

news you're not supposed to know.

nose WEEK

PUBLISHED MONTHLY COVER PRICE R9,70

ISSUE NO. 8

MAN OF HONOUR

ex-judge takes off

I'm taking along
a couple of old bags to
collect the cash.



- **BOB ALDRIDGE TELLS ALL**
- **ASKIN: TOLLGATE'S RED HERRING**

noseWEEK

PUBLISHED MONTHLY

ISSUE NO. 8

Editor: *Martin Welz*
 Features Editor: *Maureen Barnes*
 Tel: (021) 61-4809
 Fax: (021) 61-3685

Welcome, dear Reader,

Isn't it extraordinary how those reared to domination and hypocrisy continue to revert to type? Consider Afrikaner historian turned pop columnist, Hermann Gilliomee's present campaign to stop a Truth and Reconciliation Commission from telling us all the truth.

True democracy does not only require that everyone has the vote; it requires access to information by everyone, because a vote is free only to the extent that it is an informed vote. Only then can democracy hope to substitute votes for violence as a means of resolving differences.

Those who have the knowledge have the power. To be deprived of knowledge is to be made powerless. Secret knowledge, we now know from experience, corrupts. Our situation is not unique. In Sicily, too, all have the vote - but the secret power of the Mafia ensures that they have no democracy. There, too, the situation will continue for as long as it takes for the Italian government to dare grasp the nettle. The point is quickly demonstrated with an anecdote from Michele Pantaleone's classic, *The Mafia and Politics*:

Don Calo died a member of the church and of the majority Christian Democrat

Party. The cathedral was hung with funeral trappings, and over the entrance there was a huge poster which proclaimed: "He was an honest man".

The fact is that when he was mayor of Villalba he managed to extract the files with the documents of his penal record from the court archives, police offices and the Carabinieri headquarters. Nevertheless, official records of past trials held in the State archives show that during his long career he was tried on various occasions for belonging to criminal gangs, for robbery, massacre, cattle stealing, bribing civil servants, simple and fraudulent bankruptcy, aggravated fraud and the instigation of murder. On several occasions he had been arrested but was then released at once, and the many cases brought against him had either been unobtrusively dropped, or had ended with an acquittal for lack of evidence - the greatest honour that a Mafioso could hope for.

To return to Professor Gilliomee. Allowing the ordinary citizen only a little of the truth, is like pleading - in 1994! - for a qualified franchise. Previously most South Africans were not considered fit to vote. Now they are not considered fit to know.

The struggle continues.

Palazzolo in his Swiss prison cell before he escaped to South Africa - and that in the Lugano prison's visitors' register Mr Grunfeld is recorded as holding an Israeli passport and being resident in Nicse, Israel. Also see story on page 3. - Ed.

Bookshops controlled by CNA/The Literary Group, which include all branches of Exclusive Books, Bookworm and Pilgrims, still continue to banish noseWEEK from their shelves "for business reasons". Many reputable, independent bookshops and newsagents do, however, stock us. Call us for the supplier nearest you - and remember this when you are shopping for books.

CNA NAMES ITS
OFFICIAL CENSOR

First with the baddies

Dear Sir

I refer to comment made in issue 7 concerning the CNA position with regard to your publication.

The purpose of this note is to reiterate the fact that our policy is to keep an open mind in matters such as these. You should accordingly feel free to submit copies of your future editions to us for consideration, and you have my assurance that any such submission will be carefully and objectively reviewed by us.

Advance copies for consideration should be submitted to Butch Courtney, Director of our News-stand Division.

Yours sincerely
 G D O Cooper
 Merchandise Director

In view of your history in this matter, how open can your mind possibly be? You speak of keeping an open mind "in matters such as these" - matters such as what, for instance? It is not clear to us what you are referring to. You banned us from your shelves without having had a copy "submitted" to you "for consideration". In fact you appear to have done so without having "carefully and objectively" reviewed the issues of noseWEEK then published at all. If you did, you would have been able to show what you found in noseWEEK that was factually wrong, or so offensive that the public de-



GAMES IN AFRICA

Dear Sir

As I know that your magazine is relentless in its pursuit of the truth, I would like to set the record straight in regard to certain allegations made in your article in issue number 7 in the article entitled A Great Lottery Win!

Mr Eugen Meir Grunfeld is no relation of Mr Grunveld, who apparently sits on the board of Games Africa Ltd. I am sure that a magazine of your eminence can appreciate the difference in the spelling of similar

sounding surnames. In addition, Eugen Meir Grunfeld has been residing in South Africa since 1964 and therefore your reference to him as being 'more recently of Cape Town' would certainly be apt if you were discussing the evolution of man which is measured in decades or millenia, but a period of residence in a country of 30 years can by no stretch of the imagination be construed as 'more recently'.

Lastly, Mr Grunfeld does not front for the Mafia, nor for his son-in-law Vito Palazzolo, but being Jewish, fronts for the Nazi party. Mr Grunfeld established his cover at 13 years old when he spent 1.5 years in the Auschwitz concentration camp, where he lost his entire family (except for one surviving sister).

Yours sincerely
 J Hendricks
 (address not disclosed)

Indeed, the fact that a survivor of Auschwitz should have chosen, in 1964, to emigrate to South Africa to share in the privileges of a white minority, while the majority were deprived of their rights purely on the basis of race, does raise all sorts of interesting questions about Mr Grunfeld. So, too, does the fact that he was visiting Mafia banker Vito

served to be protected from us.

Why should we submit to censorship by Mr Butch Courtney, and what makes him so specially qualified and informed that he is able to judge the truth or otherwise of our reports and decide what is suitable for South Africans to read – and what not? What other publications are submitted to Mr Courtney for him to decide who should be able to buy them? Surely then it would be better for CNA to openly declare its support for a Board of Censors? Or is CNA promoting “privatised”, corporate fascism to replace the Fascist State we have only just seen on its way?

Please feel free to call us whenever you decide to stick to your usual business of distributing and selling books and publications – of all kinds and to all tastes. For spiritual and legal advice we go elsewhere. – Ed.

Dear Sir,

Enjoyed seeing you on Carte Blanche.

Now could we have an explanation of the presence of Jan S Marais at the Inauguration.

Also, may we have an obituary to General Basie Smit. Let us not forget his rather obsessive treatment of Durban's gay community during his term of office there, which could not, of course, be related to homosexuality in his own immediate family.

L. R.

Sandton

PASLOAD TRIGGER

Dear Sir,

Now that the Airforce's CCB-type “privatised” operations, code-named “Pasload” and “Gauntlet” have become public knowledge – thanks to noseWEEK – perhaps it is time the public was also told that one of the four pallets loaded in the combi section of the Helderberg, the SAA flight from Taipei that went down in flames over the Indian Ocean killing all its passengers and crew, held a cargo addressed to Pasload. In certain informed airforce circles it is said the pallet contained no-no triggering devices and components being smuggled from America for SA's rocket programme, in a desperate bid to stop what at the time was thought to be an otherwise unstoppable Cuban advance in Angola. No wonder there was no turning back.

The fact that the Helderberg enquiry was chaired by a judge with long-standing ties to the Israeli military establishment could be significant.

Put the Helderberg on the agenda of the Truth Commission and see who complains.

Your Air Correspondent
Cape Town

RAND NOTE

Dear noseWEEK

A Mandela, a Tambo, an Umkonto. Is South Africa in store for a new currency, to replace the rand with politically correct lucre?

The financial markets say something is afoot. While bankers are, as usual, tight-lipped, the give-away is the change in the value of the rand abroad. Of late the financial rand has been strengthening and the commercial rand steadying. But when I recently tried to sell the few remaining rands I have from a trip to SA, I was politely told by my bank to try elsewhere. I have been told this has been the case for the past few weeks. In London Thomas Cook, National Westminster Bank, Midland Bank and Standard Chartered don't want to insult their clients by quoting a rate. Other banks offend in degrees but don't want more than R500 in notes. Barclays quote R5,50 to the pound, ABSA R5,90 and Nedbank R6,50.

The fact that British security printers De la Rue & Co were given the huge SA ballot printing contract suggests that diplomatic and business relations may have been restored between the SA Reserve Bank and the new owners of the British company that used to print all SA's bank notes – until sanctions ended their relationship (or sent it underground). There has been a massive illegal flight of rands from SA which peaked during the build-up to the elections. A London banker tells me that in a single day shortly before the SA elections R120 000 in notes was changed at just three of

his City branches.

Does the SA government propose neutralising the notes illegally taken abroad by introducing a new currency – which De la Rue might be in the running to print? If so, people outside the country with buckets full of “hot” rands could be up the creek in a barbed wire canoe without a paddle: the only value their old rand notes may have is as wall paper, shoe liners or kindling for winter fires.

I have made a few enquiries, but most bankers seem to think the above scenario is unlikely. Too small a proportion of SA's lost reserves is abroad in rand notes. The more prosaic reason for the reluctance to buy rands is that UK banks have stuffed their boots with rands prior to the election and don't want to hold any more.

Many believe that, in any case, the financial rand will be abolished in the not too distant future. The discount on the financial rand to the commercial rand is around 23%; last time the currencies were merged it was at a discount of 18%. This time round bankers would prefer 10% to 15%. The resting rate of the unified currency would be expected to be between the current rates.

– Henry Harington
(Occasional Correspondent for the Wall
Street Journal)
Devon, England

[Note to Editor: If you pay me for this please use the usual Lichtenstein account. I'll pass on rands this time but would be happy to accept Bhutan Nqultrums, Mongolian Törögs or Haitian gourds – H H]

Rugby Test



It's my old rugby injuries – I was hurt every time I wasn't chosen for the team

● The new government is currently reconsidering the continued residence in South Africa of Mafia banker Vito Palazzolo, who entered South Africa illegally in 1986, after absconding from a Swiss prison. He had been jailed for laundering the proceeds of the Mafia's heroin sales in America. ● He is now said to be assisting one of Europe's largest casino operators, Casinos Austria, in their bid to enter the South African gambling market. ● What might persuade the new government to allow the Sicilian to remain in SA? Has he, too, been the subject of a secret indemnity deal? ● Palazzolo has claimed that, as a "hot" money banker in Switzerland, he made powerful friends in German intelligence; in customs and the diplomatic corps; in the KGB; in the arms blackmarket; in the international gem trade. Already early in his career he had South African clients.

THE DIARY OF A DON

1981 – Sicilian-born Vito Casamire Salvatore Maria Palazzolo, known as Roberto, was employed in Lugano at Finagest, a business that specialised in money laundering. The Italian Mafia was one of Finagest's more important customers.

Also in 1981 – Palazzolo was shopping around the banks of Switzerland, looking for R300 000 in South African rand notes – with which to pay for an undeclared consignment of diamonds. As Judge Harms would later remark in his Commission report: "One can only guess what the origin of the diamonds was, and what the destination of the rands."

April 1984 – P. was arrested by the Swiss police in April 1984 on a warrant issued by the Italian court investigating the biggest Mafia case of all time. Before he could be extradited to Italy, P. admitted to his involvement in Finagest, resulting in his being jailed in Switzerland.

30 June 1986 – Mr Peet de Pontes, an attorney and Nat MP for East London, was briefed to see Palazzolo in La Stampa prison. The Sicilian wished to discuss the possibility of coming to South Africa. This was, however, not the first visit P. had had from South Africa: Prison records reveal that only 12 days earlier, on 18 May, he was visited by Marcel and Ester Grunfeld of Cape Town. He had got to know them some years before, in his dealings with the diamond dealers of Antwerp.

16 September 1986 – De Pontes again visited P in his cell to inform him that he could come to Ciskei, from where he would be able to move around freely in South Africa, and from where they could then "fix up the South African side of things".

27 October 1986 – De Pontes made a followup visit to P, to inform him that President Sebe had granted him temporary residence in Ciskei. Again, only a week earlier, P. had had a visit from Eugen Meir Grunfeld (also known as Marcel, after a long residence in Belgium). This time, according to the prison register, Mr Grunfeld identified himself as the holder of Israeli passport no. 1554559, domiciled in Nicse, Israel.

De Pontes noted in his diary that P. had asked him to establish whether it was possible that he might be extradited from South Africa, and to discuss "housing and other matters" with his "Jewish friend in Cape Town".

24 December 1986 – P. absconded from prison and flew to SA, using the identity – and passport – of a fellow prisoner.

May 1987 – P. used the fanciful assumed name, Von Palace Kolbachenko, for the first time, when he opened a bank account for his new, Papillon. (The company name was a rather obvious joke about his status as a great prison escapee). Shortly thereafter he formally assumed the new name by deed-poll in Ciskei, in order to hide his true identity from the SA authorities. He thought they would only grant him a permanent residence permit if they remained ignorant of his criminal past.

Next he established the Von Palace Kolbachenko Trust to hold most of his South African assets.

31 January 1988 – P. was arrested by the SA Police on a charge of having illegally entered South Africa.

3 February 1988 – P. signed a general power of attorney in favour of Meir Grunfeld to act as trustee of his assets worldwide. Two days later he agreed to return to Switzerland to serve the balance of his jail sentence.

January 1989 – P returned to South Africa to testify in the trial of Peet de Pontes on various charges arising from his illegal entry into South Africa.

10 May 1990 – appointed Ciskei ambassador plenipotentiary by brig. Gqozo.

25 June 1990 – bought Paraguay passport no E008192, issued in the name Robert von Palace Kolbatschenko. In it he is described as "farmer resident in Asuncion".

9 July 1990 – P's fraudulently obtained RSA permanent residence permit was entered in his new Paraguay passport by the Namibian Ministry of Home Affairs, making it valid for residence in Namibia.

10 July 1990 – obtained a 12-month SA business visa, issued in Windhoek, and en-

tered in his Paraguay passport

1991 – Meir Grunfeld travelled to Antwerp on a special mission to arrange a \$6 million loan, offering a consignment of diamonds as security. At the same time that Grunfeld was visiting his old friends in Belgium, another member of P's circle – and a regular visitor to Cape Town from Lugano – advocate Mario Molo, was registering a new company, called Corlis AG, in Liechtenstein, with himself as the only nominee shareholder and director. Corlis's true shareholders remain anonymous, of course. All we are sure of is that Corlis AG's South African representative was Mr V R Palazzolo, and that Mr Grunfeld was arranging loan capital for this company. Corlis was planned to be one of those rare foreign companies eager to invest in South Africa – with finances of course.

14 July 1991 – married Tirtza Grunfeld, Meir's daughter.

29 July 1991 – P's Paraguay passport endorsed by the SA Department of Home Affairs in Cape Town: "Permit for permanent residence valid till 31 Oct 1991"

25 October 1991 – P. issued with a new Namibian multiple-entry visa, valid till 30/6/93. The visa did not have the required photograph attached – in the space provided, the word "waived" was written.

9 December 1991 – P. informed by Namibian Ministry of Home Affairs "not to attempt to come to Namibia until further notice". The Ministry launched an inquiry into how his previous visa had been obtained.

21 December 1991 – P returned to SA on a three week visitor's visa "to sell his farm and to pack". He told the press he would be leaving SA for the last time on 7/1/92. "I have had to sell everything. After what has happened to me I am not surprised that no-one in the rest of the world likes S-Africans," he said, before stating that he intended settling in Europe.

1993 – buys more property in Cape Town.

1994 – reported to be spending most of his time in Plettenberg Bay.

**Next Month Read All About:
A Cute Little Bankhaus in Bisho**

SANTA KRIEGLER'S LITTLE HELPERS

Turning the election into Christmas

by Maureen Barnes

Isn't it just amazing how that nice Mr Justice Kriegler, who seemed to be doing such a good job before the election, and who completely bungled the election itself, is determined to brush aside his responsibilities? His commission, the Independent Electoral Commission (IEC), surrounded itself with a bunch of nincompoops. He now has the cheek to suggest that they have done such a good job, that they ought to be taken on as future election organisers.

The spirit of reconciliation is such that nobody wants to puncture it with anything as distasteful as the truth. But there's no denying that if it weren't for the incredible trust, goodwill and forbearance of the mass of South Africans, Kriegler and his team's gross and arrogant inefficiencies could have turned the election into a nightmare of violence. This didn't happen, thank goodness, but would you risk trusting any of them again?

Please note that the names, qualifications, experience and claims to fame of all these senior aides and officials remain, to this day, undisclosed. Far from being transparent, our first venture into the new South Africa was shrouded in secrecy, obscurity and evasiveness. Kriegler's answer to all the attempts at piercing the veil was to humiliate individual journalists in public when they tried to pin him down. He took the line "Don't question me, Young Lady, I'm a judge and you're in contempt."

Experience has shown that it is very dangerous to use judges as a quick way to lend lustre to non-legal enterprises. It easily boomerangs when, because of their lack of appropriate training and skill, they appear as simply arrogant, opinionated and incompetent – thereby undermining their judicial credibility.

Judges are not known for their organising abilities – that is left to their wives, secretaries and registrars – and Judge Kriegler should have accepted this fact and taken aboard senior people who knew something about organisation and logistics.

Instead of seconding people whose business involves distribution – SA Breweries,

for instance; there's not a dorp, township, squatter camp or community that runs dry on a Saturday afternoon – accountants who are accurate and part of a national network – Pick 'n Pay stock controllers – Kriegler collected around him a bunch of groupies made up mostly of academics, retired politicians and unemployed lawyers.

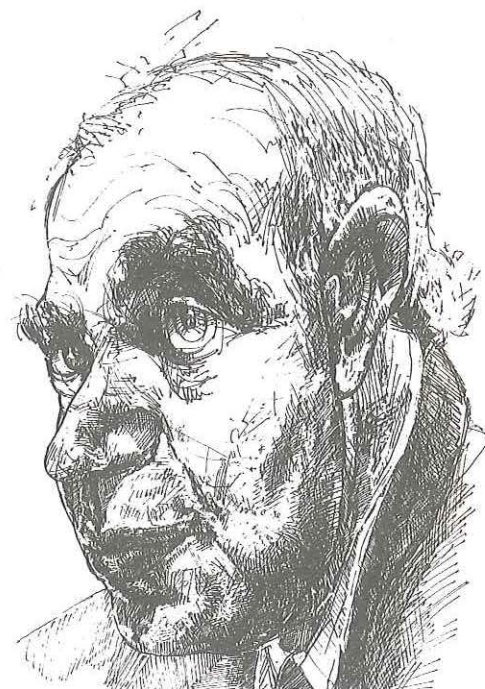
I almost said "selected" but, in fact, little or no selection seems to have been done. By and large, these little fat cats chose each other.

In his foray into academia, the judge did not, as might have been expected, turn to the more efficient departments which could be expected to have management expertise or training, such as accounting or business, or those involving large-scale logistics. No, the majority of his staff came from the Social Sciences – disciplines which, when it comes to matters practical, can hardly be beaten for sloppiness, inefficiency and laziness carried to an art. Any fool knows that your average sociologist can't organise the route out of a plastic bag.

The intellectual carpetbaggers who were attracted to the senior posts at the IEC underwent no tests; produced no track record or organising abilities. No, this little crowd, mostly recruited by way of an informal academic mafia, are known more for their radically chic rhetoric than for their office skills. Highly paid IEC posts were filled "by individuals asking individuals" – so a lecturer (who herself turned down several offers from pals) told me.

Some academics were encouraged to join the gravy train by naughty colleagues who didn't, resulting, one professor said, in a dramatic easing of tensions in a number of university departments during their absence. One of the sociologists who took a very senior post with the IEC is notorious in professional circles for inefficiency. The professor added that now, after the event, it is quite difficult to get anyone to admit they were involved with the IEC. It can't be shame that keeps them so discreet, so it must be self-preservation.

Not content with the company of so many fools, the judge then proceeded to pay



them a small fortune for their efforts.

And what efforts they were! Following what turns out to have been accurate estimates of the number of people expected to vote – 22 million – each to use two forms, the IEC had 80 million ballot papers printed (in England "for security reasons"). Each polling station should, theoretically, therefore have had double the number of ballot papers actually needed in stock – just in case all of Johannesburg decided at the last minute to vote in Pretoria. The IEC's staff of intellectuals then bungled the distribution and lost or mislaid millions of ballot papers – so much for security – so that many stations got none at all. In a panic, in mid election, another nine million forms were printed. Too late for many thousands of would-be voters.

In explanation, the smoothtalking IEC spokesperson actually lied, saying more voters had turned up than were expected. Twenty million people cast votes, each using two ballot forms, making a total of 40 million. So where are – and were – the missing 49 million blank forms?

As for keeping the public informed, and the repeated assurances that we were no longer in the bad old days – you could have fooled me. Press conferences during the election were conducted with the usual authoritarian arrogance. Remember the sociology professor who was reasonableness itself (and days late with counting) until confronted by a man asking what had hap-

pened to eight missing boxes of ballot forms? Thus cornered, she demonstrated her sociological skills with the perfect put-down: instead of answering, she imperiously demanded of him: "What is your name?!" It was the question, not the questioner that needed her attention. She never did tell us what might have happened with those boxes.

And after it was all eventually over – days and days late – the IEC, unable to keep count, abandoned the effort and fudged the results saying that, to accommodate complaints they had "scientifically" adjusted the figures to everyone's satisfaction.

If this is all it took to appoint a government, then why go to the huge expense and trouble of having a general election? They should have just hired a good market research company and let them tell us how many seats to allot to each party. It would have been "scientific", but it certainly couldn't be called a democratic election. The point of an election is that each and every vote should count and be counted. A pity the IEC did not think so.

For around four months work, the chiefs were each paid over R37 000 a month in salaries and allowances, while the indians were not far behind – one secretary was paid over R25 000 a month. And the highest paid are reported to have been given a special dispensation allowing them to deduct 25% instead of 40% tax. Not bad for a holiday job.

Taking their example from the top, the situation down in the ranks was just as bad. I spoke to several people who worked at various regional offices and all agreed the situation had been a shambles. There was no linking of skills or experience to pay.

Untrained, unemployed people (many of them friends and family) were employed on astronomical salaries – R5000 a month for a first-year student; R400 a day for a matriculant. In the regional office "which resembled something out of one of Tolstoy's novels", people sat idly smoking under no-smoking signs, too lazy or inefficient to deal with the simplest problem. One region even engaged a known pimp in a senior position – perhaps, unlike most of the other staff, he might have had some organisational skills. Officials collected all their mates and gave them jobs as part-time "mediators" – at R200 an hour. People with no work experience got R7500 a month, while answering the phone brought in R5600 a month.

Amongst the many thousands there were, of course, hard-working, qualified people. But those that I spoke to were appalled, both by the chaos and the waste of money. Even more were probably well-intentioned – but good intentions aren't enough. They too often paved the way to hell.

Many complaints about delays in the payment of regional office workers came about because – you guessed it – their claim forms were lost at Mr Justice Kriegler's headquarters.

Finally, it was all very well tacking another public holiday on to the two planned for the election, just so the Judge and his merry horde could have another crack at it. But the cost to businesses, particularly the struggling smaller ones surviving on credit after a long recession, was incalculable. Academics who have tenure, and retired persons on large pensions, know nothing



about these things.

But it cost us more than money. I will not easily erase the image of the crippled old woman, roused at 2 am on no less than three mornings, and pushed many kilometres in a wheelbarrow to cast her first vote, only to be wheeled home again, hours later. She never got to vote because the ballot papers never arrived – and at her age, she probably never will.

● *Regional Education Minister Martha Olckers has said all government departments have been asked to cut their budgets by 4% to compensate for the IEC's over-expenditure, resulting in education budgets being cut by R200 million.*

It would be nice to know the names of those responsible.

INAUGURATION INSENSITIVITIES

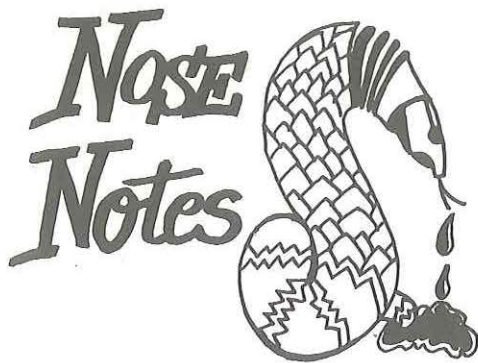
Prizes go to:

- **Ms Winnie Mandela**, for insinuating herself onto the podium – a tactic only her fans could admire, the rest of the world just blushed;
- **Ms Marike de Klerk**, for inviting not only her dressmaker, Mr Levine, but also her plastic surgeon, Fransie Malherbe as special podium guests. Here's one lady who's facing the new South Africa with a pith helmet, very stiff upper lip and a baie pretty rokkie;
- **Ms Patricia Kreiner**, Cape Town's rather dim but exceedingly autocratic mayoress, for her overlong and over-ar-

ticulated speech of welcome to President Mandela at the City Hall (Patsy's only qualification for the post is a speech and drama diploma) and most of all, for her plug for the Olympic Games. Such comments might suit her pals' financial interests, but she should have picked a more appropriate occasion.

- **Raymond Ackerman**, for his adspeak Address to the Nation on Inauguration Day. His Pick 'n Pious speech of congratulation to the new President, featured as a paid-for ad mid-way through the main TV news bulletin of the day, was the last word in bad taste.

- **Chief Justice Mr Michael Corbett**, for having no sense of occasion and for looking and behaving like a municipal clerk rather than the Chief Justice of a proud republic. He seemed not to comprehend his lines and droned through the regulasies, first asking Mr de Klerk to "please proceed to the table" when the new VP was standing there, inches away, having patiently waited for the judge to bumble his way to the front. Would it have been beyond the ability of a judge to administer a simple oath from memory – and with just a little legal smile?



AIRFORCE FOR SALE

Only smokers need apply

Probably unwittingly, Judge Johan Kriegler of the Independent Electoral Commission helped South Africa import aircraft in contravention of the US arms embargo.

Not that the importers are very pleased with their purchase. In fact the Rembrandt Group, the new owners of 11 American-built Ayres Thrush crop-spraying aircraft – which happen to be better suited to military uses than to crop spraying – have been desperately trying to get shot of them ever since they started arriving in South Africa two months before the election.

They even at one time hoped to sell them – at cost – to the IEC as surveillance aircraft with which to monitor the elections. Cost? – US\$1million a piece, plus US\$800 000 for the optional surveillance equipment. (Which suggests that someone might have earned a substantial commission on the original deal bringing the aircraft to South Africa – the same aircraft is advertised for sale at \$800 000 in various well-known trade journals.)

While the IEC was not shy with money, they did balk at buying a mini airforce for the occasion.

In the end Judge Kriegler graciously accepted the loan of some of the aircraft as a donation from the Rembrandt Group – which did save the group some anxious moments. The judge's written acceptance was all that was needed to give an innocent democratic gloss to the deal – enough, anyway, to ensure that they were passed for export without scrutiny by the American authorities. Had the US authorities refused, things could have become very embarrassing, since some of the aircraft had already arrived in South Africa under US and UK registration numbers.

The South African taxpayer will probably still collect the tab for this latest bit of insanity – when Rembrandt writes off the cost as a loss against tax.

The tobacco and liquor group's R40 million-plus adventure into undercover military hardware is apparently the result of the secret ambition – gone wrong – of Dr Neels de

Villiers (son of the more famous Wim de Villiers) to become a strategic arms dealer in Africa.

Neels, an orthopaedic surgeon, achieved the rank of Lt. Colonel in the front-line medical corps in Angola. Now in private practice in Cape Town, he nevertheless retains ambitions and connections in the military sphere.

Already three years ago De Villiers started secretly punting the idea that the well-known American crop-sprayer, manufactured by Fred Ayres in Georgia, could have a variety of military and spy uses in African countries such as Angola and Mozambique, especially if fitted with a more powerful 1230 hp turbine engine (which makes it altogether unsuitable and too expensive for crop spraying) and if its wings are specially hardened to take armaments. In fact Ayres had built such a prototype, which he called the Vigilante and which he tried, unsuccessfully, to sell to US agencies for use in Sudan, Belize and Colombia.

De Villiers recruited a well-known figure in the arms underworld, Michael Jordaan, to help him promote the project. Rand Merchant Bank (chairman: J Rupert) were approached to help raise finance and guarantees – which is, maybe, where Rembrandt first entered the picture. Well-known National Party donors on the Reef were even offered "a slice of the action" as a "reward" for their loyalty. But by May, with still no buyer in sight, the IEC was a desperate last resort before the new South Africa dawned, to expose yet another Old South African deal to the harsh light of reality.

The 11 aircraft (the original deal was for 20, but Rembrandt may have succeeded in calling off the last 9) were imported by Aircraft Surveillance and Tracking (Pty) Ltd. Dr De Villiers resigned as director of the company in April, to be replaced by Mark Taylor, J Gerhard Swiegers and D S Laynes, all of Rembrandt in Stellenbosch.

FOREX FROLICS

In March, it was reported in London that the UK Inland Revenue Service had searched and seized documents from the the West End offices of accountants Leigh Carr. A clue to what they were after emerged when they raided the homes of only five of the 20 partners in the firm. All five had previously been attached to the firm Miller Brener, which specialised in providing services for South Africans with secret offshore "interests".

This was the third raid on the unfortunate accountants in two years.

Miller Brener, whose partners included Alan Chasan CA(SA), Martin Miller CA(SA) – formerly of Springs – and Leon Brener CA(SA), assisted South Africans on, *inter alia*, secret financial business abroad, finrand applications to the SA Reserve Bank and tax avoidance strategies. Since being absorbed by Leigh Carr, most of their clients still come from Johannesburg with introductions from the likes of Fisher Hoffman Stride (Charles Stride is not known as the doyen of consultants to the rich and famous for nothing), Trevor Sussman of Ernst & Young, or Mike Krawitz of Krawitz Dornenberg. Even the chaps at First National Bank are not averse to earning the odd introductory commission. (For the names of some hot currency contacts at FNB, call noseWEEK – office hours only, please.)

Barry Sterne CA, formerly of Cape Town, used, in the early days, to be a partner in Miller Brener, before moving on to form his own consultancy for South Africans abroad, quaintly named Protax. Want to try a nasty? Utter the words Protax/ Barry Sterne *soto voce* at your next corporate dinner in Joburg, then wait for the stony silence and looks of horror that follow. Worldwide injunctions have been issued against several of Barry's operations in Zurich and Geneva, effectively freezing the funds in them. Most of those funds happen to belong to his South African clients (a fact most of them somehow forgot to mention to the Reserve Bank at the time). Several desperate and mysterious missions have been flown from Johannesburg to those financial capitals in recent months. We still await reports of any success.

An entity that remains the subject of some curiosity in Reserve Bank circles is Stonehage, operated out of Guernsey by Roy Glew. Why? Well, it featured prominently in a series of forex frauds perpetrated in 1988-9 by an Israeli "friend of South Africa", Yecheskal Gurevitch. With 20 fraudulent SARB applications, he pulled off an R88 million finrand fraud. In Johannesburg, Gurevitch employed attorneys Brian Nathan & Ivan Tevis Shapiro, but his real collaborator was Nedbank official, Kevin Dunn; both Gurevitch and Dunn held shares in the Guernsey co, AD Fishing Industries Ltd – major vehicle for the fraud. One of their foreign finrand investors was Stonehage SA.

In 1991 Stonehage SA (now its Swiss branch in Peseux) was to feature in an equally spectacular series of Israeli-operated frauds, using old *boere* fraudster P W Venter, and son, Jacobus Roelof – but more about that in our next issue.

IN THE JUNGLE

The Lion feeds tonight

Being invited to do business with the ANC is a bit like living in the jungle and receiving a dinner invitation from Lion. A misunderstanding could be fatal.

Several businessmen who were tempted to do business with the ANC in the Western Cape during the election campaign had clearly forgotten that many fairytales have Grimm endings.

In April and May the Western Cape ANC's Department of Information & Publicity (DIP) was a beehive of businesslike activity at 44 Community House, Salt River Rd. At the centre of the hive were Chief Co-ordinator, Ebrahim Rasool, and Administrator, Garth Strachan. They were assisted by Financial Controller Lula Xate, Print Co-ordinator Eddi Londt (an election volunteer, who has since returned to private life) and Organiser Graham Bloch.

Rasool and Strachan authorised the commissioning of tens of thousands of badges featuring the incomparable countenance of Loverboy Boesak from Fred Lashmar at USS Graphics, who was persuaded to do the R128 000 job COD. As weeks passed after delivery (without any payment being received, but then what do you do with tens of thousands of badges featuring Loverboy?), USS Graphics credit manager Danny O'Connell took to spending days in the waiting room at 44 Community House, only to leave at the end of each day empty handed - and without seeing Mr Rasool.

F A Print were invited to print 500 000 candidate brochures for distribution just before the election. Anxious, as a small firm, they did ask for - and receive - a R30 000 deposit, but the balance of R185 000 remained to be paid on delivery. The brochures were delivered; the payment wasn't - and still hasn't been.

Allie's Press printed posters and leaflets - and are still owed more than R250 000.

Like the rest, FA Print boss Fozia Abrahams insists - in public - that they have no problem, for fear of being seen as anti-ANC.

But back at the ranch they remain among a crowd of unpaid creditors that include Avis and Autopage.

Meanwhile 44 Community House is empty and abandoned. Mr Rasool has moved on to become Minister of Health and Social Services in Hernus Kriel's Cape Cabal. Garth Strachan and Graham Bloch, too, have moved on to better things. Financial Controller Xate was last seen at the office on election day. He has not bothered to return to finalise the books.

Reverend Chris Nissen, the ANC's par-

liamentary Secretary, has apparently promised to fax creditors a letter of comfort with which to passify their bankers - while they continue to pray that headoffice in Johannesburg will see them right.

But no longer so Reverend Alan Boesak's secretary at the Cape Assembly, Lucille, puts through all calls from pre-election creditors of the Western Cape ANC to Minister Rasool's secretary, who puts them through to Parliamentary Secretary, Rev. Nissen, who's number is always engaged.

LIBERTY, TRUTH & JUSTICE?

It's time Liberty Life fired its legal draughtsman, who far from being committed to liberty, appears to be committed to tying the English language - and perplexed Medical Lifestyle policy holders - into knots.

Last month, holders of Liberty's Medical Lifestyle policy (a popular form of medical aid insurance) received a circular from Liberty head office, advising them that an upgraded package of benefits is now on offer. Among the new "enhancements" to the Medical Lifestyle contract included in the offer, is a "Supplementary Benefit", which is explained as follows:

"A Supplementary Benefit will be payable where the Value of Medical Services (defined below) exceeds, by more than the Medical Procedure Benefit amount for the lowest Severity Rating shown in the Benefit Tables, the total of any Medical Procedure and Hospitalisation benefits payable.

"This Supplementary Benefit will then be paid as the highest multiple of the Medical Procedure Benefit amount for the lowest Severity Rating, so that the total medical Lifestyle Benefit amount payable (including this Supplementary Benefit) will not exceed the value of Medical Services."

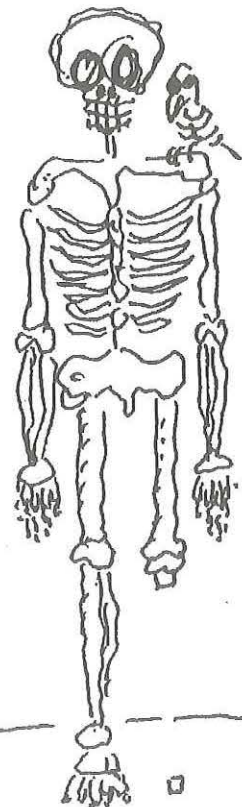
Noseweek is offering a free subscription as a prize to the reader who submits the best/most original explanation of the above paragraphs; entries to be received at our offices by 10 July 1994.

In the meantime, anyone would be well advised not to sign a contract containing impenetrable clauses like that - unless you are prepared to set aside R500 000 for the legal fees - and the three years of your life that would be consumed by the court battles required to unravel them, should any dispute arise.

Which brings us to the second extraordinary feature of the offer: The enhanced package, as is to be expected, costs an enhanced price - in the form of an increased monthly premium. Fair enough. Recipients of the letter not interested in the package, will probably throw it in the waste basket, together with all the other junk mail received from Readers Digest and the Automobile Association. BIG Mistake! That, it transpires, is exactly what the sneaky salesman from Liberty wants you to do! Because halfway down the second page of the densely written letter, if you bothered to read that far, you will discover that you are required to inform Liberty, in writing, if you do NOT wish to accept their offer. If you simply throw their letter away - the normal way of dealing with an unsolicited offer - they will, they say, automatically assume that you have accepted the offer and charge you accordingly! Not quite cricket when it comes to the rules of mail order, but since most people pay their premiums by automatic debit order, you might not notice it for months. By which time you have been set up for a massive legal battle which will put your medical insurance at risk and cost you what remains of your life in legal fees.

What price Liberty?

Famous X-Rays by Gus



Long John Silver

SA'S MOST FAXED ABOUT STORY*

WARNING!

DO NOT BELIEVE ONE WORD OF THIS STORY (EXCEPT WHAT YOU MIGHT KNOW YOURSELF, FIRSTHAND, TO BE TRUE). ALL THE REST OF THIS DESPICABLE TALE MUST SURELY BE FALSE, OR, AT BEST, A JOKE IN EXECRABLE TASTE. *

"THAT DIRTY JEWISH SLIME-BALL" - THAT'S WHAT HIS FRIENDS CALL HIM.

by our South Africa Correspondent

*1 We reproduce this story here because of our commitment to Democracy. Until now only the rich and influential of Johannesburg, along with the entire Stock Exchange and banking community, have had the privilege, or pain, of reading it, as it has hummed across the wires from fax, to fax, to our fax. We firmly believe that what the elite read, the masses, too, must read – or forever be at a disadvantage.

The only aspects of the story we know to be true are: (1) it appeared in London's most talked about magazine Scallywag; (2) there is not a member of the JSE who has not read it and faxed it on to a friend; (3) Sidney Frankel is a slimeball (how good a Jew he is we prefer to leave to the Lord and the Board of Deputies to decide); (4) the ineffectualness of the Kahn Commission, and the fact that the Advocate Commissioner's investigations appear to have more than satisfied his predilection for first class travel, the world's finest hosteleries, and dining out in great homes and renowned restaurants, were bound, inevitably, to give rise, not only to a large belly, but also to fat tales such as this cropping up.

*2 This can't be true: He hasn't got a Dick. It must be a quaint figure of speech used by Scallywag's correspondent to express just how much Durr loves his job in London.

*3 Caution! See note 1 above.

WARNING!

The most hated broker in the Johannesburg Stock Exchange, Sidney Frankel, may soon enter the Court of St James as the South African Ambassador after years of swindling and political brinkmanship.

Frankel, the Managing Director of Frankel, Kruger Vinderine, made millions from insider dealing and fraud, but was only too happy to let others take the blame. He engineered a sophisticated fraud concerning the London Gold Market, which brought him enough financial and political muscle to achieve his ultimate aim: power and prestige in the new South Africa.

He allowed nothing to obstruct his vaulting ambition, and where possible, he quickly passed the buck and let his friends go to jail. A director of Kruger Vinderine, Greg Blank, pleaded guilty to 400 charges of fraud and was sentenced to eight years in prison for the gold options con. He was paid a cool five million pounds by Frankel to keep his mouth shut. Not one penny of Frankel's ill-gotten gains was reported to the South African Revenue.

Blank is now out on bail pending an appeal, and supposedly fully cooperating with the JSE insider trading investigations. However, privately, he has told Frankel that it will cost him at least 200 000 pounds to stop the investigation. Frankel sniffed at this. As far as he is concerned enough politicians and stock exchange officials have been bribed, threatened and moved aside to secure his personal immunity from prosecution.

He may be right. Before the ANC was unbanned, Frankel used to make large donations to the National Party, but once Nelson Mandela was released from detention, and the state of affairs in South Africa seemed to be under rapid change, Frankel changed sides and started greasing the palms of the ANC. He poured millions into their coffers and courted the approval of men like Cyril Ramaphosa (now ANC Party Chairman), who is the hot tip for President when Mandela dies. In fact he has done little else except brown-nose ANC officials on the road to the ambassadorship in London. However the present incumbent, Ken Durr, is extremely reluctant to leave, as his dick is presently being serviced by a bucksome English mistress. *

Frankel's latest political coup was arranging for his ... [fax fudged here] ... clique of Jewish friends to donate large sums to "persuade" Chief Mangasuthu Buthelezi and the Inkatha Freedom Party to take part in the recent elections, thus avoiding an inevitable bloodbath and, most important, a freefall on the JSE which would have significantly reduced Frankel's fraudulent nest-egg.

The Kahn Commission, the government body responsible for investigating Stock Exchange fraud, is a farce, and has [Statement which suggests they could be open to improper persuasion, deleted - Ed.] *

They are unlikely to make a move on Frankel. David Shapiro, a broker who could have provided important evidence, hanged himself in a Cape Town jail last year. So, it looks like Sidney Frankel is going to walk, or, rather, fly first class to London, where no doubt he can expect to live like a crime king on all the Krugerrands he has illegally smuggled out of his homeland.

Copyright 1994, Scallywag, London

Julian Askin Bob Aldworth Fugitives from Injustice

In South Africa both are commonly described as "fugitives from justice". We travelled to England in pursuit of their stories. Bob Aldworth, ageing fast and with hands that constantly shake with Parkinson's disease, was anxious to talk to us. Askin refused to be interviewed, but friends filled in what court papers still fail to reveal.

Both are intelligent and are widely respected - at one time they were even celebrated - for their ability to handle complex financial matters. Both now believe that, because they are "Engelse", they have been made the scapegoats in a vast, Broederbond-contrived coverup.

Both believe they inadvertently stumbled into a scheme of fraud aimed at plundering the public purse; a scheme which is so vast, shameless and pervasive that they fear they are unlikely to get a fair hearing if they return to South Africa to face their accusers. There are many unsettling reasons to believe they may be right.

The moral and financial collapse in the Broederbond-controlled sector of South African banking and finance is becoming increasingly obvious. Just two, more recent, examples: The Nat-sanctioned plundering of the Commuter Corporation - public funds intended to subsidise urban commuter train fares - to pay for the boere-verneukery in Cape Investment Bank; and the extraordinary payment made by SA Airways (still living on capital provided by the taxpayer) to a bankrupt Flitestar (for no good reason other than to bail out that favourite son of Afrikaner finance, Joggie Vermooten, and, no doubt, his bankers in the ABSA Group). These are small change among the many desperate attempts in recent years aimed at propping up a collapsing Afrikaner empire which never ceased to be dependent on State patronage.

The current proceedings in the Cape Town Supreme Court before Mr Justice Berman certainly provide no reassurance. The elderly judge is neither physically nor intellectually able to handle a long and complex commercial case which not only puts Askin on trial, but has awesome implications for banking and corporate life in South Africa. In fact, the judge's careless expressions of prejudice against Askin, and his disinclination to put ABSA and its cohorts on the line, at least on equal terms, would long ago have led a lesser judge to recuse himself. But then we know from personal experience at noseWEEK that a sense of shame - in judicial matters - is not one of Judge Berman's strongest points. Which is a pity - for justice.

Also of concern is the fact that Mr Hoberman SC, the lawyer appointed to head the Enquiry into the circumstances surrounding Tollgate's collapse, was also the advocate appointed by ABSA to draw up their application for Tollgate's liquidation, and therefore in the bank's pay. The conflict of interest has since become more blatant: He has already asked ABSA's attorneys to provide him with a draft report for his enquiry.

noseWEEK readers are not alone in thinking that this is the sort of conflict of interest that one might have expected a senior advocate to avoid: The same issue has recently arisen in Britain. In April this year the Governor of the Bank of England, Mr Eddie George, admitted, after controversy involving a British bank, that their practice of employing the same accountants as investigators and liquidators can create a conflict of interest for accountants in their investigating role.

Julian Askin, a well-connected British businessman who made an independent fortune out of sanctions busting for South Africa, was introduced to Christo Wiese's old varsity mate, Mervyn Key, late in 1989 by Alan Greenblo, Editor of Finance Week. Key had asked for the introduction, as he was eager to get Askin involved in Tollgate. In February 1990 Askin flew from London to see Trust Bank's regional management in Cape Town: Before investing in Tollgate, he wanted to be reassured of the bank's continued backing and enthusiasm for the company, especially since it operated on large bank overdrafts. He was enthusiastically received and reassured by the bankers. Why, they said, the bank had actually advertised itself in the press and on posters as "Banker to Tollgate - The Success Story".

How the bankers lied!

In fact, it was later to emerge, they probably saw a sympathetic foreign investor who would help get the bankers off the hook and, with luck, even end up taking the rap.

They, for instance, did not tell Askin that only three weeks earlier, the MD of Tollgate, Mr Diedericks, had written to the bank asking for the company to be put into liquidation, as it was unable to meet its commitments to the bank. He was also not told that Tollgate's auditors, DeLoittes, had refused to sign the 1989 accounts, and that they had been replaced by Kessel Feinsteins, who had then signed off the accounts. Presumably Feinsteins had the advantage that they could plead ignorance of the shady deals that had been concluded behind the scenes to cover the mess prior to their appointment.

ABSA, who have taken both Volkskas and TrustBank into their warm embrace, have certainly continued to keep a tight hand on the liquidation proceedings to ensure that the bankers' role in events is not investigated. Some of the main players in the Tollgate saga, including Diedericks, were Volkskas employees that worked directly under, and reported to, Mr D C Cronje, who is today Chief Executive of ABSA.

There are many reasons to believe the banks' behaviour, and deals they did while they were in control of Tollgate, materially prejudiced other creditors. Askin believed Diedericks and Claasens were responsible for looting between R30million and R70 million out of Tollgate between 1987 and 1990 - probably on behalf of Volkskas.

He has stated that Volkskas and TrustBank should, if the Tollgate enquiry is coorrectly conducted, have to pay back R400 million to Tollgate, for distribution to other creditors.

At least one of the four joint liquidators, Chris van Zyl of Progressive Administrators, appears initially to have shared Askin's view, and was preparing to ask for a Section 415 enquiry, to the extent that senior counsel had already been briefed for the purpose, and had travelled abroad to interview witnesses.

The enquiry was to have commenced in October last year, but then ABSA nominated Mr Van Zyl for the very lucrative job as liq-

uidator of the Overberg Hotel which they had just put into liquidation. Mr Van Zyl has been so busy with this liquidation, that he hasn't had the time to pursue his enquiries into the bank's earlier activities in Tollgate. What a pity.

Most of the problems in Tollgate have their origin in the over-ambitious activities of Afrikaner financial institutions in the late seventies and early eighties. They had become overconfident because of the apparently limitless backing they could expect from Government and the Reserve Bank. The government spent its vast secret Defence Budget through the trusted broeders at Volkskas and TrustBank - and latterly ABSA Bank. So did the Strategic Fuel Fund. All these very secret and suspect deals were done in the secret, soundproof dealing room at Volkskas headoffice in Pretoria and were not recorded in the bank's normal records. At one stage the SFF had a R4-billion line of credit at ABSA!

Some of the extraordinary things that require investigation and explanation:

The banks appear to have seen Tollgate, a company listed on the stock exchange, as a means of dumping the bank's debts on the unsuspecting shareholders of a public company.

All the subsidiary companies that were "taken" over by Tollgate had only one thing in common: they all owed vast amounts of money to Volkskas and TrustBank - vast amounts of money that they were unable to repay.

These banks then connived at designing some pretty nifty schemes to hide the debts from unsuspecting investors.

By February 1990 ABSA's total exposure in the various companies which would ultimately form the Tollgate Group was approximately R650 million. Volkskas managed to get their people into control of Tollgate, which then proceeded to take over these companies - and, of course, their debts to the bank. Next step was to pay off the bad bank loans by means of extra rights and share issues, which an unsuspecting public were encouraged to buy with optimistic claims about Tollgate's future.

An example: Volkskas and TrustBank had, between them, lent R90 million to the failing canning company, Gants, when they arranged for it to be taken over by Tollgate. Much of the debt was hidden from shareholders and the public by means of a very curious, of-the-record deal that was never recorded in either company's balance sheet or annual reports.

At the time, three senior Volkskas men from Pretoria were serving on the boards of the various companies in the deal: Morkel, Claasen and Cronje at Gants, and Diedericks at Tollgate.

Askin was only later to discover that for nearly a year, a R750 000 per month "management fee" was siphoned out of Tollgate to accounts at Volkskas held in the names of Claasen and Diedericks. This has never been explained.

The R2 million used by Diedericks to

buy Xpanda, was taken from Tollgate - with what authority is not clear.

In June 1992 Cape Town attorneys Sonnenbergs, instructed by Askin, drew up a summons which was to have been issued against Diedericks for the recovery of these amounts. But then Askin made a serious error of judgement: He thought it only fair first to see if he could sort out the matter with ABSA boss, Piet Badenhorst in Johannesburg, thereby saving both Tollgate and its bankers (and what company is not desperate to keep its banker sweet?) embarrassing publicity. Aldworth confirms that the top management of ABSA, including Badenhorst and Cronje, were given sight of the summons and were fully briefed by Askin. They asked for time to investigate.

A week before they were supposed to respond, the bank applied for the liquidation of Tollgate - and Diedericks was conveniently given a new job as head of the Post Office.

Askin was discretely advised by a "friend" - very senior in the Broederbond -

These banks then connived at designing some pretty nifty schemes to hide the debts from unsuspecting investors.

to quietly leave the country.

The summons against Diedericks has apparently been withheld to protect the banks from exposure.

The insider deals that were happening at Tollgate while it was under the control of former Volkskas executives Claasens and Diedericks - and before Askin arrived - raise many questions which they would rather not have to answer: Some examples:

As an inducement to HCI to take up 26% of Tollgate's shares, HCI was given the management of Tollgate's R250 million pension fund and its employees' group insurance policies.

Not only did this generate income for HCI - but through a quirk of accounting policy, HCI was able to inflate the assets reflected on its balance sheet by including the assets of the Tollgate Pension Fund, so helping to hide HCI's own shaky condition. HCI was, of course, another major debtor of Volkskas. So, indirectly, what should have been reflected in Volkskas's books as a doubtful debt, was made to look good.

And, under HCI's management, Tollgate Pension Fund and the Gants Pension Fund both bought Tollgate shares, effectively transferring part of the cost of the impending collapse to those companies' voiceless pensioners.

[To be continued.]

Bob Aldworth tells his story:

During 1990, at the time a merger of Corbank and CIB was being negotiated, Laurie Korsten asked me to become a director of CIB and chairman of its loans committee once the merger was finalised. As I had no knowledge of CIB or its senior management, it was agreed I would attend CIB's bi-weekly loan committee meetings in Cape Town, to get a feel of how they operated and then make a decision on the proposal.

I found the meetings very disorganised: lending papers were late and incomplete, recording of security was haphazard and in some cases non-existent. The Loan Committee had very little authority. It was supposed to see all loans, and loans in excess of R5 million had to be authorised by directors Pickard and Phelps. But these directors also negotiated and agreed loans outside the committee, in which the committee had no say. I was most uncomfortable with what I saw. I therefore resigned from Corbank and did not take up the offer to join CIB.

I had already been approached by Piet Badenhorst and Herc Hefer in 1989 to join United Bank. They now renewed the offer, and in September I joined them as a consultant, two days a week.

After six months assessing the United's Commercial banking operation, I found the United's passbook system to be slow on line and extremely bad on customer service. But I was warned against criticising it, as the passbook was Badenhorst's "holy cow".

In March 1991 Badenhorst appointed me as a full-time consultant, with the idea that I should become a director of Allied in due course. I was given the task of investigating various matters at Allied that concerned Badenhorst. These included Kevin de Villiers, sponsorship of the yacht "Allied Bank", the one cent Allied shares allocated to senior executives, and other hot potatoes.

When De Villiers was fired as MD, following a disagreement with Badenhorst about a staff incentive trip to Singapore, I was appointed in his place. My first task was to establish why the bank was not making the profits which had been projected at the takeover.

I found that Allied's profits had been artificially inflated (to inflate the share price at the merger) by transferring dormant account balances totalling R2 million into profit. The accounts were not dormant, and clients were coming to claim their money at the rate of R300 000 per month, which had to be re-imbursed out of current profits.

A further R2 million had been transferred to profits - also just prior to the merger - from the previous staff medical aid scheme. The money should have been placed in a trust fund to be used to assist staff who had medical expenses in excess of what Bankmed would meet.

While there were problems in Allied, there were more serious problems in Volkskas.

[To be continued.]

nosing about
the art world

BAUBLES, BASKETS ... & BULL



with
Pince Nez

Well, Arts and Culture have been allotted their new masters: And what is to be said of them?

Dr Ben Ngubane, of whom nothing is known, and Mrs Winnie Mandela, of whom the reverse applies. One can't escape the feeling that Mrs Man-

delata was given the portfolio in which it was thought she could make less trouble than others – shut her up with Arts-Culture-Science-and-Technology, someone may have muttered – but on the arts side at least the practitioners and administrators can be relied upon to pick a fight and so what “cabinet makers” may regard as a backwater of a job will provide more melodrama than they had in mind.

Amongst cultural bodies who are ready for the new regime the National Gallery and Johannesburg Art Gallery must feel that they have taken especial care in laying the groundwork for good relations – they have spent much time and money, not on accessioning (US museumspeak) great works, but on accessorizing their galleries with baskets, beads and other ethnic baubles. All lovely stuff, but 90 per cent of it should be attracting custom in the gallery shops, not defining the parameters of Southern African art. The Nineties are rapidly turning into the age of the accessory – for Gucci, Pucci, Vuitton and the rest, read BMW, cellular phone, Gerard Sekoto, Doc Martins and a sculpture made of bottle tops.

These attitudes will be greatly encouraged by Mrs De Klerk and Mrs Mandela, under whose aegis fashion will surely take its place on the list of the “supportable” arts – supportable with public money, that is. Designer Chris Levin sitting on the podium at the inauguration is definitely a sign of things to come. Just as US security men control their country's foreign policy by preventing their leaders from meeting anyone at all, so Chris Levin and other arbiters of the fashion world (God help us if this includes sleazebag Yusuf Asmal) may lay down the ground rules of South African Arts and Culture.

The good news for Phillip Stein, the originator and controller of the Vita Awards, is that FNB has taken the plunge into the murky waters of arts sponsorship. (We did mention some months back that FNB were lagging far behind in this area, and now congratulate them on taking on a very worthwhile programme.)

But the bad news for FNB is that Phillip Stein, speaking at the function held to announce the bank's involvement, seemed to feel he was conferring an immense favour on the bank by agreeing to associate with it. His speeches clearly revealed his rampant egomania: overcome with the telling of anecdotes about himself, he forgot to thank or mention the bank, a situation only partially rectified by smooth-talking Des Lindberg and other less hubristic guests. **■**

• Readers should please note that what follows is not invention – our imaginations are just not that fertile.

Artists from all over the world have been invited to contribute to Christopher Till's Johannesburg Biennale. The contribution the Belgians plan to send might just give a clue to what South Africa can expect.

This is how the Director of the Museum of Modern Art (“Hedendaagse Kunst”) in Gent, Bart de Baere, set out his proposal in a letter, written in March, to Till and his co., the beautiful Lorna Ferguson:

“Two Flemish artists come to Johannesburg, two weeks before the opening. They are Hugo Debaere and Honore d'O, both relatively young but considered to be among the most interesting Flemish artists of their generation.

Hugo Debaere has a long lasting relation with Africa, which is for him a reference to a basic, earthly energy. His recent works have been large figurative sculptures made in cowdung, using a basis of chicken wire, light, not only substantial but also extremely beautiful. Honore d'O works with materials which refer explicitly to the banality of the contemporary urban environment (polystyrene, plastic bags, etc.) and develops a grammatical proposal which is all about linking elements, conceiving the work not as a product but as energy in space.”

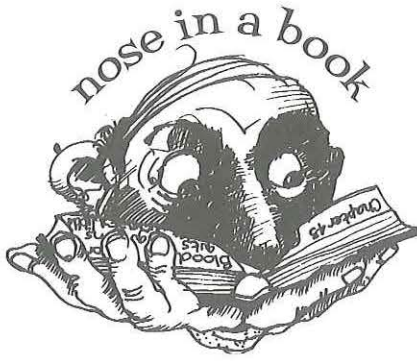
Director De Baere has recently informed Till that the cowdung artist, Debaere [*No relation, surely?* – Ed.], has, in the meantime, sadly passed on. If, however, we can find the money, his work can live on in South Africa says the Gent director. He now suggests:

“I would change the project, in that a major work of Hugo would be shipped over ... I believe it might be great if the Johannesburg Art Gallery would acquire this work. If such an interest would exist, the family might be willing to sell it for a much lower price than normal, the family believing it to be important that a work of his would stay in Africa permanently.”

We bet they'll be willing. As if we simple Africans haven't got enough cow dung and chicken wire of our own – not to speak of polystyrene, plastic bags and other garbage. It's amazing what lengths the Europeans will go to to dump their waste in Africa! **■**

STOP PRESS: Such is the cross-cultural excitement at Biennale headquarters, that in recent days Ms Ferguson was momentarily overwhelmed and punched Supremo Till on the nose, breaking it in several places. A demonstration of non-sexist but otherwise typically South African Action Art for visiting co-curators maybe?

MANAGING WITHOUT MANAGERS



Simple experiences can sometimes dramatically change lives – Archimedes took a bath ... Newton watched an apple fall. Science is full of such incidents and so is the world of words. What Victorian could have read Dickens and remained unmoved by the plight of the poor? Years ago, my youthful cavalier attitude to coalminers was changed irrevocably the night I read Orwell's *"The Road to Wigan Pier"*.

"Maverick!", Ricardo Semler's account of his extraordinary business career, is another of those Eureka books. Its impact on the world of commerce outside these shores has been considerable – far greater, even, than that of Tom Peters' *"In Search of Excellence"*.

My friend, David Rennie, businesslike and successful Cape vegetable farmer, read the book and was captivated. "I've got shelves of management books, but I've never been so impressed," he told me. "It has changed my thinking on a number of things."

He is not alone. In recent years, executives from some of the world's biggest companies – IBM, General Motors, Firestone, Pirelli, Siemens, Mercedes Benz and Yashica – have been making what Semler, in his wry, self-deprecating way, calls the "unlikely pilgrimage to our nondescript industrial complex"... in Brazil.

Semler was 21, when, in 1980, he took over Semco from his father. It has since become Brazil's largest marine and food processing machinery manufacturer. Within two weeks of taking control, Semler had fired 60% of his top management and restructured the company, shrinking the bureaucracy from 12 layers of management to three. Many of the remaining Semco executives were appalled: "They were frightened they would lose control – and they had learned to create discipline through control," says Semler. "Nothing had evolved because of that conservative fear of losing control".

The World's Best Businessman Tells How

MAVERICK! by Ricardo Semler (Century)

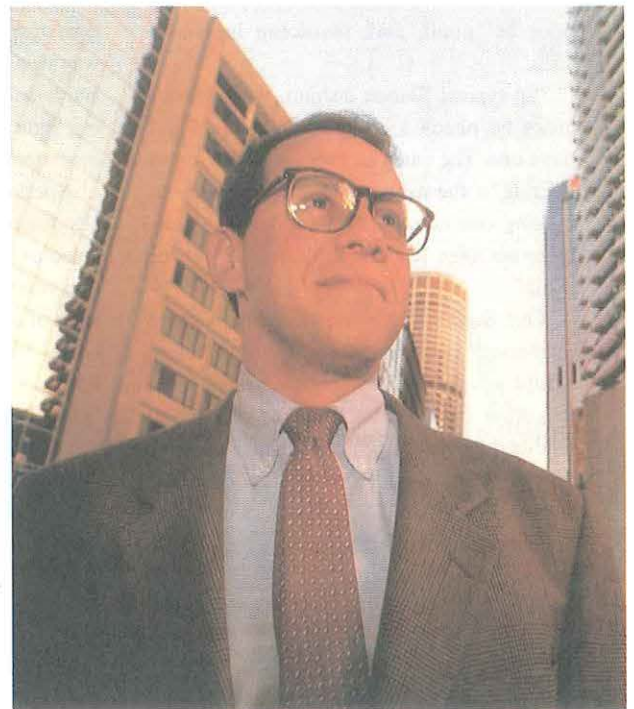
Since then he has turned it into one of the most unorthodox companies in the world, where managerial staff decide their own salaries; employees set their own working hours and productivity targets – and share 23% of the profits – and where everyone has access to the company books. He does not care how informally the staff dress, or at what time they turn up for work.

Security checks, a major preoccupation of South African managers, were abandoned: "I wasn't under the illusion that, by eliminating the searches, we would eliminate theft". But, he asks, is this a valid reason to subject 97% of your workers to a daily ritual of humiliation? If thieves are caught, they are fired and arrested. "We will *always* press charges when we believe someone has committed a criminal offence. Always. But short of actual criminality – or in cases where there is reasonable doubt – we are extremely reluctant to get involved. We don't make written admonishments, suspend people, dock pay or anything of the sort. We don't want to become boarding school deans," he says.

Have thefts increased? Semler doesn't know or care. "It's not worth it to me to have a company in which you don't trust the people with whom you work." What he does know is that profits and job satisfaction have increased.

Uninhibited by prejudice, he picked the best of many systems: "From Capitalism we take the ideals of personal freedom, individualism and competition. From the theory – not the practice – of Socialism, we have learned to control greed and share information and power. The Japanese have taught us the value of flexibility, although we shrink from their family-like ties to the company."

His unique view has eliminated rigid thought, allowing full participation by all employees in the running of the company. Workers set their own production quotas – and often their own working hours in order to meet them – without prodding from management, or overtime pay. Every six months, Semco managers are evaluated by those who work under them. The results are posted for all to see. Semco has done away with ego-stroking perks – senior executives share secretaries, make their own telephone calls and greet their own visitors; parking for all staff is on a first-come-first-served basis. Semler, himself a late riser, usually gets the parking bay furthest from his office. He can't stand memos, and has limited all



letters, memos and reports to one page. He thinks meetings are usually a waste of time: "People tend to call meetings for problems that can be solved with a 10 minute phone call or a fax," he says.

Semler has set his face firmly against paternalism which, he says, gives owners a lease on their employees' souls for their working lives. "That can be an expensive

proposition," he notes.

At Semco, employees are treated as adults. Each is responsible for his own actions. What people do in their own time is their own business. The company feels no responsibility for a worker's alcoholism or chain smoking. He acknowledges that this may seem unfeeling in an era when many corporations believe that it is their duty to assist employees struggling with personal problems: "We don't want to turn our managers into Father Figures," he says. "We don't want to be a big happy family. We want to be a business. No one should ever fall for that 'we're a family' line."

Semler was brave enough to declare the new faith in computerisation a bogus religion. By reading just this chapter in his book, managers could recover their self respect and save their companies millions. The revelation came when Semler discovered that, after installing an expensive, new "integrated" computer invoicing system, fewer invoices were being generated than by the primitive, manual system. Why? Billing stopped four working days before the end of the month to enable the computer buffs to do their thing. Semler threw out the computers and, as employees got back to making last-minute shipments in all-out efforts to move finished products out of the door by month end, invoicing increased 15%.

"In typical Semco fashion, whoever decides he needs a computer goes out and buys one. The catch is, they have to learn to operate it themselves. Our worries about making one computer compatible with another are over. It's every microprocessor for itself."

One South African newspaper reviewer dismissed Semler's ideas, saying: "They would never work in South Africa." I, on the other hand, can't think of any place where they have a greater chance of success: Semco has thrived in the face of recession, staggering inflation and chaotic national economic policy. It employs people from many ethnic backgrounds and from all walks of life, many of whom have little or no education. Brazilian society is hierarchical and male-dominated – both aspects which provided Semler with his toughest problems: getting people who were used to subservience to make decisions – and then take responsibility for them.

Since Semler took over, productivity has increased nearly sevenfold, profits have risen fivefold and there is a backlog of more than 2000 job applications.

"Maverick!" has become Latin America's all-time bestselling non-fiction book, and is now published in 134 countries. Sem-

ler writes wittily about his successes – and occasional failures. He believes that the book is more a contribution to a thought process than a how-to technique. Which is why every South African should read it. **■**

– Maureen Barnes



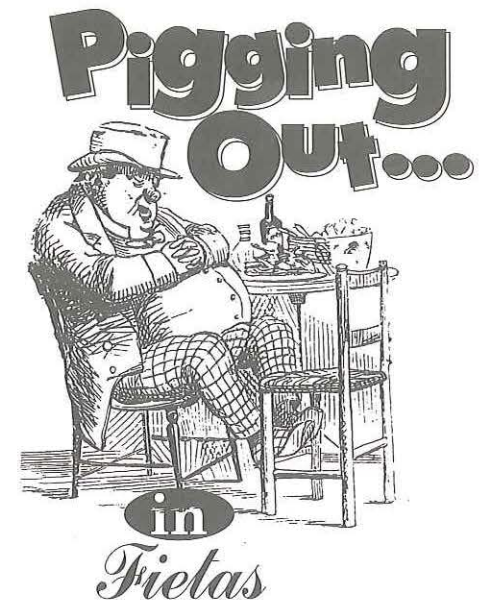
What a superb broadcaster that Patricia Glyn is. Recently moved from presenting Radio SA's lunchtime Newsbrief to the early morning Radio Today, she is an intelligent and articulate journalist and interviewer – as her indefatigable coverage of the three-day election period showed.

It's a pity that professionals such as she and Jeremy Dawes – who handles News Wrap at 5pm – have often to contend with a bunch of illiterate amateur journalists. Is it my imagination, or are the bumbling meisies of old giving way to a new generation of half-wits – male and female – on Radio SA? Strange, considering some of the excellent young journalists they roped in to cover the elections.

Speaking of which, the original, often really funny humour with which Radio SA regaled us in the interminable wait for the election results was written and performed by a team of top South African artists. Co-ordinated by Bruce Millar, they included Robert Kirby, Guy Willoughby, Nigel Vermaas, Gilda Blacher, Nicky Rebelo, Jack Mullin and Michael Mayer.

The quality varies but, generally speaking, it's local and it's good. And isn't it nice that there's more where that came from?

TV fell a long way behind Radio SA when it came to their coverage of the Inauguration, which saw the most extraordinary gathering of exotic diplomats and dignitaries ever seen anywhere. Radio's Christopher Bennett knew who everyone was and painted vivid word pictures. TV missed the obvious – and you can't get more obvious than Hillary Clinton. Not one of the mysterious religious leaders was identified. Did you know the guests included Sir Malcolm Fraser, former PM of Australia, the Vice President of Afghanistan, the President of Ethiopia, and the Governor General of St Christopher-Nevis? A stamp collector's dream! **■**



NO ROOM FOR SINNERS AT THIS GREAT INN

DELHI PALACE

41 Central Avenue, Fordsburg

Tel (011) 838-6740

While the marvellous Biryani simmers for hours, everyone's at mosque praying. It occurs to me that there's something cheeky about praying – asking that the laws of the universe be annulled on behalf of a single confessedly unworthy petitioner. Anyway, that explains why the Delhi Palace opens late for lunch on Fridays.

The Delhi Palace in Fordsburg is in what was the historic Mynpacht Hotel, across the road from a public toilet still pockmarked with the scars from the 1922 miners' strike.

Too few buildings of this vintage have escaped Johannesburg's wrecker's ball. The Oregon Pine floors survive, as do the delicate pressed steel ceilings, now painted in the somewhat unusual colour combination of purple, pink, turquoise, blue, orange and metallic silver with a hint of green. The flower boxes are filled to capacity with the finest plastic and polyester blooms, fresh from the fields of Taiwan. The aquamarine walls have been lavishly embellished with dioramas of palms and tropical sunsets, richly overgrown with the evergreen hybrids of the flowers in the boxes.

The whole effect is of a low-budget Lost City. Imagine a genie or fairy conjuring an interior designer from the depths of his lamp and saying, Sol Kerzner-like: "Do me Indian!". From the smoke emerges a sensitive designer – say Stephen Rich or Errol de

Jager – to give us a wall of mirror, an altar table, two obelisks flanking an orchid, and the occasional male torso on a perspex plinth; The high-backed chairs upholstered in a tiger print – we'll have to forgo the usual leopard, as this is, after all, India. Or will our designer be Bobby Hutchinson – the Delhi Palace colour co-ordinated in Salmon and Avocado, with bows on the valances, and appliquéés of the Taj Mahal on the scatter cushions? Or a Head Interiors maroon, with salesman shoe grey? No, I prefer Delhi Palace's garish walls with the prints of old Pageview or "Fietas" to all the above, not to speak of trendy Dorothy Momborg ragged vomit.

The Michelin Guide uses cute little crossed knives and forks. My word processor, however, has a keyboard sadly devoid of knives, forks and toques. I have, therefore, considered the format employed by the Zagat Survey, which awards points for food, decor and service. Bouley, the highest scoring restaurant in NYC, for example, gets 29 for food, 28 for decor and 26 for service, each out of a maximum of 30. The score is reflected thus: 29:28:26. Delhi Palace is unique. Its score is 29:0:26.

Too many trendy restaurants have these ratios wrong. Tre Scalini in Rosebank wins 0:20:0. I, however, go to restaurants for food and service.

The Delhi Palace must be the finest Indian restaurant in South Africa and, food-wise, is unquestionably one of Johannesburg's three best restaurants.

On my regular pilgrimage to this mecca of fine foods I have learned to resist the temptation of too many samoosas. They are South Africa's finest, but even just one of each – and the choice includes Beef, Mutton, Chicken, Fish, Vegetable, Cheese and Onion, Potato, Coconut and Cheese and Corn – would leave no room for anything else.

The breads – translucent romali roti as large and as fine as the average sari. Naans of all complexions.

A real Tandoori oven from which real Tandoori emerges – not the usual lurid pink pastiche. Pukkah Tandoori dishes include Chicken Tikka, Murg Afghani, Kalmi Kebab, Nawabi Murg Tikka, Hussaini Kebab or Jhinga Nisha.

The Chicken Methi, loaded with fenu-greek, and the Lamb Saagwala cooked with baby spinach, despite being very green, lead one happily into gluttony and any other deadly sin.

There is little point in hurling adjectives at great and authentic dishes such as the Chicken Jalfrezi, the Kadaais, the Vindaloos, the Roganjosh, the Daalagosht. Experience them yourself – as do the elite of the

new, and the not-so-new, South Africa. The winds of change have blown more power brokers into the Delhi Palace than the Rand Club – where the pale yellow curry still comes with chopped bananas, coconut and Mrs Ball's chutney.

Pity, however, about the wine list.

The Delhi Palace is so seriously Halaal that one suspects that the Shariah applies. Asking for a beer is to risk having something amputated. To smuggle in a bottle of wine is to commit a capital offence. Lassi, a yoghurt milkshake, is the drink here.

I can't possibly understand why God should object to a weak and venal person like me having a beer with a great meal. I accept that Fundamentalists don't drink. They don't like it. It makes them feel good. They prefer yoghurt.

Why, I pray, do so many people believe so passionately in their own interpretation of the improbable? In my religion wine is sacramental – here a sin.

Did I not, you say, just a moment ago, observe that there is something cheeky about praying – asking that the laws of the universe be annulled on behalf of a single confessedly unworthy petitioner? ... Oh, well, all I really wanted to do was to remind you that the Delhi Palace opens late for lunch on Fridays. Salaam. **TM**

– Jo Tori



“Waiter!”

noseWEEK
PUBLISHED MONTHLY

Smalls advertisements to be received by
1st day of month of publication.
Charge: R10 for up to 15 words,
thereafter 75c per word.

JOHN L. – hope you had a happy birthday, Old Boy, from your Old Girl. [1851]

PORT OWEN, Exclusive Inland Marine Stand 55, Elizabeth Ave. R50 000. Phone Gideon Gerber (041) 312271 [1848]

MEDICAL AID and Hospital Plans at affordable prices – phone Roy Kurland B.Com CA (SA) on (021) 4068222

CELLARS-HOHENORT HOTEL : superb service : food “to die for” : exclusive company : must stay again soon! [1872]

FREE MOTORCARS and houses with pools now being distributed. Apply Manager, Bankruptcy House, No Hope St, Moddersig. [1870]

DODDY STODART, call Brian in Port Elizabeth (041) 553109.

ANTHONY SHELLEY, shot any more elephants’ eyes lately? Try them with pussy oysters! – DE, Strand

H A WYLLIE & SON, manufacturers representatives, East London – P O Box 735; Tel (0431) 26260; Fax (0431) 430257

MANPROP manage properties, increasing your return and improving your cash flow – Tel (021) 4623580

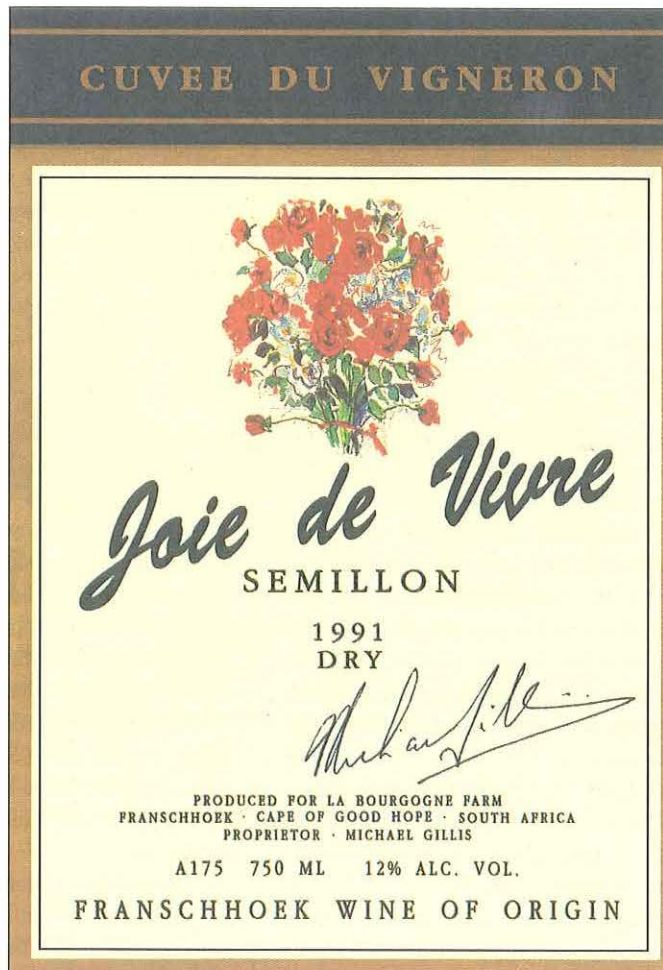
WALTONS STATIONERY – a nose ahead of the competition. Orders: Johannesburg (011) 4934147; Cape Town (021) 4485060; Durban (031) 255511.

BETTY’S BAY bargain! Plot on Peninsula tip. Breathtaking sea/mountain views. 1674m². R150 000. Tel: (021) 45-6248.

DARLING DAD – Happy Fathers Day! Love & kisses, Astrid & Kyle

MARILYN THOMPSON PROMOTIONS. For PR/Promotions/Publicity that won’t get you into noseWEEK – other than by choice!

Joie de Vivre wines are available from:



Johannesburg : Rivonia Liquor Cellars, 349 Rivonia Boulevard, Rivonia 2128. Tel: (011) 803-6121

Cape Town : Palm Bottle Store, 191 Long St. Tel: (021) 23-1213

Vaughan Johnson : Wine Shop, Pier Head, Dock Rd, Waterfront. Tel: (021) 419-2121

England : Woffenden Wines, 103 Chapelown Rd, Bromley Cross, Bolton, BL7 9LZ. Tel: (0204) 308081

Further information? Contact Michael & Sonny Gillis, La Bourgogne, PO Box 78 Franschoek, 7690. Tel: (02212)-2115

Subscribe to noseWEEK for only R104!

You save R12, get noseWEEK delivered to your postbox free and get a free smalls ad insert. Complete the form below and post, together with your crossed cheque for R104,00* to: **Subscription & Syndication Services (Pty) Ltd, PO Box 44538, Claremont, 7735*** (*See shaded box below for subscribers in UK and Europe.)

Title:..... Initials:..... Surname:.....
Address:.....
.....City..... Code:.....
Tel:..... Fax:.....

Free smalls ad (max 15 words)

Registered as a newspaper.

Printed and Published by: Chaucer Publications cc, 4 Church Square, Cape Town. Subscription rates (RSA only): R104 for 12 issues, to be sent with the above properly completed subscription form, to Subscription and Syndication Services (Pty) Ltd, P O Box 44538, Claremont 7735

Overseas subscriptions (airmail) – UK and Europe: £29 / USA, Canada & Australasia: £32 – by cheque or bank draft drawn on a UK bank in favour of SUBSCRIPTION SERVICES, to be sent with subscriber’s full name and address, to: SUBSCRIPTION SERVICES, P O Box 38, Hitchin, Herts. SG5 3BR, England. Copyright: All material in this issue is copyright, and belongs to Chaucer Publications cc, unless otherwise indicated. No part of the material may be quoted, photocopied or reproduced in any way, or be stored by any electronic system without the prior written permission of the publisher. While every reasonable effort is taken to ensure the accuracy and soundness of the contents of this publication, neither writers of articles nor the publisher will bear any responsibility for the consequences of any actions based on information or recommendations contained herein.