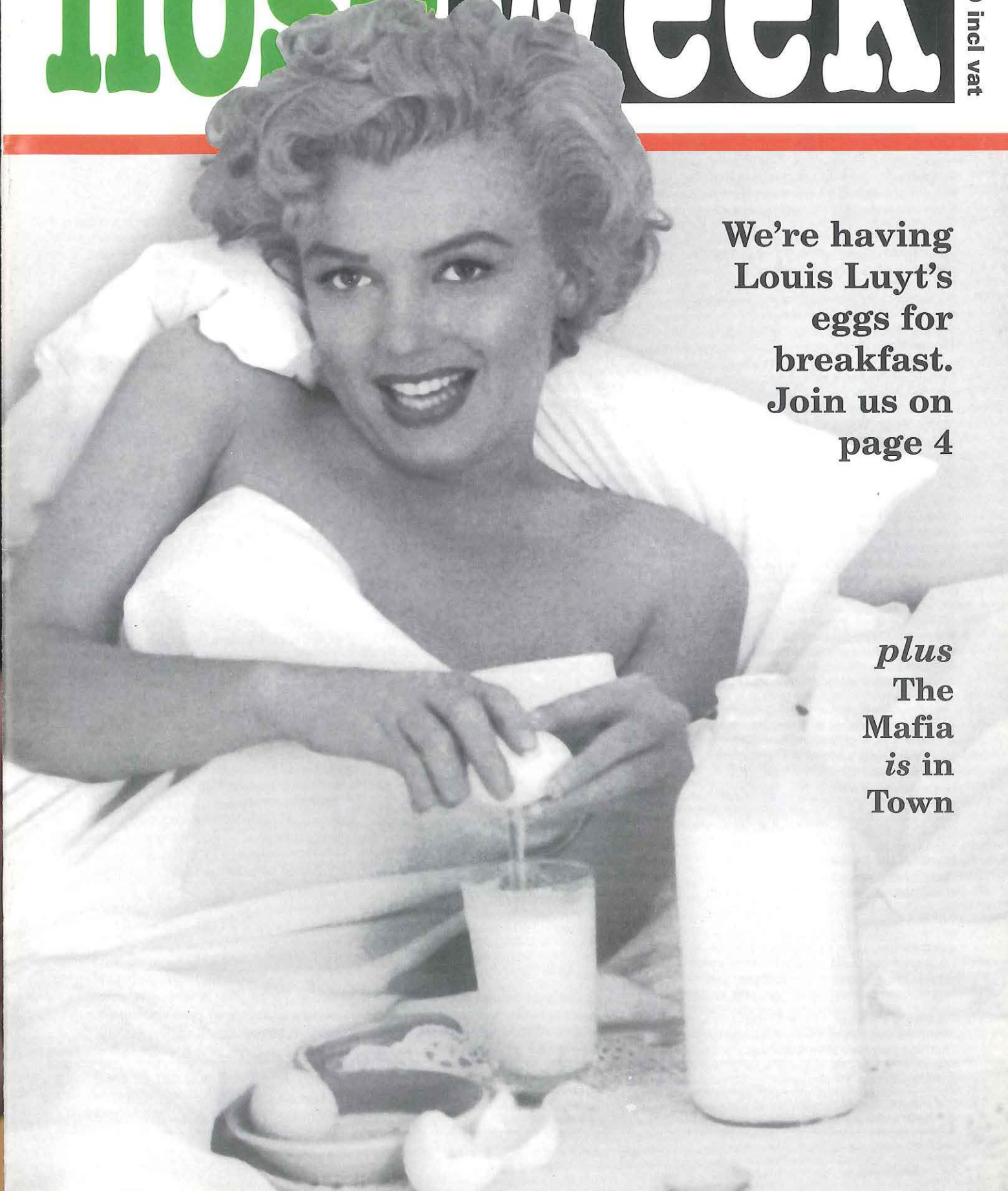


news you're not supposed to know

July 98 Issue 23

nose week

R13.50 incl vat



**We're having
Louis Luyt's
eggs for
breakfast.
Join us on
page 4**

plus
**The
Mafia
is in
Town**

Dear Sir
Re: noses 21&22



I'm sorry but I am suffering from penis ennuui.

G Ferguson
Plumstead

RESPONSE TO COVER 22 see back cover

Y2K - FU2, SAY 2 IT MEN

Dear Sir
Arnold Kalk's article on the Y2K issue (nose22) shows a depressing lack of understanding. It IS a problem. I didn't see a single reliable, informed source quoted. [Look again. - Ed.] There are a LOT of very worried companies and governments spending a LOT to fix their computers. Listen, my china, your train motor may still be going as the clock ticks over, but will the train even get out of the yard when the management systems that handle its schedules fall over? Ja, my broo ...
Roger Hislop (Consulting Editor - Computer Reseller News Southern Africa)

Dear Sir
I was alternately amused and flabbergasted by Arnold Kalk's ignorance. His contention that there are maybe five mainframes left in the world is obviously misinformed. [Ever heard of humour, poetic licence? Sounds like you could do with some of both. - Ed.] Many large organisations, including financial institutions, telcos and airlines run on large mainframes. Kalk reckons that "90% of computer owners can be sure that their machine (sic) will effortlessly survive the end of the century". Even assuming he's correct about PCs, he is ignoring these expensive corporate mainframes; ignoring the fact that the majority of the real business in the world is supported by them. I'm no believer in doomsday scares and don't stand to gain from the massive Y2K spending.

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NO AFFINITY FOR NEDBANK

Dear Sir
I couldn't have said it better - or done as much damage to Nedbank - if I'd tried (nose22). And I try hard. I've had such a guts full of Nedbank that I closed my 30-year-old account at last because of their continued poor service, arrogant attitude and sheer disregard for their clients. My recommendation to all Nedcor customers: reconsider your options.
The Nedcor Group, which includes
- Old Mutual - try getting quick answers from them
- S A Perm - they refuse to count money
- Nedbank - they have closed all their smaller branches and only want to do business with large corporates (so they

Otherwise, I quite like your magazine. Ivo Vegter (Freelance IT Journalist)
So, come Y2K, FNB's interest calculations will be double what they should be, and SAA's booking system will crash - what's new? Big organizations that still rely on mainframes can look after themselves. Cape Town City Council decided five years ago to phase out its ICL mainframe - for economic reasons. Our article - unashamedly written by a witty, sensible enthusiast - was aimed at the ordinary people with PCs - our readers - who are being set up by the industry. Why, even the University of Natal has been conned into calling for tenders from IT companies to have the 600 PCs on its campus "tested" for Y2K problems. Aside from the university's accounts department - who might conceivably still be functioning on an aged system, all those departments with PC's might simply have read noseweek and saved themselves stress and bucks. Thanks for "quite liking" us. - Ed.

HOLLARD - HULLO, HULLO ... !

Dear Sir
Your exposure of the Hollard/ABSA deal in Hersch vs ABSA (nose21) made me query my own policy with Hollard. What I discovered was blatant theft masquerading as "industry practice". Here's how it works:
1 You take out insurance on your vehicle or other asset.
2 Every three months for the duration of the lease, the insurer revalues the asset (without informing the client) at a new, lower, figure.
2.1 The premiums remain unchanged at the now over-valued price.
2.2 Should you claim, you will only be paid out at the reduced value.

can get caught for big bucks!). [What's new? See page 4.]
Do they seriously think we're fooled by their "affinity" cheque books and other bullshit?
Pam Herr
Fish Hoek
What of Cape of Good Hope Bank - also in the Nedcor Group? It has taken over financing High Cape from Syfrets, because its clients are believed to be less sensitive to bad publicity than Syfrets' clients (who tend to read noseweek). - Ed.

Dear Sir
Top marks to your excellent publication for going public on the ambiguous "Green" and revealing that what is actually being conserved has little to do with our natural heritage. Your mantelpiece will never be adorned by the supposedly prestigious "Conserva" award. But please continue equipping the dedicated few with the ammunition they need to counter the scourge of environmental opportunism.
W R Chapman
Parow [See page 12]



The insurer has, therefore, stolen the excess premium (at least by my definition of theft).
2.3 The onus to have your premium reduced is placed on the insured party, but nowhere is this stated in any policy or by any insurance broker.
3 To add insult to injury, should you be over-insured (depending on how your contract is worked), an amount proportional to the amount over-insured may be deducted from the payout.
If you multiply this "overpayment" of premiums and "underpayment" of claims by an entire industry, then you can see how this adds up to either fraud or theft on a massive scale.
If the insurer arbitrarily reduces the value of your asset, then the onus should be on them to reduce the premium.
The ombudsman for the insurance industry should have something to say about it. Advice: Phone your broker every three months to have your premium adjusted.
Bruce Erasmus
Tokai

dear reader

WHO IN THE SOUTH AFRICAN CABINET IS BEING PAID to protect Italian Mafia boss Vito Palazzolo? Might it be Dr Mangosuthu Buthelezi who, as Minister of the Interior, should long ago have withdrawn the residence and citizenship rights that Palazzolo acquired by fraud and corruption? Or might it be the Deputy President, Mr Thabo Mbeki, who has remained noticeably silent on the matter, despite the fact that his special investigations unit has had detailed information on Palazzolo's criminal past and continuing association with other senior Sicilian Mafia figures for the past three years? These are the thoughts that cross an innocent citizen's mind as the interminable saga proceeds from bad to much worse.

Is the ANC afraid of what Palazzolo might reveal about the drug supply networks that, since "struggle" days, have operated close to the party leadership? Have Israeli intelligence agents and their local Zionist sympathisers been squeezing the government to protect Palazzolo, for fear of what he might reveal about the Mafia's role in laundering funds for Israeli secret projects?

And then there's attorney Cyril Prisman. Given the years he's been in Palazzolo's pay, was Prisman a fit and proper person to have been appointed - earlier this year - an Acting Judge of the Cape High Court?

Finally, there's the *Cape Times*, which has emerged as Palazzolo's chief apologist - more recently with a flashy, uncritical interview by star reporter Roger Friedman; earlier with an article (also by Friedman) aimed at discrediting the policemen appointed to investigate what had gone wrong with the original Palazzolo inquiry headed by Inspector Andre Lincoln. Friedman is, of course, the son of Cape Judge President Gerald Friedman - Prisman's great friend and sponsor. Turn to page 12 and judge for yourself.

The nineteenth century robber-barons used philanthropy as a moral placebo. When Cecil Rhodes established the Rhodes Scholarships, he paid for them, as he bluntly put it, "out of the Kaffir's belly". Rhodes' gesture nonetheless earned him respect and adulation. Thousands of young white men got a first-rate education at Oxford and Cambridge.

We often erect "Chinese Walls" to protect supposedly good deeds from suspicion concerning the motives of those who do them - especially if we hope to share in the benefits of such a "good deed". Such thin partitions allow us to ignore what it might otherwise be inconvenient to acknowledge, namely, that the people trapped on the other side of our Chinese Walls usually have to pay for our indifference. Ultimately, of course, so will we. South Africa has yet to learn what the cost will be of its indifference to the Mafia's victims in Italy and America. Several countries have already had to learn that a careless tolerance of corruption and drugs can quickly give rise to a situation that no amount of money can rectify. All that hot money the Reserve Bank so eagerly welcomed, could yet be our ruin. It's managed by clever boys with no respect for law or morality, remember. Ask Dr Stals, still vainly trying to put out fires in the currency market.

While Africa's "kaffirs" starved and bled in the long shadow cast by Rhodes, a landslip altered the face of Western culture. Philanthropy largely gave way to "philecologism", a barbarism coined by a Texan oil tycoon to express his care for nature. In the next instalment of Kevin Dowling's extraordinary history of the World Wildlife Fund - on page 8 - we burst through yet

another Chinese Wall at the WWF. They're only made of paper, after all. When Prince Bernhard of the Netherlands was appointed President of WWF International in 1961, an authorised biography of the prince appeared on the market. Only when you have seen the fairy-tales and lies his biographer used to disguise his sinister past, can you begin to guess why. Nature was surely not the cause the Nazi prince was chosen to serve at the WWF. What then? The clues, dear Watson, lie in the cover-up. More will be revealed in due course. Be sure - the trail leads all the way to sunny SA.

The latest nuclear "disaster management" exercise conducted at the Koeberg power station last October by the Council for Nuclear Safety with Eskom and various local authorities surrounding Koeberg, instantly descended into farce. For several hours after the supposed nuclear plume had leaked from Koeberg, the entire evacuation and disaster "management" programme was based on someone's reading that the plume was being blown west, when, in fact, the wind was blowing in exactly the opposite direction. The result was that for critical hours the population - and the emergency services - were being actively directed into the teeth of the hypothetical nuclear gale, rather than away from it.

Koeberg is the ultimate symbol of how greedy European industrialists and bankers, many of them still within hailing distance of their Nazi roots, secretly exploited the Nationalist mentality that reigned in South Africa for fifty years: it was built hardly 20 kms from the city centre as an act of brainless bravado - an expression of the government's belief that European "high" technology could make the last white stronghold independent of the black North.

We all fear nuclear war. Residents of the Western Cape have to cope with the more immediate fear of a serious accident at Koeberg. Surrounded by mountains and sea, they have little chance of escape. The damage could be boundless. It could also leave the fairest Cape in all the world uninhabitable.

But what the probability is, we don't know. Unknowingly, imperceptibly, each of us has estimated it to be close to zero, so that our fear remains within bearable limits and allows us to sleep, eat, make love, have children, take an interest in the soccer championships, watch TV.

There exists a tendency to carry the probability of a terrible event to its extremes: either impossibility - or certainty. After all, if the future damage is either impossible or certain. It lets us off the hook. There is no purpose in our trying to do anything. But that is not how matters stand. The future is in our hands.

In a report made public eight months after the event, the Koeberg exercise has officially been declared "a success". (Admitting it was a classic fuck-up might demoralise the population.) The emergency plan itself was perfect - the wrong wind reading had been due to "human error", a spokesman declared gaily. That, of course, is the point.

But that does not mean there is nothing we can do to avoid a Koeberg disaster. There is a very rational solution: close Koeberg down. Vote only for the party that will undertake to do so, before budget and staff cuts make the risks even greater.

The Swiss and their friends who so eagerly provided the loans for South Africa's obviously suspect nuclear programme are on shaky moral - and legal - ground. They should be happy to help.

Then go for those wind farms and the development of cheap and practical sun panels, so that the Cape can start exploiting the two energy sources for which it is world famous. Soon enough the world will thank us. - *The Editor* 11

After all the fuss, he's still in co



TREVOR SAMSON / TIMES MEDIA

on the one hand . . .

LOUIS LUYT MAY BE A BIG BULLY-boy with no manners. By normal business standards, he may even not be rated a great salesman. But he is consistent. And one thing he has proved beyond doubt: doing business with yourself can be quite as pleasurable as self-abuse.

One way or another, he has pulled off some amazing deals in the history of corporate South Africa. Most extraordinary of all is his ability to sell dud assets to a seemingly bewildered purchaser. Think of Anton Rupert, who, in the Seventies, bought his beer interests when it was already clear that they had to lose the war with SA Breweries; or the naive gentlemen of the Gauteng Lions Rugby Union (GLRU) and the SA Rugby Football Union (Sarf), who bought into Louis' various proposals aimed at entrenching the Luyt family's control over the rugby business.

Think back, through the mists of time, to 1980, when Big Louis had Rob Abrahamsen - Nedbank MD, the Golden Boy of South African banking and a pretty arrogant man himself - in thrall.

We find Louis sitting fat and happy in

Triomf House in Auckland Park, the master of his own Triomf fertilizer empire. The previous year Triomf had recorded a sizeable profit of R12.6m - the highest in its 14-year history.

Luyt appeared to have escaped unscathed from Muldergate - in the course of which the secret and illegal projects of the Department of Information were exposed in the Press. The scandal brought down the likes of Transvaal Nat leader Connie Mulder, Prime Minister John Vorster and even feared Intelligence boss, General Hendrik van den Berg. But not Big Louis.

As the "Info Scandal" raged through the halls of power, everyone somehow forgot that not only had Louis fronted for the secret government project to - illegally - fund and control *The Citizen* newspaper; he had misappropriated most of the funds entrusted to him for this purpose. (He said he had done so to make it all look "more natural".)

While - still in 1980 - all appeared well at Triomf, seasoned analysts would have noticed that the balance sheet showed all the signs of an over-borrowed group. With negative real interest rates, Triomf's debt of R140m - against shareholders' funds of only R41m - could perhaps pass. But the gold boom of 1980/81 was short-lived, and the years of good rains were followed, with Biblical predictability, by years of drought.

Interest rates rose, and Triomf's debt rose - dramatically. Louis, however, apparently managed to hide his debt exposure from the Board of Nedbank. Using a technical point of accounting policy, he was able to avoid consolidating the disastrous balance sheet of the Triomf-AECI joint venture at Richards Bay with Triomf's Group accounts. Abrahamsen was party to the deception. He knew all along what Nedbank's actual exposure to Triomf and

TRIOMF OF DEBT

Luyt's private companies was, but apparently failed to inform his Board about it.

By 1983, Triomf was making losses. Luyt's love match with AECI came to an end in 1984. Strangely, Nedbank did not object to Luyt incurring even more debt, when his private company, LLG Investments, took over AECI's 49% stake in Triomf (Richards Bay) (Pty) Ltd.

The price was R38m, but AECI must have been pretty desperate to get out of their joint venture with Louis - they accepted redeemable preference shares issued by LLG as part payment! A year

LOUIS DOES IT ...

later, Louis' LLG sold the Richards Bay stake that it had bought from AECI to the public company, Triomf Ltd - this time for R44m in cash. Where did Triomf get the cash? Why, another loan from Nedbank, of course!

What did LLG do with the R44m? That's anyone's guess. What we do know is that it was not used to redeem the pref shares issued to AECI.

Nedbank CEO Abrahamsen's reasoning had to have been: What the hell, Triomf already owes Nedbank R300 million, so what's an extra R40 million or so between friends?

For the official record, Abrahamsen bought Luyt's story that his private company, LLG, would/could guarantee the additional R44m bank loan to Triomf.

Picture the negotiations to conclude these masterpieces of salesmanship. At the one end of the table sits Dr Louis Luyt PhD (hc), executive chairman of Triomf, and, as such, the custodian of the interests of minority shareholders (it's a public company, listed on the JSE), and of creditors (including Nedbank, of course).

At the other end of the table is, well ... Dr Louis Luyt PhD (hc), representing LLG and custodian of the Luyt family's interests. No-no, Big Louis is TOTALLY innocent of any conflict of interest. Don't dare think it for a moment.

Also there, sitting at a remote corner of the table, discretely averting his gaze, so as not to witness the rape of his bank, is Rob Abrahamsen, graduate of the Netherlands School of Economics and the Harvard Business School, President of the Institute of Bankers of SA - and a member [*with our other favourite banker - hullo Basil!*] of the River Club!

LLG was to feature in another deal where Louis would, again, display his unique talents. In 1985, he decided it was time LLG reduced its holding in Triomf's listed parent company, Lanchem, by half - from 80% to 40%. Triomf's bankruptcy may have been

WITH HIMSELF

SAYS OOM JANNIE

looming, but within no time he had a buyer for those Lanchem shares - at a price rumoured to have been between R30m and R40m! Who bought them? Why, none other than that aggressively independent association of maize farmers Nampo, based in that Free State metropolis, Bothaville. If you're stinking rich and farming in Bothaville, cared for by a government determined to subsidise your new Merc and your noble occupation (producing mealie meal for the masses), why, you can afford to go halves with Big Louis.

Whether Nampo took the knock when Triomf went to the wall soon thereafter - or whether Nampo managed to pass it on to some other, unsuspecting, victim, has not been divulged to this day.

(For more information, call that articulate Freedom Front MP, Piet Gous, at Parliament - Tel. (021) 4032911.)

By June 1986, when Triomf collapsed, its debt to Nedbank had grown to a whopping R462m. Triomf (Richards Bay) (Pty) went first. Not long thereafter, Triomf Ltd itself just faded away ever so quietly. Nedbank's losses on Triomf probably exceeded R350m. But, thanks to a large new investment in the bank by Old Mutual, and a lavish lifeboat from the Reserve Bank, Nedbank is still with us today. *[Why, that's what friends are for, we hear Jan van der Horst and Len Abrahamse at Old Mutual tell their friend Rob and his new chairman, ex-Minister of Finance, Owen Horwood - chosen specially for his skill at signing documents with his eyes held tightly shut. As for the Reserve Bank's help - the fact that former Secretary of Finance Gerald Browne had just been rewarded for his years of public service with directorships of both Old Mutual and the Reserve Bank, could only have been a help - Ed.]*

LLG (derived from Louis Luyt Group) itself was discretely liquidated at the end of 1986. Amazingly, the only shareholder to be found was a mysterious Mr Andre

Yzel Both, who declared that his company had no assets whatsoever. Apparently Mr Both did not know that, only months earlier, his company had still owned 40% of the shares in a JSE-listed company called Lanchem - which were valued at R30 million-plus. It had also recently sold shares in the private company, Triomf (Richards Bay) (Pty) Ltd, to the public company Triomf Ltd - for R44 million.

When last heard of, Mr Both was coaching Northern Province rugby.

The time had arrived for the Big Louis Show to move on. This time around, it wasn't to feature a tobacco magnate, or bedazzled bankers or maize farmers. It was to be the salt of the earth, Leon Schuster's "manne van die rugby-onthaal" - the chaps who care more about the "dop en dam" after the Board meeting, than about the resolutions to be voted on at the meeting itself. Definitely a soft target for a seasoned campaigner.

In the mid 1980s, Volkskas had gone all out to get Louis elected as President of the Transvaal Rugby Union. It was something of a palace coup which brought down Jannie le Roux, head of a family dynasty which had ruled the Union and Ellis Park for a decade. Oom Jannie was cruelly forced to watch helplessly as his family were robbed of their exclusive liquor rights at Ellis Park, and his family's marketing company was stripped of its right to market luxury suites in the stadium for a handsome commission.

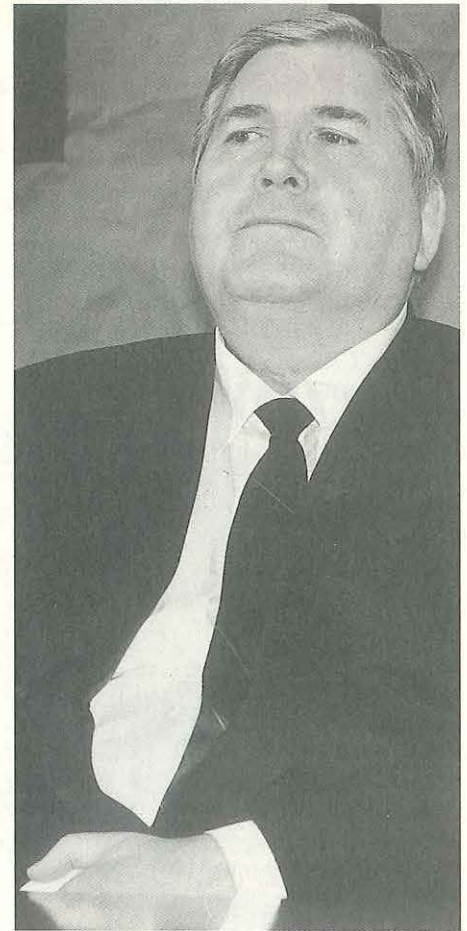
Volkskas was to be handsomely rewarded for its efforts on Louis' behalf. Once installed on the Transvaal rugby throne, he helped Volkskas secure the Ellis Park land from the Johannesburg City Council on a 99-year lease, as security for the loans the bank had so recklessly advanced - with no security at all - to the TRU under his predecessor.

PALACE COUP

Ellis Park was a nightmare Volkskas was anxious to forget. As soon as the TRU, now led by our Louis, managed to obtain the necessary R30 million loan from FNB, Volkskas eagerly sold them Ellis Park for this amount - and was never to be seen there again.

In 1988, at Louis' suggestion, the manne agreed to take the Ellis Park company to the stock exchange with a share issue. Louis persuaded them that this was an easy way to raise the R30 million needed to settle up FNB.

Unfortunately for the manne (and for



on the other hand . . .

Louis), the share issue was not a complete success: investors, still hurting from the Triomf disaster, were wary of Louis. So he had to take up about a third of the new shares on offer himself - an investment of about R10m.

The JSE listing had another consequence which Louis had to find irritating. The new shareholders elected new directors to the Board - men like former Gencor executive and Broederbond chief Tom de Beer, Johannesburg corporate fixer and Presidential advisor Michael Katz, and auditor Chris van Coller from Price Waterhouse. Men who are masters in their own right. Within no time at all, Luyt was - to quote Fagan in *Oliver Twist* - Reviewing the Situation.

First, the man who a decade earlier was prepared to act as front for the Nats, made a political about turn. Suddenly a virtuous believer in liberal values, The Open Society and all suchlike good stuff, Louis emerged as mediator between the then Progressive Federal Party (PFP), the Independent Party and the National Democratic Movement for

continued on page 14

Namibia:

Where were you when Elvis died? B.O.O.K.S - P16

FESTIVAL A move away from PC shows P5

sporting weekend! 5 PAGES INSIDE

The Mafia is in town

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TOP SECRET' REPORT CHALLENGED

Palazzolo: I'm no Mafia boss

Mbeki calls SACP to heel

ROYAL BANTU

JOHANNESBURG: Deputy President Thabo Mbeki has bluntly warned the ANC's communist allies that the organisation did not need them as watchdogs over its policies in government.

Mbeki also made a pointed defence of President Nelson Mandela's lambasting of the South African Communist Party on the first day of its congress on Tuesday.

"None of us should go around carrying the notion that we have a special responsibility to be a revolutionary watchdog over the ANC... none among the left forces of our country is challenged to capture the soul of the ANC; to avoid it being stolen by forces of the right," Mbeki told the delegates yesterday.

The open clashes between the senior leadership of the ANC and leading alliance members of the SACP and Cosatu illustrate an unprecedented battle for supremacy within the alliance.

From their positions within the government, the ANC's leaders have launched an all-out attack on their sniping allies over the government's Growth Employment and Redistribution strategy. Both the SACP and Cosatu are opposed to Gear and the battle has intensified ahead of a summit meeting of the alliance partners to finalise policy before next year's elections. The rand slide and the



ROBERTO VITO PALAZZOLO, named in a top-secret report to Deputy President Thabo Mbeki as the "boss" of the Western Cape Mafia, will lay charges against the policemen who compiled the document. ROGER FRIEDMAN reports.

HE is quite possibly the most enigmatic resident of the Western Cape: A banker who served time in a Swiss prison for the negligent handling of funds allegedly connected to heroin traffickers, a businessman, an alleged Mafia boss, a former ambassador of the banana republic of Ciskei, a financial consultant, a pharmaceutical company, an international mining company, a farm owner in Franschoek. Palazzolo has lived in the shadow of the police since the US Federal Bureau of Investigation in 1980 started probing a suspected Mafia drug ring connected to a string of Italian bakeries and pizza parlours.

Now, Palazzolo told the Cape Times in a wide-ranging, rate interview, he has had enough. Being named as the head of the Mafia in the Western Cape in a top-secret report com-

Palazzolo speaks out on Lubowsky

"Military intelligence advisers to Brigadier Gqozo poisoned his mind and brought him to run against the ANC in the elections. He was totally manipulated."

"Mr Lubowsky was not a double agent but a freedom fighter who

World Cup: Oh brother, are the Brazilians confused! P21

RUGBY Friday Interview: Gary on Madiba P22

TENNIS Wimbledon: Hingis crashes out again P23

THE SURPRISE APPOINTMENT earlier this year of Mafia boss Vito Palazzolo's attorney, Cyril Prisman, as an acting judge of the Cape High Court, has brought a new twist to the extraordinary story of the high-level protection that the Mafia's top money launderer has enjoyed in South Africa since 1987.

Prisman has for the past ten years actively and knowingly disseminated false information to the South African Press and government officials, in support of his client's denials of Mafia involvement.

That Prisman knew that the claims he was making in letters to various newspaper editors were false, is easily established.

In 1991 Prisman brought an urgent application in the Johannesburg High Court to prevent the *Sunday Times* from publishing an extensive exposé of Palazzolo's criminal activities and involvement in the Mafia.

Under circumstances which, in retrospect, can only be described as suspicious, Mr Justice Margo persuaded the judge scheduled to hear the case, to leave it to him - and then promptly granted an order

prohibiting the *Sunday Times* from publishing the story, without having given the newspaper the opportunity to present its case. Judge Margo's misconduct was later fudged in press reports, since it would have placed a leading member of the Johannesburg Bar Council in the unenviable position of having to certify that a senior judge had lied.

Several weeks later, the *Sunday Times* filed answering affidavits and documents totalling hundreds of pages at court. They included local and foreign police and judicial records, which confirmed Palazzolo's criminal activities and his undercover arms and currency dealings. A copy was served on Prisman.

In these court papers, the *Sunday Times* was able to demonstrate that Prisman had filed falsified translations of a Swiss trial record in support of Palazzolo's application to have its report suppressed. Passages which confirmed the drug-dealing aspect of Palazzolo's conviction by the Swiss court had been omitted, while passages suggesting that he had succeeded in having his conviction set aside on appeal, had been fraudu-

lently inserted into what purported to be a legal translation of the official record.

Prisman and his client did not respond to the *Sunday Times* papers, and simply agreed to have Judge Margo's order set aside - without a hearing. As a result the incident passed unnoticed.

As recently as October last year, Prisman was still telling the *Mail & Guardian* that he believed that Palazzolo was "a victim of a smear campaign orchestrated by elements in the Italian and South African police".

Palazzolo has been on the list of Italy's 100 most wanted men for the past three years. It has been public knowledge in South Africa since 1988 that the Sicilian entered the country illegally, on a false passport, in December 1986. He had absconded from a Swiss jail, where he was serving a prison sentence for laundering the proceeds of the Mafia's sale of heroin in the United States. Various officials and politicians were bribed to secure his continued residence in South Africa.

Even before his arrival in South Africa, surveillance by the American FBI had uncovered Palazzolo's network of

contacts with various leading Mafia figures. He was a co-accused in two major Mafia trials - one in New York, the other in Palermo - but escaped trial because of his detention in Switzerland.

The drive to have Palazzolo deported to Italy received fresh impetus during 1995, when the Italian police discovered that Palazzolo's Mafia network was still active - in South Africa.

Their special anti-Mafia unit had launched an investigation into the suspected Mafia money laundering activities of brothers Angelo and Salvatore Morettino, and their company Morettino S.P.A. - a coffee manufacturer in Palermo, Sicily.

When it emerged that the Morettinos owned prime property in Johannesburg and Cape Town, the Italian police sought the collaboration of South Africa's Presidential Investigation Unit.

By monitoring various cell-phone and fax telephone numbers, the Italian police discovered that one of the cellphones was regularly being used by the well-known Mafia money launderer and fugitive, Vito Roberto Palazzolo - and by various other recognised Mafia figures living in or visiting South Africa. These calls once again confirmed the importance of Palazzolo's role in 'Cosa Nostra' (the Sicilian Mafia).

In one of the calls, Palazzolo asked his sister Sara in Palermo to contact a Dr Abate. The doctor was to pass a message to a certain Giuseppe Bonomo, asking him to contact his father, Giovanni - in South Africa - on a cell-phone number provided by Palazzolo.

Giovanni Bonomo is wanted in Italy for Mafia-related conspiracy and drug-trafficking.

Later that same day the fugitive's son, Giuseppe, called the number from a call box in Sicily. Police recorded the call. The person who answered was Palazzolo, but, after a brief conversation, the phone was passed first to the caller's father, Giovanni, then to another Italian fugitive, Giuseppe Gelardi. Both, it now emerged, were being harboured by Palazzolo on his properties in South Africa and Namibia.

Both are described by Italian police as close associates of the sadistic Mafia crime boss, Giovanni Brusca. One of Brusca's former henchmen has testified in Italy how, over an 18 month period, the Mafia crime boss tortured the eleven year-old son of a Mafia turncoat, periodically sending grisly photographs to the child's father. Brusca was said eventually to have personally strangled the child.

Brusca was also responsible for order-

ing the assassination of Italy's top anti-Mafia prosecutor, Giovanni Falcone, prompting hundreds of thousands of Italians to take to the streets in protest.

When Brusca was finally arrested by the Italian police in 1996, *Time* magazine celebrated the event on its front cover. *Time's* story was headlined: "The Pig is Penned". But two of his assistants, for whom arrest warrants had also been issued, could not be found in Italy. They were in South Africa.

The Italian report, handed to the South African police in 1996, records how Mafia members regularly use Palazzolo's sister Sara (Maria Rosaria) as a means of contacting him. "She appears to understand the importance of her role and is very cautious, using only public telephones and others she thinks cannot be linked to her," the report states. In the recorded conversations they talk in typical Mafia-speak, with individuals referred to as "the one who was in Germany with me" and "the mercenary", rather than by name. ("The mercenary" is an Italian police source who is obviously supplying the Mafia with copies of witness statements out of police dossiers for a fee.)

At one stage Sara discusses her difficulties in getting her husband, Vito Motisi, nominated as a candidate for Forza Italia, the right-wing Italian political party headed by media mogul Silvio Berlusconi. She appeals to her brother to use his influence to get her husband accepted by the party as their candidate.

It has since been revealed in the Italian press that Berlusconi's media empire has made extensive use of secret Mafia funding. Berlusconi was sen-

Time celebrates the arrest of sadistic Mafia boss Brusca. But Brusca's associates got away - to South Africa.



tenced to two years' imprisonment by an Italian court earlier this month for bribing tax officials.

Many of the conversations intercepted by the police are between Palazzolo and known Mafia operatives. In two of these conversations Palazzolo talks of his dealings with important South Africans, who he refers to only by their rank: "the general" and "the minister". In the first he relates how a South African Police general assisted him in recovering a firearm that had been stolen from his son Peter when he was visiting a brothel.

In the second call Palazzolo hands the telephone to an unnamed man - thought to be the aforementioned drug-trafficker Giovanni Bonomo - who says to the person in Italy: "The Minister's brother is here with me - black as the night - we have had soup together ..."

Other conversations of interest are those conducted by Palazzolo with Roberto Mattei-Santarelli and his girlfriend, Cristina Consoli. Mattei Santarelli is an Italian who spends much of his time in Luanda, negotiating for diamond prospecting licences. He was arrested in Windhoek in 1991 for receiving stolen goods, and, in 1994, was stopped at Rome airport when found in possession of an "unjustified" quantity of precious stones, worth about one billion lire. On that occasion he stated that they belonged to a Zurich diamond dealer, Bernhard Dym. Contacted by the Swiss police, the diamond dealer confirmed that he had handed the stones to Mattei Santarelli "to show to another customer".

In August 1996, phone conversations between Palazzolo's wife, Tritza, in Cape Town and Cristina, Mattei Santarelli's girlfriend in Rome, were intercepted. From these it emerged that both men were in Luanda. A week later Palazzolo called his wife to report that Mattei Santarelli had been arrested by the Angolan police, but that he - Palazzolo - had successfully intervened to get him released. Palazzolo discusses his difficulties in dealing with Mattei Santarelli's debts and the "many cases of corruption linked to the setting up of an armed group with the aim of maintaining security in mines" in which he had been involved.

In September 1996 the conversations involved plans for Mattei Santarelli to travel to Cape Town from Luanda. When the funds that Palazzolo was to have wired to Luanda for this purpose were late in arriving, Palazzolo explained to Cristina that the delay was due to another of his business associates, Steve Phelps, having been involved in a road

accident while on a trip to London.

Leonard Stephen Phelps, who achieved notoriety for his unscrupulous conduct as a director of the failed Cape Investment Bank (see nose16), had apparently gone to London to do business on Palazzolo's behalf. He also has shares with Palazzolo in a Namibian ostrich farm.

In October 1996 Palazzolo was recorded in conversation with Carlo Tozzi, a young man who was officially unemployed and was generally to be found hanging about his brother's car repair workshop in Rome. But, it now emerged, Tozzi was not just hanging around. A lot of the time he was on the telephone to a worldwide web of "dubious" characters, discussing the export of fish from Angola to Europe, the sale of valuable paintings and big quantities of good quality wine - and deals in precious stones emanating from an Angolan company, RCB Corporation Lda.

Mattei Santarelli and Tozzi, together with a Portuguese citizen, Morais e Silveira da Costa, and an Austrian from Salzburg, Herman Schrempf, all had an interest in RCB. And Palazzolo was in constant touch with all of them.

Another of Palazzolo's associates in the Angolan diamond business, it emerged, was Gualtiero Solombrino. Telephone conversations between Palazzolo and Solombrino revolve around Solombrino's difficulties in getting his BMW 318 convertible shipped out of Italy. The young layabout at the Rome car repair shop, Carlo Tozzi, had been caught by the Italian police trying to get the car put on board a ship in the port of Livorno, while it was supposed to be under seizure by the Italian judicial authorities. Solombrino and Tozzi were charged with purveying and receiving stolen goods.

Palazzolo was also in communication with one Mirella Pizzo, who owned a jewellery shop in San Remo. The Italian police note that Pizzo was under investigation by the Imperia local police in 1992, when he was found in possession of a quantity of jewellery bearing the counterfeit trademark "Bulgari".

The previous owner of the same jewellery shop, one Giovanni Burgio, was convicted of possession of marked bank notes, part of the ransom that had been paid in a brutal kidnapping in 1976. He had also been charged with selling counterfeit jewellery. While this charming character is generally resident in Italy, he formally emigrated to SA in 1991 and has been granted permanent residence here. As you may guess, Palazzolo is in contact with him, too. The intercepted telephone conversations between Burgio and

Palazzolo's South African business interests include:

- "La Vie", bottler of mineral water for SAA. [The company was established with R2 million supplied by the Premier Group. When the deal fell through, Premier were unable to reclaim their R2m, but have preferred to remain silent on the matter.]
- OPS, a security company in Cape Town staffed mainly by "persons of Russian origin".
- Pro Security, staffed by Moroccans and Russians "who are known to extort and terrorise Italian business people in Cape Town".
- Hemingways, a "high society" night club in Cape Town.

Palazzolo reveal that in June 1996 Burgio was depositing packages containing large sums of money in various currencies in a French bank.

The Italian report proceeds to name a group of Italian individuals, alleged to be members of a Sicilian Mafia "family" in South Africa, headed by Palazzolo.

For those who doubt his status: in February 1996, Rosilde Pillitieri, sister of Italy's first socialist Prime Minister, Bettino Craxi, visited South Africa for just two days - to consult Palazzolo. Craxi was by then in hiding in Tunisia. His government had resigned and he had fled from Italy when police discovered he was on the take from the Mafia.

Most significantly, it is alleged in the Italian report that the police were able to collect "concrete evidence of the existence of a well-knit network of corrupted South African officials that protect the Italian fugitives". This report was handed to the South African authorities in January last year.

Unlike the local police report which was recently leaked to the popular press, the original report by the Italians - quoted here - presents concrete evidence in support of the allegations it contains, so that no reasonable person can doubt Palazzolo's continued Mafia involvement. (His past involvement had, of course, already been established in the *Sunday Times* case in 1991.)

The Italians asked for urgent action because they believed the Mafiosi sheltering in South Africa have the ability to corrupt people of influence - they have large amounts of money at their disposal. They

can also easily flee to other countries, in particular to Namibia and Angola, where they already have influence.

The Italians were obviously too late.

The report on Mafia activity in South Africa was submitted to Andre Lincoln, Unit Commander of Thabo Mbeki's Presidential Investigation Task Unit. This was in addition to extensive documentary evidence that had, a year before that, already, been assembled by South African police and intelligence services concerning Palazzolo's criminal activities and proven record as a Mafia operative.

Lincoln, formerly a senior member of the ANC's intelligence service in exile, simply continued his long-standing practice of accepting valuable gifts and favours from Palazzolo. Last year, ignoring the Italian police report and all the evidence referred to here, he took the unprecedented step of providing Palazzolo's attorney, Cyril Prisman, with a letter which claims to certify that the South African police are satisfied that Palazzolo is a fine upstanding citizen who has no connections with the Mafia. Prisman has, of course, been doing the same himself for years. ■

The official list of Italy's 100 most wanted men.

MINISTERO DELL'INTERNO
DIPARTIMENTO DELLA PUBBLICA SICUREZZA
DIREZIONE CENTRALE DELLA POLIZIA CRIMINALE

ELENCO DEI LATITANTI
PIÙ PERICOLOSI APPARTENENTI
ALLA CRIMINALITÀ ORGANIZZATA
DI PERSONA

CRIMINALITÀ ORGANIZZATA

MAFIA

PALAZZOLO Vito Roberto
nato a Terrasini (PA), il 31.7.1947, ivi residente
Ambito Criminale: **MAFIA**
Affiliato Cosca: "Terrasini"

Provvedimenti:
Mandati di cattura n. 179/85 e n. 94/88 R.M.C., emessi
l'11.6.1985 e il 28.3.1988 dal Tribunale di Palermo, per
associazione di tipo mafioso, traffico di sostanze
stupefacenti e omicidio.

Il 24.12.1991 sono state diramate le ricerche in campo
internazionale, per arresto ai fini estradizionali.

ON MONDAY, JUNE 22, POLICE BOSS - and former SA Breweries boss - Meyer Kahn brought an urgent application before Mr Justice Weinkove in the Cape High Court. The First respondent was the Clerk of the Children's Court for the District of George. The Second Respondent was Gregory Press, son of the late Sydney Press, multi-millionaire founder of Edgars Stores.

Kahn wanted the court to set aside a subpoena summoning him to testify at a children's court enquiry involving the taking into foster care of Gregory's infant son - and Sydney's grandson, Zane.

Fifteen years ago SA Breweries made a bid for the controlling shares in Edgars Stores. The shares were held by Sydney Press's family trust, the Lincolnian Trust. SAB made its hostile takeover bid - offering R60 million-odd for the shares - on the same day that Sydney was undergoing open heart surgery at a clinic in Cleveland, Ohio. Many considered the timing of the bid to have been opportunistic, if not in positively bad taste.

Sydney's son contends this event triggered the unravelling of the Press family.

In the same week as SAB made its bid, Sydney's wife, Vicky, sued him for divorce. (Any number of smart Joburg lawyers might have told her: the time to strike is when he is down, and you are sure the R60 million is still in the bank.)

SAB succeeded in their bid, and got Edgars. Vicky got her divorce, and used her share of the fortune to set herself up in a mansion on fashionable Cheyne Walk in London. For diversion and culture, she bought an old palazzo on the Grand Canal in Venice - and married off one of her daughters to a minor Italian Count.

Then came what everyone thought was the final insult. In 1988 five of Sydney's seven children applied to court to have him removed from control of the Trust he had created for his family. They claimed that he was wasting their potential inheritance (as ultimate beneficiaries of the Trust) on extravagant schemes - such as a race horse stud in the Eastern Transvaal and the gardens of his historic residence, Inanda House, in Johannesburg.

True, money put in a trust is no longer the property of the donor. And true, a trustee is required by law to conserve trust assets for the benefit of the trust beneficiaries. But still ...

Only Caroline and Gregory backed their father. Sydney was removed as trustee, and, in due course, was replaced by his sons Roger and Clifford.

Within no time, all but one of Sydney's children had left the country for more cos-

mopolitan climes. Sydney Press died in Johannesburg last year. Earlier this year there was a brief reminder of him when public controversy flared about the threatened destruction of his Inanda garden.

And then came Kahn's court application. From the court papers it emerges that Gregory Press had had Kahn subpoenaed to appear in the George court as a witness in a case in which he was applying for his seven month-old infant son, Zane, to be returned to his custody.

As extraordinary as it sounds, two days after his birth in October last year - and now at the instigation of Caroline in New York, Sydney's grandson was forcibly taken into care by social workers of the NG Kerk's *Christelike Maatskaplike Raad* (Council for Christian Social Welfare). After some weeks in the care of the nurses at the George Hospital, the Christian ladies arranged for the baby to be taken into foster care by a couple of the *gemeente*: a local prison warder and his wife. His parents may visit him for only one hour a week.

How had this all come about? Gregory believed that it was another awful round in the scramble for his father's estate and the final stage of the unravelling that began in 1982. To prove this, he wanted, he says in his court papers, to ask Mr Kahn some questions. Amongst them: Were the directors of SAB [*Kahn was one at the time*] aware that their proposed take-over bid co-incided with the exact day when Sydney Press was having open-heart surgery? Had they obtained an opinion as to the legality of the timing of the bid? Were the ethics and potential for negative publicity arising from the bid discussed? Gregory concludes: "Every action has a consequence."

The subpoena required Kahn to pro-

GREGORY'S CHILD

MEYER KAHN SAYS HE KNOWS NOTHING WHICH MIGHT HELP EXPLAIN WHY SYDNEY PRESS'S GRANDSON IS IN THE FOSTER CARE OF A GEORGE PRISON WARDER

duce the - possibly embarrassing - minutes of those SAB Board meetings.

In his application to Court, Kahn declared: "I met Sydney Press from time to time. I was not aware of Gregory's existence - until recently. I am utterly incapable of giving any evidence in connection with Zane Press."

Judge Weinkove agreed and set the subpoena aside. He was probably right.

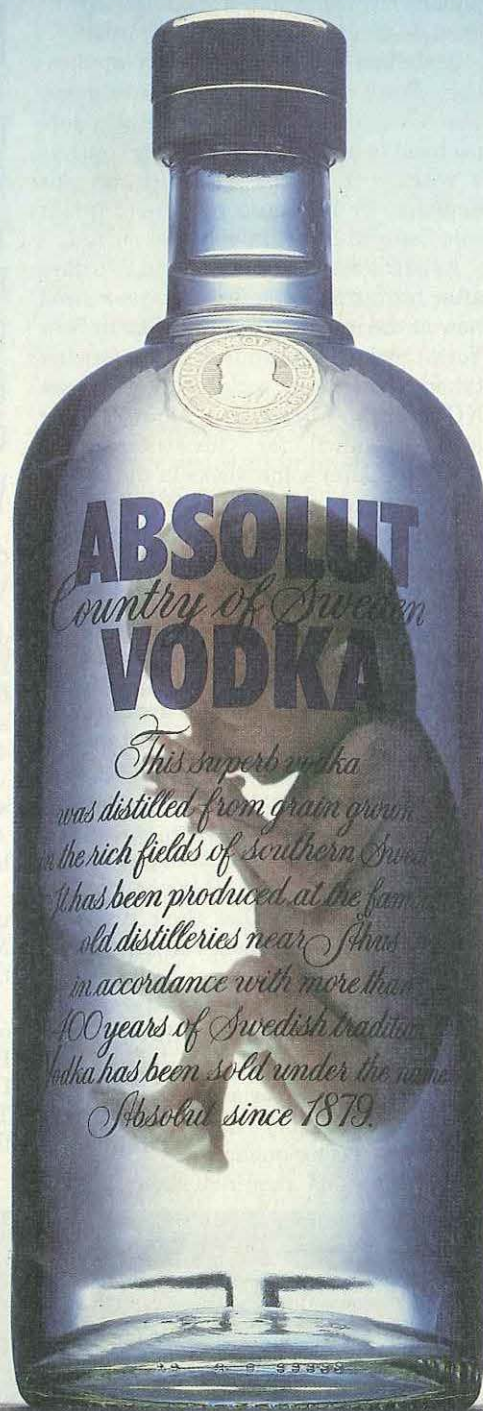
But if he was right, why do we still have that awful, uncomfortable feeling?

Dubious business strategies *do* have unfortunate personal consequences. Maybe Kahn should answer those questions - for conscience sake.

Remember the joke the admen had on the day of Meyer's appointment as Police boss? They recommended that Disprin would take away the headache. This headache should require more than a Disprin to make it go away. ■

next issue: the whole miserable story.





ABSOLUTE INNOCENCE

It is estimated that at least seven in every 1000 children born suffer from foetal alcohol syndrome. In certain wine growing areas of the Western Cape this figure rises to a horrifying 50 per 1000*. The condition arises from the mother's consumption of alcoholic drinks while pregnant. The syndrome invariably includes permanent mental retardation. With an average IQ of only 70, these children are unable to benefit from schooling. If you are pregnant, or likely to fall pregnant, do not consume alcohol - for your child's sake.

*Foundation for Alcohol Related Research, UCT.

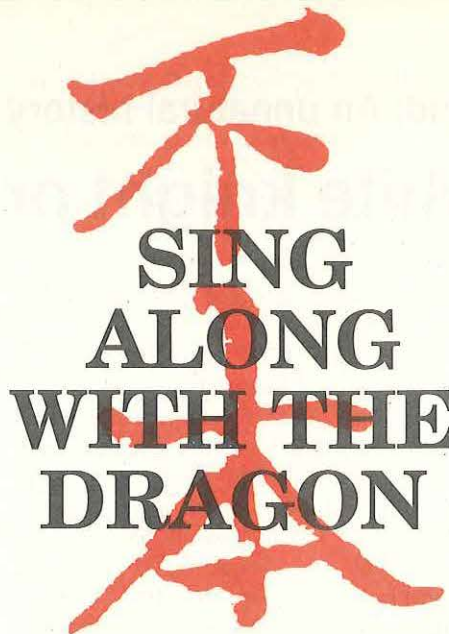
letter from Beijing

noseweek correspondent Alan Goldberg will, from time to time, relate his experiences of life and business in what is reputedly the modern day land of opportunity and the future global superpower.

I HAVE ALWAYS TAKEN AN INTEREST in Lei Feng, a perhaps mythical model soldier and worker immortalised - deified even, by Mao, who pronounced "Learn from Lei Feng". Modern Chinese however mostly see poor Lei as a laughing stock, epitomising the daftest aspects of communism. A recent film on Lei Feng details his legendary escapades - putting up miles of telegraph poles in an afternoon, giving his rations to old ladies and generally behaving like a Boy Scout. It's pretty smart in China's capitalist society, to make a film about a revolutionary martyr that is compulsory viewing for all members of the youth wing of the communist party. Work units are generally encouraged to discuss and learn from this kind of thing. Dutifully I gathered the office staff and kicked off our discussion by asking, "You don't really believe any of this crap do you?" No, they definitely did not, and would not see the film, but were drawn into a discussion about the fact that it was probable that Lei Feng had existed, but that his deeds had been greatly exaggerated to meet Mao's propaganda needs. I was struck by how close we had got to true religion in China.

Beijing has found a new Lei Feng, one Li Su Li, a bus conductress, devoted to making people happy on Beijing's sardine can busses. As a result most busses now carry a sticker saying; "learn from the example of Li Su Li and give first level service." I was in the car with my secretary recently, next to a bus, from which was leaning its own Miss Li, giving her nose some first level service. What's the Chinese for "to pick your nose," I asked. My secretary refused to say, sniffing that the conductress was just a peasant. For the record, one digs one's nose in China.

We employ a woman as housekeeper. She has had eight children so we thought she would know a thing or two about them. True enough, but not about some other aspects of a modern household. My wife found her replenishing a toilet roll by winding a new one onto the empty spool still in the holder on the wall. Now we know why the *Peoples Daily* has such a big circulation.



SING ALONG WITH THE DRAGON

The Chinese of mainland China (unlike those of Singapore and Hong Kong, for instance) tend to be rigid in their ways and suspicious and reticent in the face of anything with which they are not familiar. They are still uncomfortable doing business with people of other cultures and races - any other races, but particularly with the newest arrivals, black people. And with women.

These are just some of the hurdles that South African delegations that invariably include all the above, have to overcome when visiting China.

Establishing a relationship based on good faith can be a tortuous, stressful process. No surprise, therefore, that after a day in the office, the chaps have a serious need to unwind. In Chinese culture it's the men who do business, and strictly men, only, who go out afterwards to celebrate.

A recent experience has added a whole new meaning to my understanding of the risks of doing business in China. Anyone with my singing (dis)ability does the rest of humanity a favour by humming quietly on those occasions when it is necessary to sing. So resolute have I been that I've never even learnt the words of the national anthem. Imagine my horror then at arriving for an important meeting with clients, at what I had thought would be a restaurant, only to find a room booked with dining table, lounge and karaoke system. "Maybe they won't," I kept thinking, knowing all along that I was kidding myself. The dinner ended and sure enough out came the song menus, lists of hundreds of songs any one of which could be whistled up with a few key strokes. The file kept being passed suggestively to me, open at the English titles. There must have been two hundred songs in English, but I looked in vain for something that I

at least vaguely knew the tune to. *All things bright and beautiful* was not there. Could I seriously think about impersonating Aretha Franklin - Whitney Houston? - and attempting *Tonight - I celebrate my love for you?* "Not with these sweaty executives," I thought. Keeping an eye on the diminishing number of people who had not yet sung, I looked in vain at the song list knowing there was no way out. Remember these people were planning to do serious business with my company. How would you feel about putting your business in the hands of an organisation whose only representative you have ever met made his initial impression on you mumbling his way tunelessly through *She wore an itsy bitsy teeny weeny yellow polka dot bikini?* Horrified? - then you can't be Chinese.

It is not only the English song titles on the karaoke list that suggest that the Chinese might be learning to accommodate foreign cultures.

The high-powered women included in Western delegations quite naturally expect to accompany their male colleagues to drinks - and the dreaded karaoke - after a heavy day of negotiations. Their presence makes their male Chinese hosts nervous - but they are also fascinated.

In a karaoke bar to which a recent South African delegation were taken by their Chinese hosts, the sing-a-long video not only featured the usual Chinese chap mouthing the words - he was accompanied on screen by a sing-a-long blond Caucasian woman!

But, despite the gesture of goodwill, those South Africans who had their hopes pinned on a billion rand dance with the Chinese dragon, have probably seen these dashed by the collapse of oriental currencies and economies in recent weeks.

Instead of venturing into the unknown of darkest Africa, the Chinese are now able to pick up thousands of businesses dirt cheap all over the Orient and Pacific region, where they feel more comfortable.

Against all odds, the Free State has apparently managed to maintain its newfound Chinese connections. A delegation from Jiangsu Province - strong on agriculture - has gone on a visit to the Free State. Word has it that the two farming provinces will be "twinned" so that they can exchange agricultural tips. For a start, the unique climate of the Eastern Free State - hot days, ice cold nights - lends itself to the cultivation of more colourful and tastier fruit and vegetables, something the farmers of Jiangsu know all about. ■



4. Bernhard - white knight or black prince?

BACK IN 1961, AT THE DUKE OF Edinburgh's suggestion, Prince Bernhard of the Netherlands was appointed President and spokesman of the World Wildlife Fund. There was much that was unaccountable and mysterious about the choice.

When he became the public voice of the new environmental consciousness, Bernhard was Commander in Chief of the Dutch armed forces and - secretly - an arms salesman for US defence contractors, Lockheed (although fifteen years would pass before some of the unflattering details would become public knowledge).

Some people did vaguely recall that the German-born prince, who married the crown princess of the Netherlands in 1937, was once alleged to have been a Nazi. Fortuitously, at about the time of his nomination for the WWF leadership, an authorised biography titled *HRH Bernhard, Prince of the Netherlands*, appeared in bookshops all over the

English-speaking world, which addressed just that issue.

In Chapter Four - boldly titled *The Prince and the Nazis* - Bernhard and his biographer instantly adopted a refreshingly forthright tone: "In order to finish his education quickly," the chapter began "Bernhard had to make some compromises with the monstrous political system that was fastening its grip on Germany. The story that the Prince of the Netherlands once wore the black uniform of Hitler's SS is quite true."

The author and his subject were, however, not being nearly as frank as they obviously meant us to believe. In Chapter One it is what is omitted, rather than what is said, that is significant. His Serene Highness Prince Bernhard

BLACK UNIFORM

Leopold zur Lippe-Biesterfeld was born at Jena in 1911. His father's elder brother was the Regent of Lippe-Detmold, part of a small but ancient royal principality between Hanover and Westphalia. Here the family led a quaintly feudal life, living in castles, hunting deer on their forested estates and riding handsome arab steeds dressed in the flash uniforms of officers of Kaiser Wilhelm's army.

The authorised biography does tell us that Bernhard's mother, Armgard, had briefly been married to another of the boys next door, Graf Bodo von Öyenhäusen of Driburg, before marrying Bernhard von Lippe Snr, Bernhard's father. Armgard re-mained close to the von Öyenhäusens: she and her children spent a significant part of the World War I sheltering in Count Öyenhäusen's castle at Driburg.

Bernhard clearly did not anticipate (in 1961) that, in 1978, some dedicated American historians would dish the dirt on this quaint feudal scene. In their remarkable book, *Who Financed Hitler*, James and Suzanne Pool would reveal that Lippe's royals had a very special place in Nazi history.

The Pools would reveal that the very first German prince to join the Nazis was Bernhard's cousin, Friedrich Furst zu Schaumburg-Lippe, the reigning Prince of Lippe. He became a Nazi stormtrooper in 1929, frequently addressing Nazi rallies dressed in his brown SA uniform.

Hitler and Prince Friedrich became close personal friends.

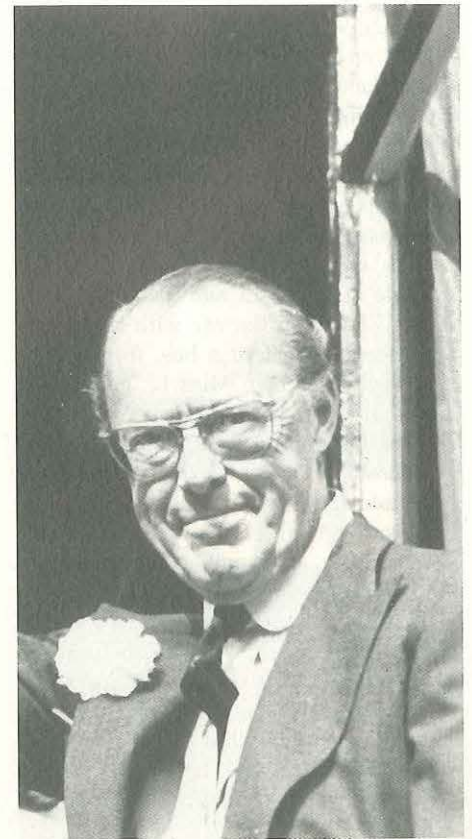
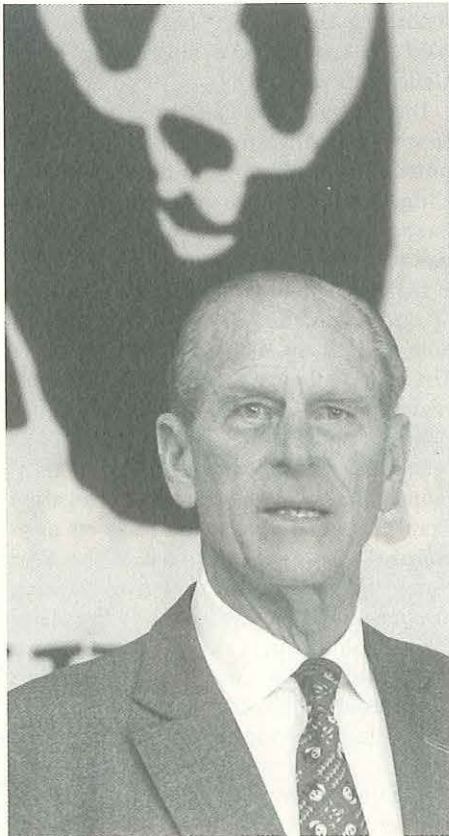
The next prince to join the Nazis and Hitler's inner circle, was the Duke of Mecklenburg - whose brother was married to Queen Wilhelmina of the Netherlands. Before the decade was out, Bernhard would be married to her daughter.

The Duke saw Hitler as Germany's only salvation against communism and regularly traveled abroad, propagating Hitler's ideas. While several of Hitler's more extreme ideas, including his anti-Semitism, found favour with the Duke, he always maintained a cool, polite manner in the presence of Jews. Not everyone was fooled. "The Duke's sleek courtesy always gives me the creeps," society columnist Bella Fromm recorded at the time. Needless to say, these interesting bits of family history do not appear in the fairytale biography published in 1961.

Neither is any mention made of the events of 1993, which really earned Lippe

Prince Bernhard . . . lies and omissions about his Nazi past.

*Friends in wildlife: Prince Phillip
His brother-in-law was a Nazi . . .*



its place in Nazi history: Negotiations with the aged President Hindenberg to have Hitler installed as Chancellor of Germany were on a knife-edge. The Nazis had suffered a serious setback in elections held in late 1932. To get the best possible deal with Hindenberg, it was necessary to remove the impression that support for the Nazis was declining. Now there was another election due - in the small state of Lippe. Hitler saw his opportunity to reverse the tide. He did, after all, have some very influential friends there. The Fuhrer criss-crossed Lippe for ten days addressing village meetings. Each night he would return to his campaign headquarters at Schloss Vinsebeck, a beautiful medieval castle, built in the middle of a lake. Here, in the romantic surroundings of ancestral paintings, and an old executioner's sword hanging over the fireplace, the Fuhrer enjoyed relaxing conversations with his host and hostess - none other than Baron and Baroness von Oyenhausen, both supporters of the Movement and, of course, Prince Bernhard's mama's one-time relatives by marriage. And still her close, close friends.

On January 15 1933, the Nazis were rewarded by Lippe with a great victory at the polls. Their percentage of the vote had increased by almost 17%, in contrast to the 40% decline in other states. "The tide is turning," the Party's propaganda machine began to drum. "Signal Lippe" was the slogan Goebbels used in a campaign to impress the nation with the scale of the victory. Hindenberg and his advisors were impressed. At midday on January 30 Hitler was sworn in as Nazi

Chancellor of Germany. The Third Reich was born.

Worse was yet to be revealed - but it would take till 1993 before the US government would open its War archives to the public - and more details of the House of Lippe's Nazi past would come tumbling out.

Back in 1961, Bernhard's authorised biographer - an impressionable American called Alden Hatch - coyly related how "many young and idealistic" German aristocrats, "swept away by Hitler's incendiary oratory", had been ready to follow him blindly. Amongst these was Bernhard's younger brother, Aschwin. At 16, said Bernhard's biographer, Aschwin was caught up in the tide of enthusiasm for Nazism and - only very briefly - "lent his name to the movement". This would, logically, have been in 1930.

In contrast, big brother Bernhard had an "unexpected social conscience". Remarkably - in Hatch's view - *this* Lippe prince was opposed to Nazism from the start. "His revulsion against Nazism was hardly due to a dedication to parliamen-

tary democracy," he adds, "because he did not believe in it." Truthfulness like that surely deserves our forgiveness. Who the hell believes in democracy anyway? Haha. Bernhard even had witnesses to his anti-Nazi views: he is said to have had a "serious discussion" with his parents late in 1933 in which he told them of his "doubts" about Nazism.

Not that it spoils the fun years he was having at university - three of them, actually. Starting at Lausanne, he transferred first to Munich, where, true, he watched the Nazi troops march by, then to Berlin where, yes, he witnessed the massive Nazi book-burning. But, happily for the Student Prince, most of the time it was just "drink, drink, drink ...!". (The world had been singing along to the voice of Mario Lanza in Hollywood's favourite musical *The Student Prince* for almost ten years - Bernhard's biographer knew a good script when he saw one.)

According to the biography, the fun and games only came to an end in June 1934 when, at his father's deathbed, the shocked prince decided to become a serious student. The romantic fairy-tale does not end there, however: within just one year of serious study, he is able to successfully complete what the biography describes as "the equivalent of a doctorate in law".

Which seems an appropriate moment to revert to that ominous introductory sentence: "In order to finish his education quickly Bernhard had to make some compromises with the monstrous political system ..."

Eleven days after Bernhard's father's death, Germany experienced Hitler's Night of the Long Knives. A thousand Nazis whose loyalty the Fuhrer did not trust - most of them working class Sturm Abteilung (SA) troopers - who tended to make new recruits from the upper classes nervous by taking the socialist in National Socialist Party too seriously - were murdered. The brown-uniformed SA was disbanded and replaced by the smarter, black-uniformed SS. No-one could have mistaken it for a bit of student tomfoolery.

As the time for his graduation was approaching, Bernhard says, he learned that he would have to pass a political "attitude test" before being allowed to graduate - a test, he coyly tells us, he feared he would not pass. Then he discovered a way out of this dilemma: if you were already a member of a Nazi "paramilitary organisation", you were assumed to have already displayed the "right" attitude and did not have to do the test.

So, in order to get his law degree, and in order not to have to prove he was a Nazi, Bernhard decided to become a member, not just of the party, but of the Nazi SS.

First he joined the League for Air Sports, started by the Nazis as an under-

continued on page 16

REPRODUCED AT THE NATIONAL ARCHIVES

UNITED STATES POLITICAL ADVISER FOR GERMANY

DECLASSIFIED Authority: NND 2000-02 By: NARA Date: 11/22/93

Dear Doc:

I enclose for your secret information a batch of photostats found among the records of the NSDAP regarding the membership in that party of Prince Bernhard of the Netherlands. According to these photostats Prince Bernhard declared himself separated from the NSDAP on September 9, 1934 when he gave power of attorney to Herr Heinrich Langhans to carry out the terms and formalities of his separation from the party. He is said to have been officially released from the NSDAP September 18, 1937.

All the best to you.

Yours ever,

Robert M. H.

Enclosure: Photostats

The Honorable H. Freeman Matthews, Department of State, Washington, D. C.

Handwritten notes: +R 850-170, Incl. 847E, Berlin, February 6, 1946, NND 2000-02, NARA Date: 11/22/93

DECLASSIFIED PER EXECUTIVE ORDER 12356, SECTION 3.3, NND PROJECT NUMBER 765023, BY 78/BA8, DATE 11/22/93

SECRET

Despatch No. 353 dated June 23, 1948 from American Embassy, The Hague

The subject's name appeared in a previous list of Nazi Party members residing in the Netherlands made available to the Embassy, a copy of which list was (Netherlands Alien Property Office.) When the name was discovered by the Beheersinstituut, the matter as a result, Mr. C. Adriessens, Chief, Administrative and Legal Section of the Foreign Office, asked the Embassy officer to call upon him and make urgent request that the name be deleted from the list. Mr. Adriessens stated that the Prince became a NSDAP member some years before his marriage into the Netherlands Royal Family and that he did so solely for the purpose of obtaining a pilot's license, which membership was necessary to obtain such a license. Mr. Adriessens added that Prince Bernhard was at no time active in the NSDAP and that his fine war record on the Allied side is known to all.

It is observed that the list is unclassified. It is suggested that, if possible, the name in question be deleted from the list. It is recognized, of course, that many Netherlands are aware of the fact that Prince Bernhard was at one time a member of the Nazi Party but it is possible that considerable unpleasantness could arise should the matter be publicized at this particular time.

Respectfully yours,

Herman B. Bruch

Louis does it with himself

the establishment of today's Democratic Party (DP).

Just once his selling abilities failed him - when Van Zyl Slabbert refused to be bullied into the leadership of the new party. In April 1989, the new DP came off the ground.

In the meantime, Louis moved to delist Ellis Park - at a time when its shares were trading at only 80c (20c less than the 1988 listing price). The value of his investment had dropped to R8m, a paper loss of R2m.

Once again, he settled down to some serious boardroom negotiations. In the one corner, we had the chairman of Ellis Park and President of the Transvaal Rugby Union, Dr Louis Luyt PhD (hc). In the other corner, as custodian of the Luyt family interests we had, yes ... Dr Louis Luyt PhD (hc).

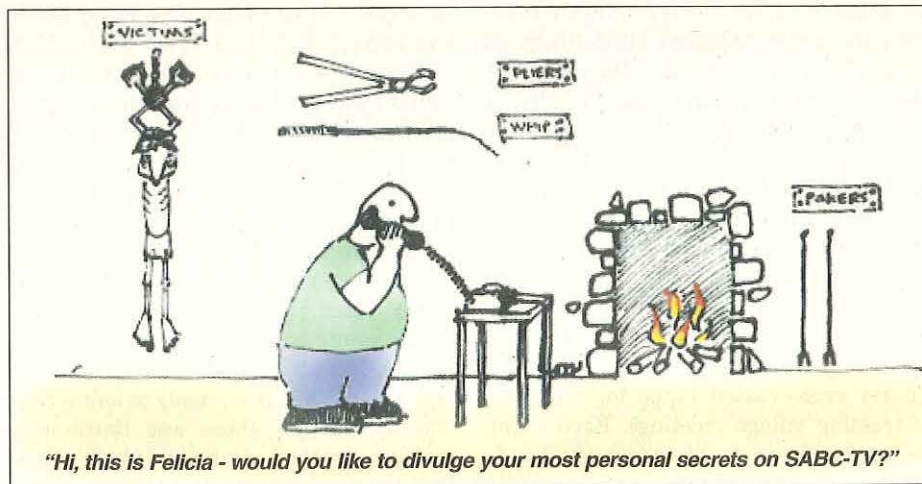
FURIOUS

The TRU, represented by Dr Louis Luyt PhD (hc), agreed to buy out all shareholders in Ellis Park Stadium (including Dr Louis Luyt PhD (hc)) - at 110c per unit - a 30c premium on the then prevailing market price. In one stroke, Louis had recovered his money (with a bonus) - and got shot of all those unwanted directors. This time, Kobus Roetz, then MD of an ailing TrustBank, lent the TRU the money to buy the shares.

Much later, it was to prove to have been an excellent investment and, by 1993, the TRU had repaid its debt. But for at least the first two years, the TRU had no easy ride. So, in 1990 - when the going was still rough - Luyt thought he could call on his friends in the DP, who were running the Johannesburg City Council thanks to his political brokerage, to provide the TRU with a "soft loan" of R20 million. When, initially, his request was turned down, Luyt was furious. He was overheard at the time telling Harold Pakendorf, ex-newspaper editor and co-founder of the DP: "Hulle is sommer 'n kak party. Kom ons begin 'n nuwe een." ("They're just a shit party - come, let's start a new one.")

A year later, Johannesburg's DP councillors relented and advanced R10m for a period of five years at a soft rate of 10%.

While Luyt was no longer subject to directors representing outside shareholders asking cheeky questions, he still ran the risk of one or two cheeky members in the TRU executive - Van Coller had returned as one of them - thinking they could act as his "master".



So, in 1994, while all the newspapers had their attention focused on South Africa's first democratic election, he made his next move. On March 21, "die manne" converged on Ellis Park for an extraordinary AGM. Shortly before, the annual report for 1993 had been published, containing the agenda should have caught the attention of an alert delegate. It called for the meeting to approve "the creation of a trust for the control of funds in respect of Ellis Park Stadium (Pty) Ltd." But no - not one of the manne understood the implications, or else they simply didn't care.

Luyt did his selling job in advance. This time he had an extremely soft target in Gert Augustyn, his colourless deputy.

It was a typical AGM: the tabling and acceptance of documents such as the president's report, the financial report, the appointment of the auditors, the affiliation of the Midrand Rugby Club, and so on, and so on. As they worked their way down the agenda, the manne became thirstier and thirstier.

When Augustyn's turn came, he made a proposal that was not on the agenda. He proposed that *all* financial matters should vest in the President. The thirst must have been really great, because all delegates promptly supported it, including Brian van Rooyen, the man who would later emerge as Luyt's biggest enemy in TRU circles.

Next, the decks were cleared for Luyt to establish a new trust to take control of Ellis Park Stadium (Pty) Ltd. The new trust was to *control* - not *own* - Ellis Park. (The significance of the fine distinction would only become clear somewhat later.) Luyt was given carte blanche in setting up the trust.

The manne rushed for the bar. The only thing they hadn't accomplished was the formal crowning of Louis as Oom Jannie

the Second. Luyt had devised a scheme which would give him *control* of Ellis Park without any of his own funds being at risk - the TRU *owned* it.

The trust he created was to have five "A" trustees and three "B" trustees. "A" trustees do not need to be members of the executive of the TRU. "B" trustees must be members of the TRU executive. But Louis Luyt chose and appointed the first trustees in both categories.

The "A" trustees are Big Louis himself (of course!), Rian Oberholzer, Willie Kruger, Avril Malan and Henry Vorster.

Oberholzer, besides being CE of SARFU, is married to Luyt's elder daughter, Corlia. Kruger has been a Luyt employee for almost three decades and is a Board member of several of his private companies. Malan, a former Springbok captain and brother of ex-Minister of Defence, Magnus Malan, was also once a Luyt employee, when his earlier career at Gencor ran into a dead-end.

Vorster had been a senior partner in Hofmeyr van der Merwe - for many years Johannesburg's leading Broederbond legal firm. Now he and Laurie Perreira, another ex-Hofmeyr van der Merwe partner, are partners in Sandton firm Vorster Perreira. They drew up the trust deed.

Despite a brief falling-out between Luyt and Vorster's partner Perreira, they have come a long way together. Perreira had been both a director of Triomf, and the company's attorney. When the Richards Bay venture was put into liquidation in 1986, it was Perreira who filed the court application, and signed the supporting affidavit. (Louis rarely puts hand to paper.) Perreira also acted as attorney for LLG, when that company went into liquidation in December 1986.

So it is to be expected that his partner, Vorster, will understand that it is in their interest to remain loyal to the Luyt camp.

If a vote on any matter is to be taken, a majority in favour of Luyt is almost guaranteed. The 5 "A" trustees, who need not be members of the executive of the TRU - since rechristened the Gauteng Lions Rugby Union - will almost certainly secure this. In the unlikely event of dissent among the "A" trustees, Luyt will surely pick up enough support from the "B" trustees to secure perpetual control of the Trust. While "B" trustees are drawn from the executive of the Union, they were also chosen and appointed by Louis, remember.

In terms of the trust deed, it seems almost impossible to remove an "A" trustee. And if, say, Malan resigns, then Luyt, Oberholzer, Kruger and Vorster will confer as the remaining "A" trustees and appoint a new trustee to replace him.

(Oberholzer recently claimed to have resigned as trustee, but no such resignation has been registered with the Master of the High Court - a legal requirement to be effective.)

Likewise, if, say, King amongst the "B"

trustees resigns or is removed by virtue of no longer being a member of the GLRU executive, Louis' old friends Augustyn and Bladen will confer to elect a new "B" trustee.

The reality is that Luyt has secured effective control of the Trust that controls Ellis Park - for life.

The ultimate irony: if Luyt resigns as President of the GLRU, his position as an "A" trustee remains untouched. On the other hand, his successor as President of the Union will not automatically become a trustee. And, if he is not a friend of Louis', he is unlikely to be nominated.

CHEEKY STEVE

The latest balance sheet of the GLRU puts the value of its investment in Ellis Park at almost R104m - which amounts to 87% of the GLRU's total assets. This means that any new executive and new president who might be elected by the GLRU will probably only control 13% of the Union's assets (those few assets not controlled by the Trust). A Luyt-picked

clan controls - and will continue to control - the other 87%.

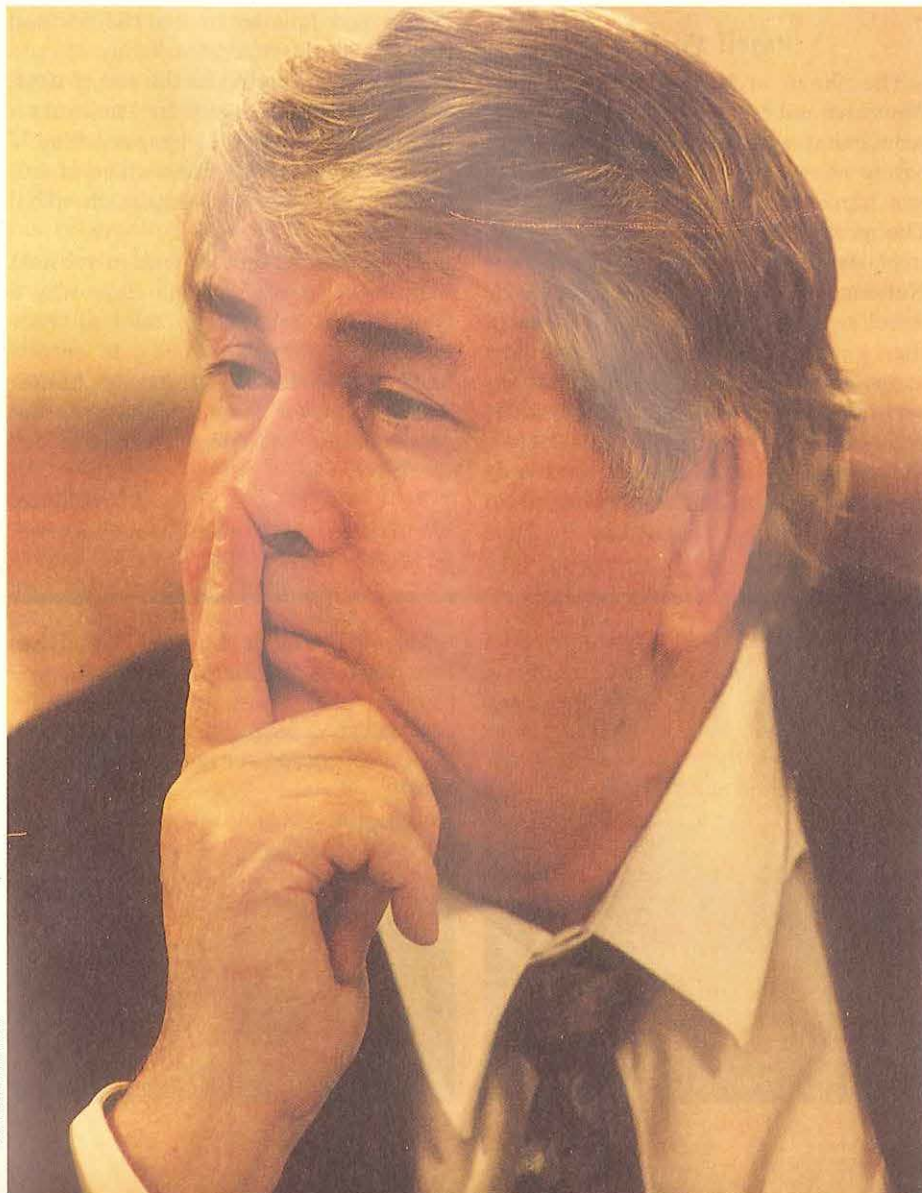
Remember, the Trust receives all the dividends and debenture interest from Ellis Park Stadium (Pty) Ltd. The trustees (not the owners of Ellis Park) decide - by majority vote - how to dispose of it. The GLRU is designated in the trust deed as the "only beneficiary" of the Trust. Since 1994, the Trust has chosen to make only one payment to the Union: R7,7m in 1996. But since 1994, the undisclosed profits made by Ellis Park have probably exceeded R50m. The balance not paid out to the GLRU must therefore have been invested *somewhere else* by the Trustees. In fact, by our reckoning, they should have an investment portfolio worth well in excess of R50 million by now.

The last time that its annual profits were disclosed (in 1992), Ellis Park (Pty) Ltd alone showed a profit of R9,3m. Then last year the GLRU disclosed the combined profits made by itself, Ellis Park (Pty) and the Trust. From this, it can be deduced that the Trust and Ellis Park together showed a profit of only R11,5m in 1997. This must include Ellis Park's substantial gate income - from the World Cup final and several other prime events in that time - and the Trust's dividend and interest income on its own investment of over R50 million. All that produced only R11,5 million? What sort of investments have the trustees been making?

Now, according to the trust deed, neither the gentlemen serving on the GLRU executive, nor delegates at its AGM, have the right to ask such questions about either the Trust or Ellis Park's finances. So it was very cheeky of a task team of the Department of Sport to think they could do so. Anyway, they did. They employed auditing giant Deloitte & Touche's forensic department to communicate with the GLRU in this regard.

May I interject while you hold your breath. All the while that Big Louis has been battling with the government and his many opponents, he has been trying to sell one or the other of his two mansions: the one, on Zoo Lake in Johannesburg, the other, his seaside cottage in Ballito Bay on the KwaZulu-Natal North Coast. The latter - quite a roomy, Cape-Spanish-Mexican-style holiday home, really - was rumoured to have been on the market for R30m. Directly owned by a private company, Ballito Heights (Pty), which is, in turn, indirectly owned by four family trusts, it offered all sorts of possibilities for a really creative deal.

continued on page 16



continued from page 13

Bernhard - white knight or black prince

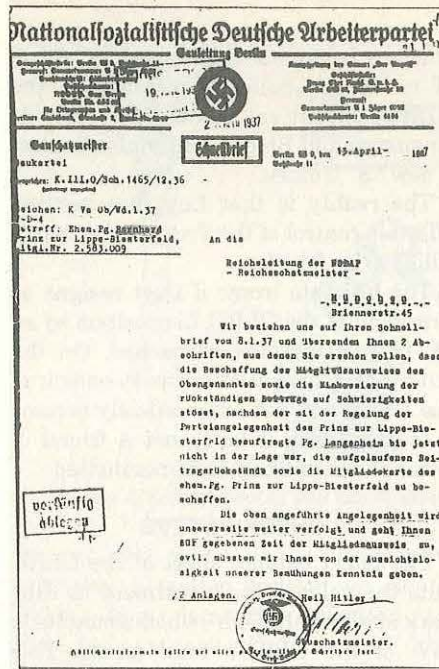
cover way of training war pilots. But, his biographer records, after crashing one of their planes, he had hurriedly to leave the League.

Luckily he soon found another "harmless cover": the Berlin unit of the Ritter SS, which was headed by a friend - an "idealistic Nazi" who "truly believed in the noble aspirations of the party". Bernhard and "five or six friends" joined this SS unit which was made up of young men who owned their own cars. "It almost amounted to a sports car rally," he says gaily. Bernhard and friends rushed to a tailor in Berlin to have their new nazi uniforms made. "I must say we looked smart in them," he says.

The chapter concludes: "At the end of their studies, Bernhard's group left the SS and severed all connection with the party." So, if the biography he authorised at the time of his appointment as President of WWF International was to be believed, Bernhard joined the SS late in 1934, and resigned in about August 1935.

He was, of course, not to know that Nazi Party records seized by American intelligence in 1946, would be declassified 45 years later. In fact, he had every reason to believe that his name had been expunged from the Nazi records for good. In June 1948, a senior official of the Dutch Foreign Office had been instructed to arrange it. The American State Department had been sympathetic. Ah, the best made plans ...

We have obtained copies of those wartime records - curious how the Nazi Prince found it necessary to lie, even then. In its formal request to the Americans in 1946, the Dutch Foreign Office offered yet another version of his story: they claimed that Bernhard had



joined the Nazi Party "solely for the purpose of obtaining a pilot's license". The Prince had obviously momentarily forgotten how smart he had looked in his Ritter SS uniform.

"Heil Hitler!"

The Nazi archives seized by the American military government of Berlin reveal that no fewer than eleven Lippe royals were Nazis; Crown Prince Ernst zur Lippe had joined in 1928 already. The records show that, far from expressing doubts, Bernhard joined the Nationalsozialistische (Nazi) Deutsche Arbeiterpartei on May 1, 1933 - more than a year before his father died and he supposedly discovered the barrier to his serious academic ambitions. And, as for little brother Aschwin's juvenile lapse - that was pure invention. Aschwin only joined the party in 1937 - when he was 23 - and still had not resigned by the time the war ended.

Most significantly, Prince Bernhard's own resignation from the party was only formalised in January 1937, after his engagement to Princess Juliana of the Netherlands.

The American archives contain the Nazi leadership's lengthy correspondence concerning Bernhard's resignation from the party, including his note of resignation which reads: "I herewith declare my resignation from the NSDAP and authorise Mr Heinrich Langenheim to carry out all the associated formalities and to sign on my behalf in connection with any such matters." It concludes with the salutation "Heil Hitler". Indeed.

The list of Nazi royals also includes a number from the principality of Hesse, next door to Lippe. Amongst them is Prince Christoph of Hesse, another of the jolly members of the Ritter SS - and brother-in-law to Prince Philip, Duke of Edinburgh.

Ah, yes, you say, but all this is history. True. But the lies and cover-up alerted investigators to other, closely related trails. Trails that begin in Paris and Berlin and London in the 1930s - and lead, inexorably, to Africa. Today.

After he graduated, at the end of 1934, Bernhard left Germany for Paris. "As a first step," says his biographer, Hatch, "he got a job in the Paris office of I.G. Farben, the great German chemical combine."

When we take up that trail in our next instalment, it will become clear why a Nazi Prince, schooled in colonial trade and eager, desperate really, to earn a buck on the side - an enthusiastic hunter with no known commitment to nature conservation - was a logical choice to lead the WWF. ¶

to be continued

*Re-written, with additional material, by Martin Welz.

continued from page 15

Louis does it with himself

But at R30m, not likely to be snapped up in the market. Which might explain why he recently changed his mind and decided rather to sell the house at the zoo.

Back to the cheeky questions. Marc Pinington of Deloitte & Touche slipped this one in: "Has the company [Ellis Park (Pty) Ltd] at any time considered or affected any resolution to purchase any immovable property from any Board member or any other individual closely connected to any Board member?"

It appears to have been at about this

time that the task team Minister of Sport Steve Tshwete appointed to investigate rugby's mysteries disappeared from the scene. You want to know the response from Ellis Park (Pty) to the question? There hasn't been one.



Maybe Dr Louis Luyt PhD (hc) has been too busy negotiating with ... ¶

Louis' R30 million seaside cottage at Bellito



PJ O'ROURKE FOUND IT NECESSARY to mock idealism, declaring "Everybody wants to save the world - nobody wants to help mom with the dishes." These days, however, people are so busy with their dishes - satellite dishes - that idealism and worrying about society are seen as the ultimate in pretentious self-indulgence. After all, it's settled: Communism and Socialism are dead - long live Capitalism!

But suddenly there is trepidation: Eastern economies and currencies are collapsing, and stock markets everywhere are tottering. Income disparities are growing, and unemployment is ever on the increase. Capitalism, it seems, may be coming unstuck as fast as Communism did. Idealism may be set to make a comeback.

Along comes John Pilger with a surprisingly persuasive new book, *Hidden Agendas*. Pilger is that Australian investigative journalist and film-maker who recently caused the bosses at Auckland Park to sweat, with his TV documentary suggesting that the new government had betrayed the mass of South Africans by its commitment to free-market capitalism.

The curious and panicky response to his programme at the SABC, and the resulting brouhaha in the *Mail & Guardian* - during which the not very reticent Pilger found it necessary to allude to SATV news boss Allister Sparks' opulent Sandton address - gains new meaning in the light of *Hidden Agendas*. In it he argues that the people who control the mainstream media really have no interest in promoting true democracy; in fact they fear it. Pilger says of SA: "The intelligent whites (it's not certain if he includes Sparks in this category) have measured the scale of their luck - that they, not the blacks, are the true beneficiaries of the 'Mandela factor'."

Pilger argues that socialism has not been vanquished. His book is a tribute to those people who "in refusing to attend the funeral of socialism, have brought to light the hidden agendas of governments, corporations and their bureaucracies".

He places himself in the forefront of this campaign. What he lacks in humour he makes up for with surprises. Even for a South African, somewhat inured by the recent TRC revelations, the catalogue of government brutality, lies and hypocrisy from all parts of the world is truly astounding. In the West, power and pub-

Pilger is back!

lic relations is everything - morality is nothing. Our own Mark Thatcher features here: he insinuated himself into the arms trade, to unimaginable personal enrichment, while at the same time his holier-than-thou mummy was, herself, developing an exceptionally hands-on approach to the British arms industry - and the Iran-Iraq war. When Pilger entitles a chapter *The Terrorists* he is referring to Western governments, and their crude abuses of power, putting one in mind of Ghandi's response when asked about Western civilisation: "It would be a good idea."

Pilger complains that in the face of the many serious flaws that have become obvious in the new global economy, the mainstream media merely reflects the supposition that capitalism has succeeded and socialism failed. He quotes George Orwell: "At any given moment there is a sort of all-pervading orthodoxy, a general agreement not to discuss large and uncomfortable facts."

Pilger revives the old idea that the purpose, in a civilised society, of news media is not to get the maximum possible return on equity - but to uncover the truth, and to foster informed democracy.

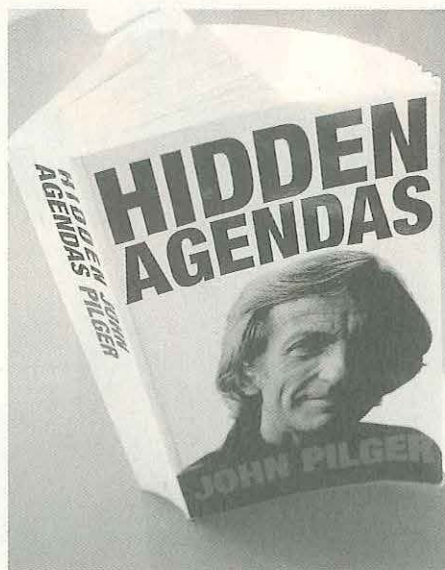
Proper journalism - by experienced professionals - is more difficult, more time-consuming and more expensive. The mainstream media are in the hands of a few corporations that have no interest in allowing an examination of their conduct. They have additional influence through their advertising power and their ability to hire ruthless Public Relations people. Pilger quotes English PR-man Max Clifford: "PR is filling the role investigative reporters should fill, but no longer can, because cost cutting has hit journalism so heavily."

Rupert Murdoch's impact on English print and electronic media is described as a "cultural Chernobyl". To demonstrate, Pilger recalls a BBC broadcaster announcing on the evening of the funeral of Princess Diana: "We have come together as a people and learned who we are", and a Murdoch newspaper headline pronouncing "We will never be the same again." But Pilger is, in his own way, as insensitive to the complexity of the situation. He reckons the real story was that "a wealthy aristocrat and her playboy lover, with their intoxicated driver, endangered the lives of innocent road users".

This occasional grim fanaticism is Pilger's main weakness.

He is most fascinating when discussing the things he loves. In the history of *The Mirror* newspaper, we get a picture of the eccentric and imaginative environment that newsrooms were before profit became a totally over-riding objective. It was, he admits, the kind of thing that would drive a business school graduate crazy. He has tremendous admiration and sympathy for people around the world who stand up for themselves against oppression and injustice, frequently in the face of seemingly hopeless odds. He quotes the jailed leader of the East-Timorese resistance, Xanana Gusmao: "The thing that enchants me is the primitive harmony of the relationship between human beings and the natural world - and how beautiful it is to feel the peace which invades the soul as the body brushes through the dense foliage of the woods, the sensation of a concealed freedom."

Pilger also quotes Edward, Prince of Wales, who remarked after a visit to Welsh slums in the 1930s: "Something must be done." Ironic, I know, but if you don't agree after reading this compelling, fascinating, contentious book - then you probably need a heart transplant. **A**



B*Y*O*B

by MICHAEL OLIVER

HOST AT PARKS RESTAURANT



SOMETIMES I THINK THAT I AM IN the middle of a nightmare, being tugged from two sides by this issue: it's the old compromise thing, the dichotomy of the mindset. And in the restaurant business it has to do with hospitality and service. In the customer's mind it has to do with the tradition of unlicensed restaurants to which you had to take your own wine, the desire to drink only the safe wines you know - and the desire to bring down the cost of your meal.

So let's look at the issue from both sides - the yin and the yang. Yin, the dictionary tells us, is the "negative, dark and feminine side" of the issue. The type who says "why the hell shouldn't I bring my own wine", even if the restaurateur has gone to a great deal of trouble to put together a list. Putting together a wine list has a number of costly side issues which are usually ignored by the customer entering the door clutching his warm bottle of Stein, Premier Grand Cru or Ever-so-Potable Dry Red (that wonderful blend of tank ends of Cinsaut, Pinotage, Shiraz, Grenache and Tinta Barocca and 9gms/l sugar for easy drinking!). The idea of added value on a bottle of wine served in a restaurant completely escapes him or her. In case it's by-passed you too - be enlightened, dear reader. The initial cost of obtaining the license is no mean amount - in the region of R4 000 if done by a large-turnover legal firm, perhaps double if a consultant gets involved. Then you have the fridge, the glassware and other accoutrements - corkscrews, ice buckets, ice machine - the list itself. That's before you get to the not inconsiderable investment in the wine if you have a good list. Most suppliers work on a cash only basis and the restaurateur is usually paying for it with his overdraft. Quite happy they are to pay four times and more for the piece of fish or fillet, grilled and sauced (I'm waiting for a guest to bring his own), but add a reasonable markup to a bottle of wine and immediately the

restaurateur is accused of being in the rip off business.

Why get a license? To offer service to customers, as you draw from a wide spectrum of the market. There are regular guests who rely on your listing good wines. Tourists who don't have access to wines, expect to be able to buy a good wine in a restaurant. Is there any retailer anywhere who does not mark up a product he resells? Is there any country in the world which will let you take your own wine into a licensed restaurant, as restaurateurs experience here? Why do those who haul in their own, usually bring in wines of such "unimpeachable mediocrity"? And it's usually enough wine, of enough different types, for a big party - meaning many different glasses to be washed (and broken). A fee should be paid for the service provided, usually called a corkage, but I like to call it wine service. Semantics, I know, but corkage implies only removing the cork, service implies The Full Amontillado.

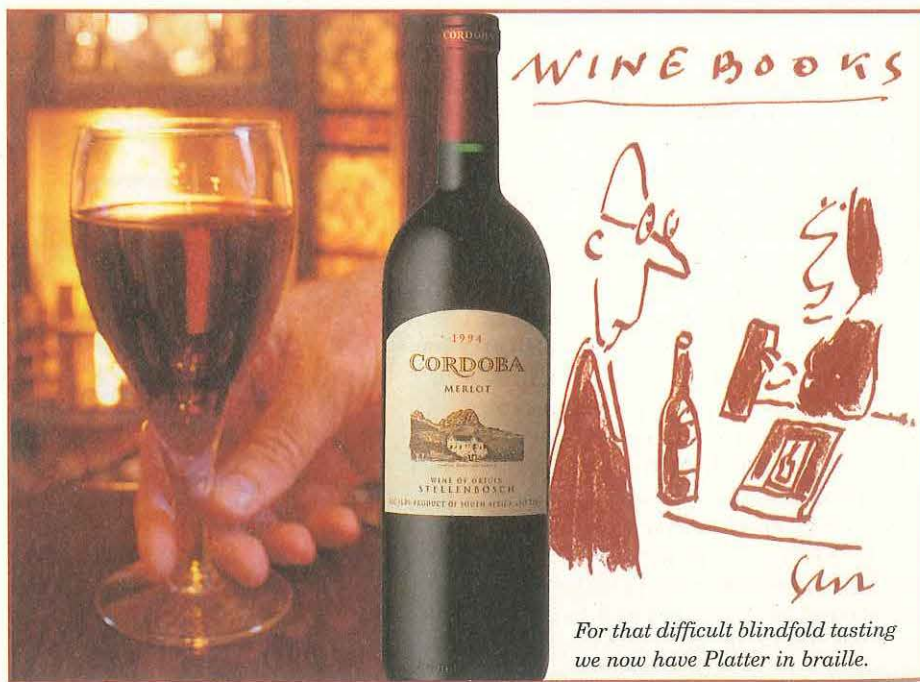
Let me now yang on about the other

side of the issue, the "positive, bright, masculine" (dictionary again) side. What of the wine buff who brings in a bottle of something really special? This is usually the "serious knowledgeable" who drinks rather than talks about the bottle he's brought. It's often a table of two and the host, upon entering, virtually always says something like "I hope you don't mind, but we really wanted to taste this with your duck, but I will buy a bottle of your white to start with". He's aware of what he is asking you - to forego your profit on one bottle for his enjoyment. And he knows that of course you don't mind, you're in the hospitality industry, you're charming and polite to your guests, you're on their side, you help them to - want them to - enjoy themselves; you'd love them to, in fact need them to come back again. Yes? No? I don't know. Answers on a stamped, addressed, full wine bottle, please.

I can't end without a mention of CORDOBA MERLOT made by Chris Keet. The 1994 was his first vintage on Cordoba, which is halfway between Stellenbosch and Somerset West. It's one of my more recent finds - a Sophia Loren of a wine. Alive, full of character, well rounded. And still some time to go before peaking, says Platter! Peek now and enjoy. ♪

Chris Keet is at Cordoba Winery,
P O Box 2282, Stellenbosch 7599.
Ph 021 855 3744. Fax 021 855 1690.

✿ as in "We are having a brah,
jus bring your own bottle"



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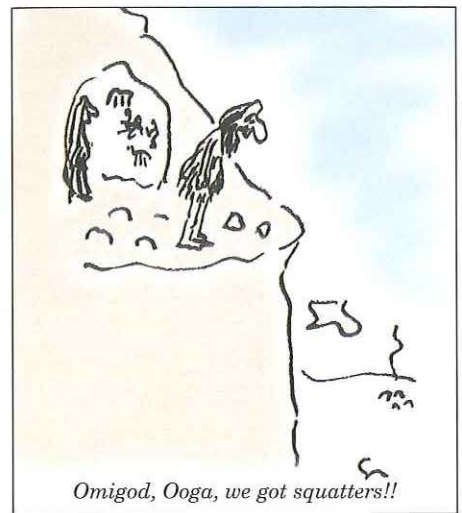
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AN UPLIFTING COVER

Dear Sir

The delicious derriere on nose cover # 22 intrigues. Devotees of author Ms Friday will leap to one conclusion, whilst on the other hand faithful Fido may simply be guarding your curvaceous model's Most Precious Possession. Whatever, thank you for a sight to uplift and drive off the universal angst besetting RSA.

Peter Inkley

Benoni

Dear Sir

I'm using the cover of nose22 as my new mouse pad - because it feels so good.

JA

London

Our readers like our new covers. Not quite the covers you'd expect on a business magazine, maybe - but then noseweek's no ordinary business magazine.

The World's our business. And we believe in giving our readers added value for their cover, making noseweek both a great read and a happy accessory for your desk or coffee table. - Editor

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