

news you're not supposed to know

# nose WEEK

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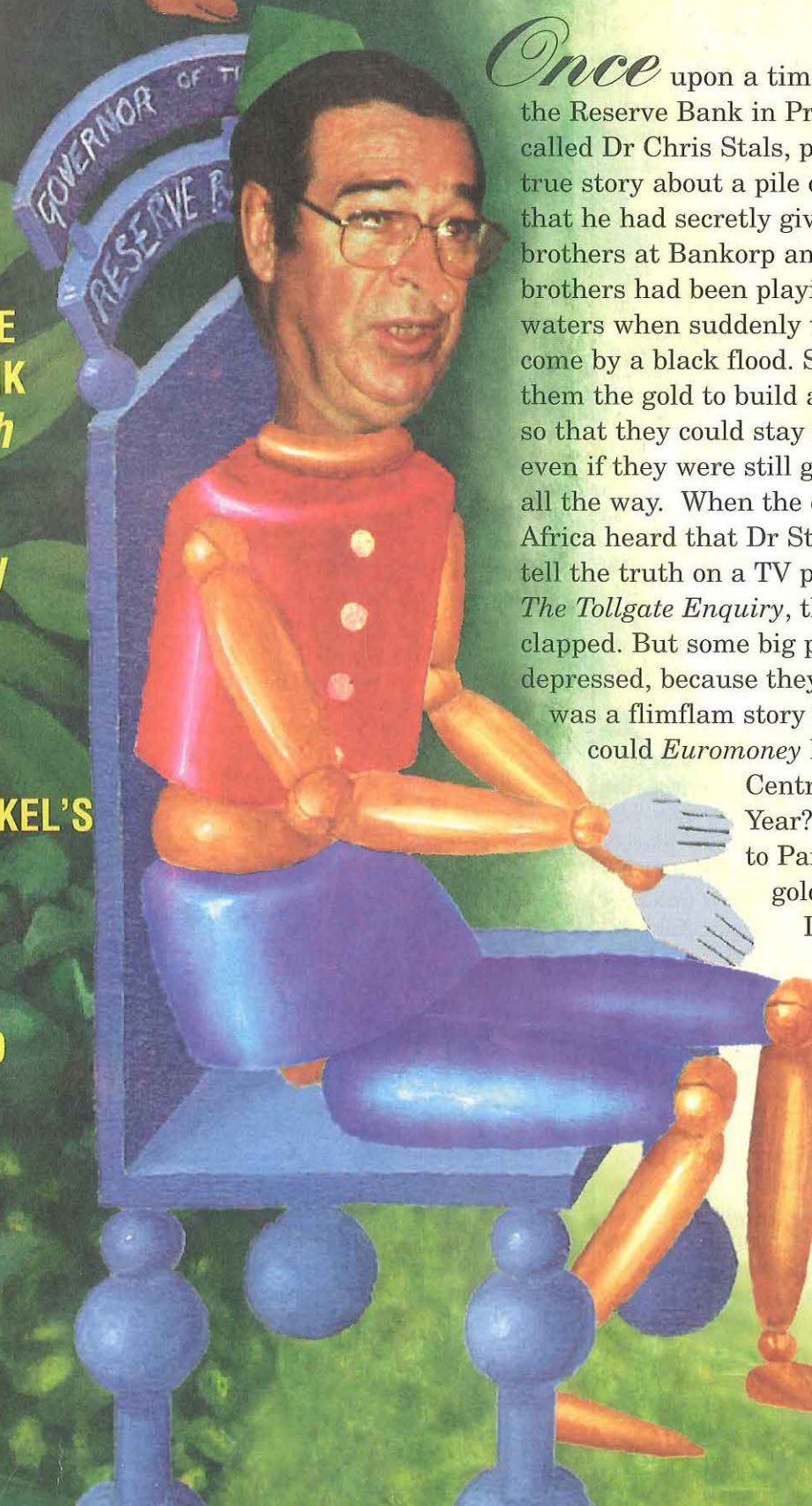
Issue No 14

**ABSA AND THE  
RESERVE BANK**  
*It won't wash*

**Another Dirty  
Law Society  
Secret**

**SIDNEY FRANKEL'S  
BEEN AT IT  
AGAIN**

**MATIES' LAND  
INTRIGUES**



*Once* upon a time, the Governor of the Reserve Bank in Pretoria, who was called Dr Chris Stals, promised to tell the true story about a pile of the King's gold that he had secretly given to his naughty brothers at Bankorp and at ABSA. His brothers had been playing in the muddy waters when suddenly they were overcome by a black flood. So Dr Stals gave them the gold to build a beautiful lifeboat so that they could stay floating on top, even if they were still going downstream all the way. When the children of South Africa heard that Dr Stals was going to tell the truth on a TV programme called *The Tollgate Enquiry*, they clapped and clapped. But some big people were very depressed, because they knew that he was a flimflam story teller. How else could *Euromoney* have declared him Central Banker of the Year? They know he lied to Parliament about the gold he gave to Cape Investment Bank. And he says he'll send his bogeymen to catch any person who dares to show the children a letter which proves it.

(See page 5.)



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LETTERS TO THE EDITOR TO: PO Box 44538,  
Claremont 7735, South Africa

Feb/March 1996

## Welcome, dear Reader

Eighteen months ago noseWEEK first opened up the Tollgate saga, and questioned the manner in which a secret enquiry was being conducted. In June and August 1994 we published the Bob Aldworth story, and raised the issues surrounding the now notorious Reserve Bank lifeboat for ABSA. Other publications have in the past three months fashionably re-told the story in instalments of 32 mind-numbing pages, which might explain, dear reader, why they had such a familiar ring. It wasn't just the cartoons by Gus that you recognised. We are properly flattered.

Over the past two years noseWEEK readers have also got to know what they have suspected for longer: that all is not kosher with some of our major banks – and definitely not kosher at the Reserve Bank. They have been reminded that the Broederbond – and the culture of secrecy, arrogance and dishonesty that goes with it – retains its grip on extremely significant parts of our country's financial structures. You may expect to see a lot more about these things in the popular press in about 18 months time.

The appallingly negative and prejudiced attitude of the South African courts to the Press was first demonstrated in these columns nearly two years ago. We are therefore not surprised that judgements reflecting a new appreciation for the press, and the need for press freedom in a democracy, are widely anticipated in the very near future.

And, with just a glance at our cover and editorial in August last year, you will have gathered all you needed to know about Louis Luyt, currently again the subject of popular media interest.

noseWEEK, which many at first assumed was a joke, has come to be taken seriously. We thank you for having come this far with us. For your loyalty and your patience. While it is tough out here on the front, we intend to make sure that, however long it takes us, you will have found the wait for each new edition worthwhile, and have reason to be proud of being a noseWEEK reader.



P.O Box 44538, Claremont, 7735

## THE LUYT, LUYT SHOW

Dear Sir

I trust the picture of King Louis on your cover [nose13] is a soupçon of better things to come! You may recall that Exxon (in the older days when it was Esso – Standard Oil, New Jersey) was a major shareholder in Triomf Fertiliser ... and that when Triomf was about to go bust on its phosphoric acid plant at Richards Bay, King Louis didn't want his name tainted, so he hastily resigned as chairman and installed his young daughter in his place. Then there was the disaster of Luyt Breweries and, of course, his involvement in The Citizen and the Information Affair.

It always mystified me how Luyt managed to live so lavishly, while one business after the other appeared to end in disaster. And now he's Mr Big in offshore deals with Rupert Murdoch. This one you have to unravel!

*David Price*  
Observatory

## HEAR HEAR!

Dear Sir

Let me assure you that your exposé [nose13] of the Law Society and its coverups has been met with delight by the bulk of the legal practitioners in the Cape Province. I have been in practice for over 30 years and am glad to at long last have found an ally who has the guts to stand up to the Law Society and its mafia-style behaviour. Keep up the good work.

*J Ince*  
Kleinmond

Dear Sir

nose13 was an absolute joy to read! Your article on Christo Wiese was astonishing – I wondered why I never liked the guy – and the piece on Woolworths really knocks its own responsibility programme.

Further, you should know (if you weren't in the audience of that august gathering of the Open Society Foundation's Annual Lecture held on 17 Aug.) that the Speaker of Parliament, Dr Frene Ginwala referred to your article on that important firm of attorneys, Sonnenbergs. She remarked particularly on the professions – like the Law Society – hiding behind their own colleagues, and your uncovering of the facts.

Thanks – noseWEEK is really value for money! I have sent copies of the relevant articles to my business contacts suggesting that they subscribe so that you are able to keep up the good work. South Africa needs the truth.

*Pam Herr*  
Fish Hoek

## LORDS OF THE RINGS TO RUN RINGS AROUND CAPE TOWN?

Dear Sir

There is much ado about the 2004 Olympic Games and I would like to add my two cents worth: A book called *Lords of the Rings*, written by two investigative journalists, Vyv Simson and Andrew Jennings, throws much light on the background and careers of Primo Nebiola and Juan Antonio Samaranch, the two most influential members of the International Olympic Committee (IOC). If the reporters are to be believed, then these gentlemen are definitely not amongst those who one would take home to meet the family. As recently as the Stockholm games, Mr Nebiola was accused (by Swedish journalists) of being a Mafia mob member, and a taker of bribes for favours granted. A shouting match ensued on T.V. but the journalist remained steadfast and Mr Nebiola was urged to leave Sweden and stay away. Read this book, and form your own opinion. I am dead against the Games being held in Cape Town, as ratepayers will be left to pick up the pieces, in spite of all the fine words from Chris Ball & Co. I have tried to get our local newspapers to publish what I have stated here, but to no avail. Doubtless there are vested interests to be covered up, in the fine old tradition of doing business in South Africa. My personal opinion is simply that we have no need to import any comment; God knows we have enough of our own. Will you support me in my efforts to get R.S.A. renamed Crookshaven?

*Brian Miller*  
Meadowridge

Dear Sir

Our Pat & Clive [Kreiner & Keegan] appear to have made it once again – this time onto Chris Ball's Olympic Bid Company as deputy chairman and director respectively. May God help us! Any bets Ball and his self-appointed cronies end up as millionaires, and the Western Cape ratepayers with heavy increased rates, a burden few can afford? Why does the Olympic Bid Company refuse to publish the contract signed with our "Sammy" when challenged by the ratepayers? Can you give readers more on this subject?

*R C W te Brugge*  
Tokai



## SHOT IN THE DARK

Dear Sir

The recent run on the Islamic Bank is cause for concern. I reckon the most likely banks to profit from a "run" on the Islamic Bank (a wholly South African-owned bank) are the Pakistani Banks like Habib AG Zurich and the other Habib Bank! Foreign vultures must be shot! Thank you.

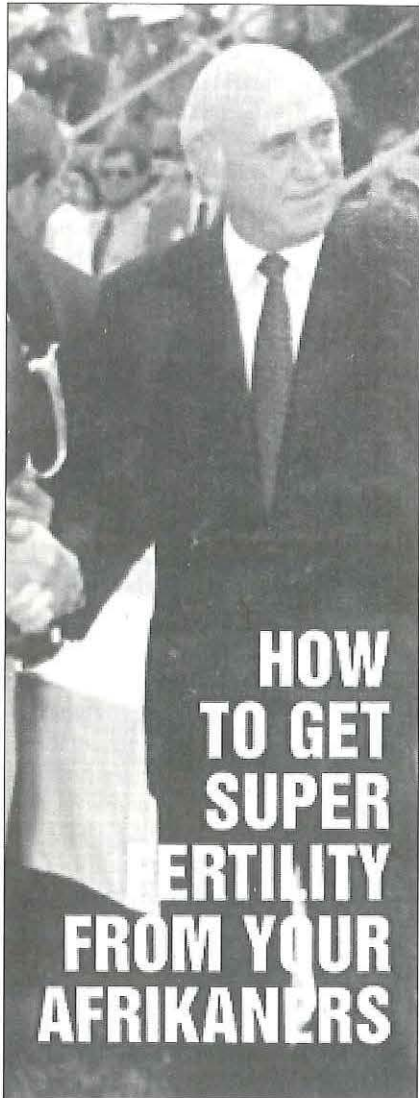
Ismail Ebrahim Jadwat  
Durban

## SUCH BALLS!

Dear Sir

F.W. de Klerk has received numerous accolades for backing out of the apartheid mess, but I hadn't realised that he was the new weapon for super fertility! I think your readers should be informed of what they missed in a recent popular farmer's organ.

Jim Phelps  
Empangeni



**HOW  
TO GET  
SUPER  
FERTILITY  
FROM YOUR  
AFRIKANERS**

Farmers Weekly

# Tollgate, ABSA and Dr. Stals BIG BROEDER SPEAKS

At the Tollgate enquiry the Governor of the S A Reserve Bank, Dr Chris Stals, all knight in shining armour, explained why he had secretly handed out billions to Broederbond banks in the Eighties. He could not, of course, discuss his handouts to Alpha Bank, and Bankovs, and Cape Investment Bank, and Pretoria Bank, and Prima Bank and... because, he piously declared, that was private [*i.e. all Broederbond - Ed*] client business, very secret in terms of Section 33 of the Reserve Bank Act.

As for the billion-plus he had handed to Bankorp/ABSA, that was from pity for the men at Sanlam who had inherited the old Trust Bank's mess and poor management - a mess he and they had grievously underestimated. [*Compare nose3 on CIB - isn't it extraordinary how these banks and the Reserve Bank always underestimate the mess they're in? - Ed*]

Stals also talked earnestly about the fear of International Repercussions if there had been a bank collapse in South Africa and about the serious responsibilities of a central banker. [*We wonder if, in 1977, you would have found anyone in the City of London who had actually heard of the "TrustBank of Africa", let alone cared a damn about its collapse. It's hard enough today finding three who have heard of ABSA, "The biggest bank in Africa" - Ed.*]

Anyway, there we had poor Jan S Marais, founder of TrustBank, conjured up yet again to do service for the sins of the Volk - which was neither fair, nor kind, nor honest, Dr Stals. And it simply won't wash.

Jan Marais might have been answerable for the mess in 1977 when the mighty Sanlam took over Marais' bankrupt, but still relatively small, TrustBank. It should, of course, simply have been liquidated, at relatively small cost to the economy and to the Reserve Bank, but by doing so, they would have risked exposing widespread corruption in the Cape National Party.

But Marais could hardly still be blamed for the mess in Bankorp (Sanlam's banking arm) in 1986, nearly

ten years later, when MD Piet Liebenberg came begging for his first R300 million handout? Surely that had little to do with him - and a great deal to do with the mighty Sanlam's inability to run banks?

And by 1990, when Dr Stals agreed to up the handout to a billion? By then we are not even talking about Sanlam's mismanagement, but about the failure of the Reserve Bank itself, and of Dr Stals's administration in particular; about their failure to supervise and control a significant part of the banking sector; probably for reasons of ethnic ideology; about their failure to control flagrant currency law violations and the massive illegal flight of capital. And, as always, about the coverup.

Dr Stals became a member of the Broederbond in 1974, just about when, as a senior official at the Reserve Bank, he was assisting Nico Diederichs set up shady Swiss bank accounts and foreign loans for acquiring The Bomb and other interesting secret projects and wars that would ultimately bankrupt the country. That set the trend.

Just look at who Stals - and his lieutenants De Swardt and Van Greuning - gave bank licences to; and who they allowed to be appointed, or to continue, as bank directors. Then look how much law enforcement the Reserve Bank did to protect the public - and the banking industry - from the shady operators they had helped launch or allowed to roam free.

When former ABSA director Bob Aldworth appears in court on charges related to his allegedly improper involvement in deals that resulted in losses to ABSA banks, he can take solace from the fact that he was not the only bank director involved in such deals at the time.

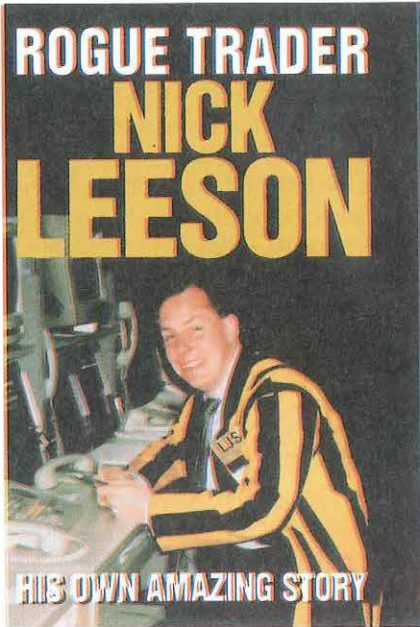
Former directors of Cape Investment Bank, Leonard Stephen Phelps, and his friend Kleinjan Pickard, did some unfortunate million rand deals with that bank while on its board - with very little record keeping. [*See the next issue of noseWEEK.*] The same applies to some of the directors of Alpha Bank and Prima Bank. But because these were

(continued on Page 5...)



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frenetic culture of the trading pit, the ways in which he dealt with the losses, avoided detection – and participated in the near-farcical endgame ...

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(continued from Page 3)

all the subject of secret enquiries, they are all able to continue as respected members of the business community

At CIB no-one has suggested calling in the fraud squad. I mean, poor Jan Pickard declared he had given up everything he ever had to the liquidators and is presumably now living on the streets of Cape Town.

When Masterbond collapsed – and when Dr Stals lied to a Parliamentary Select Committee about the Reserve Bank's role in the events leading up to the collapse of Cape Investment Bank (and the loss of R300 million that Parliament had voted to subsidise the trainfares of township workers) – the rot at the Reserve Bank was already obvious. (see nose3).

And what of measures to control forex fraud and the flight of capital from South Africa? Dr Stals's attitude to forex fraud can be deduced from the fact that he reckoned only four inspectors, two of them with no university or professional qualification, were all that exchange control warranted. The level of incompetence in this section of the Reserve Bank was (and still is) so great that it is recorded in a confidential Bank memo that the Attorney General of the Transvaal was reluctant to prosecute major forex cases because he would be obliged to attribute at least half the blame to the Reserve Bank itself.

And in an outright show of no confidence, when various government departments met two years ago to discuss massive frauds on duty rebates and export incentives – in just two cases the frauds exceeded R500 million – because the Reserve bank had failed to perform routine checks, they asked the Reserve Bank representatives to leave before the meeting commenced.

ABSA itself has quietly been collecting hundreds of millions in an off shore trust of which it is both the beneficiary and the "protector" – and with no trace in its annual accounts.

There is increasing concern about how Dr Stals and his senior fellow executives, in their desperation to prop up apartheid, might have helped turn South Africa into a haven for dirty money (the proceeds of international crime, including the drug trade), and participated in secret strategic planning with the State Security Council. What influence did the Reserve Bank's dealings with certain foreign banks for

## RESERVE BANK OF SOUTH AFRICA PRETORIA 0001

1990-12-10

The Chairman  
Cape Investment Bank Group  
P O Box 1134  
CAPE TOWN  
8000

Dear Mr Pickard

### AID WITH REGARD TO LOSSES ON OFF-BALANCE SHEET ASSETS

The Governor of the South African Reserve Bank has given his approval that a loan should be made available to your bank to "compensate" for the losses that have been incurred on off-balance sheet assets.

This special aid action is being launched to prevent a further shock being caused to financial markets. Your auditors have insisted that these losses must be published as a note to your annual accounts dated 30 June 1990, which will result in your depositors and clients possibly losing confidence in your bank.

As of 4 December 1990 the South African Reserve Bank is making a loan available to you in an amount of R300 million at an interest rate of one per cent per year, until and including 30 March 1991. Your bank will deposit the same amount, on the same date, with the South African Reserve Bank at an interest rate of 17,12 per cent per year for 116 days.

Interest will be paid monthly on both the loan and the deposit. By means of this aid action you will earn R15,37 million.

The aid action is subject to the following conditions:

1. Your bank and another bank must amalgamate within 60 days. The choice of bank with which Cape Investment Bank amalgamates rests with you and your board. Your bank registration will be cancelled on 1 July 1991.
2. The position of Chief Executive must be filled by a person who is acceptable to the South African Reserve Bank.
3. The trading activities of your bank must cease.
4. After the sale agreement has been finalised, the South African Reserve Bank will provide support for the bank that takes over, to the extent that your bank's bad debts exceed its capital and reserves.
5. The latter support will only occur if the South African Reserve Bank has been satisfied that all the write-offs were necessary.

The payment of [the latter] special aid will occur after the sale agreement has been finalised, retro-active to 4 December 1990.

Yours faithfully

J H van Greuning  
Registrar of Banks

the financing of illegal arms and oil transactions, and the vast nuclear programme, have – and what influence do they, or the coverup, continue to have? (The fact that the front company for Swiss armstrader Oerlikon Buhle had its offices in Reserve Bank buildings was no co-incidence.)

When Dr Stals addressed the Tollgate enquiry, he spoke as if the S A Reserve Bank was a normal, respectable central bank, doing normal central bank business. It was very obviously not. There is no such thing as normal sport – or normal central banking – in an abnormal society, remember?

Neither the Commissioner running the enquiry, nor any of the lawyers representing three major banks, questioned a single word he said. Why the fearful silence? Dr Stals is obviously still a very powerful man.

## THE SECRET LETTER

Look, dear reader, at the Reserve Bank letter – published here for the first time – that Dr Stals still remains determined the public (and Parliament) should not see, long after the collapse of CIB. Judge for yourself the level of professional expertise, care and consideration that went into the drafting of such documents, let alone the dishing out of hundreds of millions of rands. And just how misleading Dr Stals's subsequent account to the parliamentarians was (compare nose3). It is also intriguing to note to what extent it appears to have been a trial run for what the Reserve Bank would shortly thereafter do to "facilitate" the take-over of Bankorp by ABSA.

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(continued from Page 5)

## THE BANKORP/ABSA LIFEBOAT

On 3 August 1990 Dr Stals wrote a letter to Mr Piet Liebenberg, MD of Bankorp (holding company of TrustBank, Senbank and Bankfin) setting out the agreement they had reached two days earlier.

Liebenberg had informed him that Bankorp expected to show a loss of R1000 million, while its total capital and reserves amounted to only R1200 million. The Reserve Bank had already in 1985/6 secretly lent Bankorp R300 million, through a mystery intermediary company called Banbol (Pty) Ltd. On being told of Bankorp's sadness, Stals agreed to secretly *give* Bankorp R150 million, each year, for the next five years. Just like that, in a three-page letter to his pal. (A top secret 52 page legal document was only drawn up a year after the deal went into effect.)

Well, to be frank, he didn't put it as simply as that, because that would too obviously have looked like theft. So he put it a little more complicatedly, so that it would look less like theft – and more like fraud, which is theft by deception and misrepresentation ...

In the letter, Stals agreed to immedi-

ately increase the SARB "loan" to Bankorp to R1000 million. Bankorp had to use R600 million of it to buy Treasury Bonds, which it would immediately deposit back with the SARB as security for the loan. After five years, said the letter, ownership of the bonds would revert to the Reserve Bank in full settlement of the debt, blah, blah, blah. But just to remind you that it was all a fraud, the SARB guaranteed that the bonds would produce a return of exactly 15%. No more, no less.

This meant that Bankorp was "earning" interest at no cost or risk to itself. And that the Reserve Bank was deliberately trading at a loss, in order to benefit a third party, in a way which could easily be hidden in its books. Unless they were specifically informed – and in his evidence to the Tollgate enquiry Dr Stals studiously avoided mentioning the Reserve Bank Board (whose members at the time included Dr Anton Rupert) – the Board members need, officially, to have been none the wiser. All they would have seen at the end of the year (or quarter) were the totals of a general Profit and Loss account of all the Reserve Bank's massive trade in bonds. In short, what Stals and Liebenberg had planned yet again bears a remarkable similarity to your average corporate fraud.

When the matter is raised, Stals typically starts talking about all sorts bank *thingummys* which, he says, are very complicated for the layman to understand, like "money supply" and "macro-economics" and "inevitable social cost", and which, he says, make it very difficult to determine who exactly paid for the gift to Bankorp and ABSA.

Don't you believe it, dear reader; you, and everyone who gets paid in rands, and has their savings in rands, paid for that gift.

Normally, to finance its budget, the government borrows money from banks and rich people for a couple of years, and gives them treasury bonds as receipts. That's the more honest way. Or a government can simply get its Reserve Bank to print extra money for it. That's the less honest way, and it's called inflation. The Nats did it a lot.

In this case – clever Mr Stals – it looked as if Bankorp had lent the Government R600 million. He had, in fact, printed money for the government, but entered it in the books in Bankorp's name to make it look as though the government had borrowed it. And he gave Bankorp R90 million a year just for the use of their name.

By printing more money, he "diluted" the value of the country's currency – your and my money – to help his Broederbond pals. That's the money supply, macro-economic social cost of it. Fraud, by any other name, will smell as foul.

In addition to the R600m, the Reserve Bank agreed to lend Bankorp R400 million (through good old Banbol (Pty) Ltd, or any other nominee, to disguise the true source of the money) at only 1% interest. The Reserve Bank would simultaneously borrow its own money back from Bankorp – at 16% interest. This was, in fact, more fictitious bookkeeping to disguise the illegal gift to Bankorp of another R60 million per year (the difference between 1% and 16% on R400 million).

The deal allowed Bankorp to pay dividends to its shareholders in the period it was secretly bankrupt and draining funds out of the public's pocket. For a time the controlling shareholder, Sanlam, was obliged to re-invest its share of the dividends back in Bankorp – not really a hardship, considering this meant Sanlam got most of its money back in the form of shares.

(continued on Page 15...)



...he turned on the lights  
and the bank's entire computer system went up in smoke ...





## AN IRISH ROCKET TO REMIND US...

So the Irish **Sinn Fein** boys are putting pressure on their old ANC friends in the government to help them get information on firearms that **Arm Scor** is suspected of having supplied to their opponents, the Ulster Loyalists.

A bit rich, some might think, considering Sinn Fein's own arms arrangements with Libya and Iran, but what it did remind us of was the occasion in 1988 when **Steve Grundlingh** and **Rob Davis** from the SA Embassy in London flew to Paris for a meeting.

In Paris some French security policemen were observing a couple of Irishmen – Ulstermen from Belfast – staggering into a hotel with an obviously heavy rolled-up carpet. With good reason. Inside the rolled-up carpet was the latest Rapier surface-to-air missile, secretly smuggled from the Shorts factory in Belfast. When the French policemen burst into the hotel room the mad Irishmen had entered (with their carpet), who should they find there with them, but our very own Rob and Steve from sunny SA. Because, see, our Rob and Steve were NIS agents (under NIS London station chief **André Gouws**) who had been sent to Paris to collect a prototype missile for Arm Scor to copy. It's called stealing/acquiring military secrets. Which was all very embarrassing for everyone concerned. Particularly since it appeared to be the understanding that the Protestant Ulstermen would get – or had already got – small arms (handy for shooting up their Catholic & Sinn Fein compatriots) from their South African friends in exchange for stealing the missile.

Which is presumably why Sinn Fein remains so interested to know from Arm Scor's files: who suggested the deal and who made the introductions?

Is it possible for Irishmen to think up such a complicated scheme? After all, if the Irish could steal the latest guided missiles from their British oppressors, why not just steal the much more plentiful and easily available handguns they need? [Well, to be honest, stealing a rocket for South Africa rather than guns for themselves does sound a bit Irish. – Ed.]

Or – and this is the really tricky question – did the British security services cook up the scheme? Did they see

advantage for themselves in both ends of the deal: a way to supply their friends in SA with embargoed armaments under cover of a "theft" ... and a way of giving their friends the Ulstermen the wherewithall to give the hated Irish Republicans "a bit of their own medicine"? It's the sort of thing one could imagine happening in those balmy Thatcher days.

Back in 1988, the embarrassment was dealt with simply by expelling the South African "diplomats" from Britain. But since then **Mr Justice Scott** (no relation to SA's judge Scott) has been appointed by the Brits to investigate the whole sordid business of how vast quantities of British armaments were illegally supplied to nice right-wing countries like Iraq, Iran, South Africa etc. etc. etc., with, many claim, the full knowledge of men in very high places.

It remains to be seen if the Scott Commission will bravely reveal the truth to the mothers and fathers of the British troops killed in the Gulf War with British weapons, or whether, like our own Harms Commission, it will simply "manage" the flow of information to the public as a means of damage control for the Tory Government. That, maybe, is what the men from Sinn Fein want their old friends in the ANC to help them do: check up on the quality of Judge Scott's research in South Africa ...

So much for Arm Scor's files. But what, we at *noseWEEK* asked ourselves, has become of the NIS men – Steve Grundlingh, Rob Davis and their station chief André Gouws – where are they now?

We checked up – and found Steve employed in the **S.A. Consulate General in New York**. Mysteriously, no-one at Foreign Affairs in Pretoria could tell us what he actually does there. André Gouws, too, has found a new haven in Government service – as assistant director of export promotion in the Department of Trade and Industry. It must make a minister like **Trevor Manuel** sleep really well at night to know he has such an experienced and sophisticated security man strategically positioned in his department. To think the men at NIS once seriously misjudged Mr Manuel to be a dangerous pinko lefty that needed constantly to be under surveillance! ☺

## A FRAUD TO BUGGER THE STATISTICS

On page 19 of the December 1995 edition of **Directorship**, magazine of the **Institute of Directors** (chairman **Basil E Hersov**, can you believe it?), a concerned article on corporate fraud quotes **KPMG's** statistics for fraud in South Africa in 1994: 58 frauds, each with a value of over R400 000, total R2,9 billion. With the qualifying footnote: "We think it necessary to draw attention to one case, value R1,9 billion, which inflated this year's figures."

One fraud in South Africa in 1994 involved R1,9 billion? And we haven't yet been told who the victim was? And who was the beneficiary? This has to be an amazing country for a R1,9 billion fraud to have gone unremarked. Except that it skewed the statistics a bit.

- R50 for the first reader to tell us the where, who and when of it.

## GUPPY IN A GOLDFISH BOWL

**CONFUCIUS** says: Big fish in small pond invariably look little in big ponds. That's a saying that Gauteng Yuppies preparing to emigrate find quite as nauseating as down-and-outs find the one about teaching the poor to fish. But Mr Confucius, or whoever it is running the fortune cookie business these days, could be right: ask our friend **Sidney Rebe** of **Davis Borkum Hare & Co** at the Johannesburg Stock Exchange.

When those eminent members of the Jo'burg Big League decided to take on the big wide world and clinched a deal with the **Rothschilds'** broking business, **Smith Newcourt**, they sent partner Sid to the new **Smith Borkum Hare** office in New York to "market make" in America. But Jo'burg's whiz-kid from the Big League wasn't quite the same wow in New York, it seems. In fact, the venture was something of a disaster and had to be rescued by **Merrill Lynch**, who took over the business, closed the New York office ... and appointed our Sidney as a salesman.



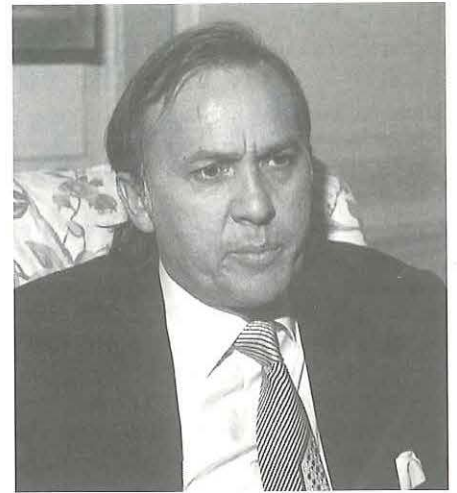
# WIESE MADE WISER

Having acquired Lanzerac, the Cape Dutch homestead and country hotel, so very cheaply out of the murk of the Alpha Bank collapse, Pepkor and Boland Bank boss **Christo Wiese** apparently also believed he was entitled to get rid of the staff there on his own, similar, terms. But this time our ageing whiz-kid's professional skills and connections weren't quite up to it. [Readers, please note we are referring to *Christo H. Wiese, the Pepkor and Boland Bank boss, not to his unfortunate namesake Christo Wiese, the Registrar of Banks.*]

South African labour law requires that an employer whose business is ailing, and which could be saved by reducing staff, must consult his employees before concluding that retrenchment is unavoidable. This gives staff, who face the daunting prospect of losing their jobs through no fault of their own, the opportunity to

make representations on possible ways and means of avoiding retrenchment, or of limiting the extent of retrenchment and on how it is to be implemented. And the Appeal Court has found it minimises resentment and promotes greater harmony in the workplace, simply by allowing those most affected to be heard.

The legal battle between Wiese and his erstwhile hotel staff started in May 1992 when Wiese retrenched 17 of his hotel and restaurant staff – chefs, wine stewards, chambermaids – without bothering to give them a hearing. Their employment contracts indicated that they had been hired *on probation* – which presumably meant they were employed, conditional only on their work being found to be of a satisfactory standard within a reasonable probationary period. But, according to Wiese, this meant they were temporary staff. Which, he reckoned, entitled him to fire them at his convenience.



(This, despite the fact that they might have worked their guts out for months to prove themselves worthy of their appointment. Which prompted Appeal **Judge Joubert** to observe in open court that Mr Wiese was a "shrewd businessman" who had been "not exactly candid" in the matter.)

That it suited Wiese's convenience to fire the 17 is clear: the **Fitzgeralds** (of Arniston and The Bay hotels fame) told him they were only prepared to take over the management of his hotel if they could appoint their own staff.

But the 17 Lanzerac employees, with legal aid and a modest contribution from their trade union, retained the services of Stellenbosch attorneys **Chennells Albertyn**, and took their case to the Industrial Court. First the Industrial Court, then the Industrial Appeal Court found in their favour and ordered Wiese's company to pay them six months salary – the handsome total of R45 000 plus interest for one year, to be divided among the 17. But so determined was Wiese (whose personal fortune is said to be worth R700 million) not to be thwarted that, rather than pay this paltry sum, he preferred to spend a couple of hundred of thousands of rands more on legal costs, and took the case on appeal to the Appeal Court in Bloemfontein.

In September, nearly three and a half years after they were fired, the Appeal Court, too, finally ruled in favour of the 17.

The facts of Wiese's defeat emerge from the Appeal Court's judgement in *Lanzerac Manor (Pty) Ltd versus De Vries and 16 others*.

While the judges of the Appeal Court show due deference in their judgment to our self-made multi millionaire, carefully noting "in fairness to him" that Wiese had "in good faith" considered prior consultation with his staff to be unnecessary, they have delivered a landmark judgment: Wiese's word, they have ruled, is not law. ☺



# THE LAW SOCIETY'S DIRTIEST SECRET:

## *Their Man at Masterbond*

Shaken by disclosures in nose13, the Cape Law Society last year claimed to have dropped its policy of secrecy when dealing with attorneys accused of misconduct. But, it seems, that was all talk.

The Society is still hanging on to one of its dirtiest secrets, thereby confirming the public's worst suspicions: that, rather than enforce rules of probity and conduct promptly and effectively, professional bodies defend and help cover for their members – especially important or influential ones.

The latest scandal involves a Cape Town attorney extremely well connected in professional, social and business circles, one **H S van Zijl**. He used his professional status to assist his clients in defrauding the Receiver of Revenue, and his professional misconduct contributed to thousands of ordinary people losing tens of millions in the **Masterbond** collapse.

There is huge public interest in the matter, yet the Society ignored the outrage for nearly two years. When the issue was formally raised by an attorney from another province, the Society simply postponed the item from meeting to meeting for another year.

Van Zijl is the son of a former Judge President of the Cape. He is also a former partner in the Cape's largest and most influential Afrikaner firm of attorneys, **Jan S de Villiers Inc.**, who are legal advisors to all the Cape's major Afrikaans publications, and continue to earn millions in fees as legal advisors to the Masterbond liquidators. (Senior partner **J F Malherbe** has become a multi-millionaire as a result of his appointment as joint liquidator of Masterbond, and is himself a former President of the **Cape Law Society**.)

While Mr Malherbe is particularly well informed about Van Zijl's misconduct, and might have been expected, both as a senior member of the legal profession, and as a liquidator of Masterbond, to have brought the matter formally before the Law Society for action, he has never done so.

Van Zijl still practices as an attorney, in

spite of his dishonesty and professional misconduct having been well documented by the Judicial Commission appointed to investigate Masterbond four years ago. His conduct was also described in evidence at the criminal trial of the Masterbond directors last year.

To judge the Law Society's response, readers need go no further than item 7 in

**Evidence at the Masterbond trial** was that the contract, which more than 2500 shareblock buyers were persuaded to sign in 1990, entitling them to Greek-style apartments at the West Coast resort **Mykonos**, guaranteed that the project was being built in terms of a "turnkey" agreement and that it would be leased to the shareblock company. In fact, there was no "turnkey" agreement and no lease agreement, so the shareblock company had no rights to sell to buyers.

When a 99 year lease was finally signed a year later, it was in respect of land to which the lessor had rights for only 25 years. And another small problem: half the houses had been built on land to which they had no rights at all. Finally, to secure the leaseholders rights by law, the lease had to be notarised and registered. Van Zijl, then a partner at **Hazell and Rabie**, signed the document as notary, but did not actually notarise and register it – because he knew about all its defects. In evidence he explained that the document had been brought to him by his partner, **Robin Hazell**, and Masterbond director **Johann Winkler** (himself an attorney and former partner at Jan S de Villiers Inc.), who both knew that it was not suitable for registration at the Deeds Office. They had told him that their accountant at Ernst and Young required the bogus document for "tax purposes".

When the Mykonos land company was liquidated, the shareblock company and its unit holders had no registered rights over the land. The lease agreement signed by the shareblock company in 1988 had stipulated that no further bonds were to be registered over the land they were leasing. In fact the Masterbond directors went on to register bonds for a further R97 million against the land after that. Had the lease been notarised and registered at the **Deeds Office**, as Van Zijl had certified, this could not have happened.

**\*Question: Might proof of professional misconduct result in damages claims against the Indemnity Insurance Scheme of the Attorneys' Fidelity Fund administered by the Law Society? And might they by now have lapsed?**

the secret minutes of their committee meeting held on 19 April last year. It reads:

"H S VAN ZIJL: ATTORNEY PRACTISING FOR OWN ACCOUNT IN CON-STANTIA AND PREV. A PARTNER OF HAZELL & RABIE: MASTERBOND MATTERS

" The director [*Mrs Ingrid Hoffmann*] reported that she had recently been approached by **Mr Roger Cleaver**, a member of the Nel Commission [*and for-*

*mer president of the Transvaal Law Society*], who expressed surprise that the Council had still not taken a decision with regard to Mr van Zijl's involvement in the notarial leases of Masterbond. It appeared from the evidence placed before the Nel Commission that Mr van Zijl had attested [*and notarially executed*] a 99-year notarial lease [*that*] contained a

number of irregularities and flaws, which meant that it could not have been registered. "In his evidence before the **Nel Commission** Mr van Zijl had drawn a distinction between acting as a notary and acting as an attorney, but stated that since he was aware that there would be no registration, he did not feel that he was encumbered with the duties of notary. "Members of the committee discussed whether Mr van Zijl indeed had a valid point but the majority [*What about the minority? – Ed*] felt that even if a higher standard of care was required ... because of his specialist qualification, Mr van Zijl still apparently failed to take the necessary care to ensure that members of the public were not misled by his actions. Mr **M T Steyn** drew a distinction between a genuine error and the present instance, where Mr van Zijl was fully aware of all the irregularities. "Mr Steyn stated that [ ...] despite the fact that Mr van Zijl had failed to respond to the Society's correspondence calling for further comments, there would appear to be no reason why the Council should hold the matter over, as the evidence given to the Nel commission appeared to be quite clear.

"It was resolved that a transcript of Mr van Zijl's evidence before the Nel Commission be referred to each member of the Committee and that the matter be reconsidered at the next meeting."

Ten months later, shortly before this issue of *noseWEEK* went to press, we approached the Society for comment.

The Society's first response was "Who told you about that?". Two days later, we were informed that the Society "is still considering the matter". ☺





# UPDATES

## BELLVILLE AND THE MATIE BROEDERS

The intrigue surrounding the prime land **Bellville Municipality** gave as a gift to **Stellenbosch University** more than ten years ago to build a Bellville campus continues.

The contract and title deed stipulated that if the old Broeder alma mater did not build a university on the land, it would revert to Bellville. Stellenbosch U has no plans to build university facilities on the land (or at least not on 95% of it) and wants to sell it, together with other portions it had got under similar circumstances from Durbanville and from **Transnet**, to developers at a huge profit. Very handy for financing its Stellenbosch campus, in the face of pressure from the government to integrate faster – or else.

Any profit which is to be made from a sale to developers – should, of course, go to Bellville. But the Broeders embarked on secret negotiations with their friends on the Bellville council in the last days of the white empire to quietly get the reversionary clause cancelled. All went quietly and well until *noseWEEK* blew the lid off it (*nose12*).

Stellenbosch U has in the meantime sold the four portions it got cheap from the Railways (which Broeder authorised that deal, one wonders?) for a massive R17 million – making a tidy profit of in excess of R15 million – to mysterious [redacted] millionaire **Billy de Lange**. De Lange, who had many important friends in **Military Intelligence**, was a secretly favoured Defence Force contractor.

[redacted] So there's a logic to those profits of war finding their way to an equally good Broeder cause. One dirty hand washes the other.

*noseWEEK* has learned that last year, shortly after we exposed their delicate "negotiations", Stellenbosch **Deputy Rector Christo Viljoen** (of previous SABC Board fame) wrote a confidential letter to the then mayor of Bellville, **Carl Cronje**, objecting to officials being allowed to talk to the press. He is said to have demanded that "arrangements"

should be made that it did not happen again. He also suggested the two of them might negotiate further face to face, in private. One wonders why? Anyway, negotiations seem to have made progress, if we read the clues correctly. As was to be expected, De Lange has applied to the **Cape Metropolitan Council** – with the support of the Bellville planning department – for the rezoning of the four portions of railways land sold to him by the University... But wait, what is this? He has not applied for the rezoning of only *four* portions of land. There are *five* numbers in the application. Yup, the last number is the number ... of the portion that came from Bellville! ☺

• See the next *noseWEEK* for the quaint correspondence between the mayor and the deputy rector ... and learn about Stellenbosch University's curious objections to its sports fields being used for soccer ...

## SCALLYWAG, WHERE ARE YOU NOW?

A year or so ago **Ryan Gilbert**, son of Gauteng's not-so-nice **ANC Councillor Clive Gilbert** (see *nose4*), was on the Wits committee of the **S A Union of Jewish Students**. He and friend **Marlon Soller** (son of Peter) "borrowed" most of the SAUJS's funds to play the stock market. They opened an account at brokers **Frankel Pollack Vinderine Inc.**, and lost a lot of money (they say R300 000). Gilbert snr refunded the money missing from SAUJS funds, but apparently refused to pay the outstanding balance still owing to FPV, which **Sidney Frankel** says totalled R106 000. Frankel threatened and, in June last year, sued them. He alleges they were trading through and account opened in the name of "Mr S Fox". Very Foxy. They claim (in affidavits) that they lost R300 000 because Frankel failed to give them professional advice and, instead, "used" them to buy and sell shares "in a manner which could only benefit Frankel's firm by establishing a market for shares which there may not otherwise have been".

They say he intimidated them into signing an acknowledgement of liability by telling them that if they did not

pay he would have them arrested. He told them he was well connected to the Police and, especially, the Department of Correctional Services – and waved his Prison Service ID card in front of them. [He is, it now emerges, a member of the Parole Board.] ☺

• Which reminds us: When does Greg Blank's application for parole come up again? We trust he has been nice and quiet and generally behaving himself.

## MURRAY & ROBERTS AND NICE MR BRINK

When the *Mail & Guardian* recently referred to **ABSA Chairman David Brink** as "Sanlam's money man", he instantly reacted with an angry letter of protest, reminding them that he had – nearly 25 years ago – been employed by Anglo American as a mining engineer.

All very odd, since he has, after all, been the Chairman or chief executive of **Sanlam** subsidiaries (first **Murray and Roberts**, and now banking group **ABSA**) for more than 20 years ... looking after the controlling shareholder's money (although some might say running **ABSA** amounts to engineering). Which prompts the question: why might Sanlam's Mr Squeaky Clean, be so sensitive about being described as their "money man"?

Readers might recall our early report (*nose1*) about the strange circumstances and South African connections surrounding the collapse of Britain's classic motorcycle company, **Norton Triumph**. Well, we have learned more about that and Mr Brink's personal involvement with some of M&R's – decidedly financial – secret offshore dealings in the Bad Old Days.

M & R had a UK subsidiary called **Multi Construction** which, in 1986, bought 26% of Norton's issued share capital for £1,25 million. But there was nothing on UK company records (or in M&R's published South African balance sheet) to suggest that Multi was an M&R subsidiary. In fact it kept changing names and corporate structures and ways of describing who its owners were. At the time of the wheeling and dealing with Norton's shares, Multi Construction's ultimate holding company was named as **Ellerby Investments Ltd SA** of Luxembourg, and its directors were all British.

M&R have since moved their offshore hub from Luxembourg to Monte Carlo. (*To be continued.*) ☺



# MADAM SPEAKER SPEAKS UP

*A veteran of the Liberation Struggle, The Speaker of the National Assembly, Dr Frene Ginwala, has taken it upon herself to battle on, determined to do what is still required to turn the dream of a free and open society into reality. Because, make no mistake, that dream is still far from being realised. Dr Ginwala's leadership position, considerable intellect and great integrity made her Open Society lecture, delivered in Cape Town last year, a document to be kept and a declaration deserving of the widest possible audience. Regrettably it was largely ignored by the popular press, and we therefore reproduce an edited version here.*



As our horizons expand, so does our understanding of the elements necessary for an open society. Democracy, human rights, peace and development, to which most societies aspire, are interlinked and overlap.

Our understanding of development has shifted from what government should do for people, to how governments should assist and engage people in developing their own capacities, their environment, their communities and their country. It is in this context that we need to identify what elements are necessary for an open society in the South Africa of today. The common threads are the availability of information to everyone in all spheres, the conditions in which people are both empowered and able to act on such information, the existence of mechanisms that facilitate their participation in decision-making and thus to secure the objective of taking control of their own lives.

The relationship between government and citizen remains critical – but the political is not the only component that determines whether we have an open society – or not.

The South African constitution is one of the very few – and possibly the only one – that places an obligation on government to operate openly and transparently. However, as we all know, constitutions, like any law, can be no more than bits of paper if the provisions are not translated into practice. Constitutions and laws can only provide a legal framework. They help to set standards and norms, but do not in themselves create an open society. Without a culture of transparency and accountability, these words would be no more than frequently mouthed clichés. It is relevant to appreciate how we acquired this very favourable constitutional base. Primarily, the human rights imperative in the South African constitution owes its origin to those who fought apartheid over many decades – members of the national liberation movement, and of the many formations that made up the anti-apartheid and democratic movements.

While the Pretoria government and official institutions were isolated, members of the banned national liberation movements were part of the international debates of the 1960s, 70s and 80s – debates which developed and extended the concepts of human rights, international law, democracy, anti-racism, non-sexism etc. Apartheid, which had been declared an international crime, was universally condemned and identified as racist, oppressive and anti-democratic. Gradually, the struggle against apartheid became integrated into the quest for democratic norms for societies fighting against, or emerging from, oppressive and tyrannical regimes.

Questions were raised as to what should replace apartheid and the ANC was being asked to provide the answers.

As the ANC engaged in dialogue, not only internationally, but increasingly with the growing number of South Africans who were exploring alternative paths for our country, we were forced to define, clarify and redefine our positions. The ANC constitutional committee began the process and produced the first constitutional guidelines.

Having experienced racism, colonialism and apartheid, we seek to build a non-racial, united, tolerant and inclusive society. There is a very real, genuine and deep-rooted desire for an open and democratic society among a large number of South Africans – from that desire emanates a tradition which bodes well for the future.

However, the liberation movements have also brought a military-style authoritarianism, combined with a tendency to close ranks defensively when attacked or criticised. Fortunately, while it still emerges on occasions, it has been tempered both by circumstances and by the tolerance and democratic instincts and principles of leaders like the late President O R Tambo, and now President Mandela.

The effects of isolation are often also still evident in the current debates. For example, references to the effective

equality of women as a social issue, and the trivialisation of the entire question reflect an understanding of human rights appropriate to the 1960s rather than 1995.

The other tradition we have in South Africa is that of apartheid: of a closed society, anti-democratic, racist, intolerant of opposition and ideas, and dominated by securocrats.

The interim constitution and elections last year began the process of transforming our society, but we have a long way to go. The past remains with us, in the institutions, the style, and behaviour and values of many who still retain power in different sectors and at different levels.

So much of this past encouraged corruption. It was managed by a society of brothers who furthered their objectives through strategies devised in secret; and to achieve their objectives, they placed their brother members in all positions of influence and power. The economy was distorted to meet strategic interests, and in this process major economic decisions were taken in secret. You can imagine the opportunities this provided for the personal enrichment of the decision-makers, their families and their friends. To this day there has been no proper accounting. The past is buried in its protective secrecy, while those who participated in or kept quiet about the past are often in the forefront of those decrying corruption among the so-called new elite, and demanding transparency and accountability from them.

This is the dark cloud that still hangs over us – a culture and a way of working that remains a threat, a pattern of relationships and networks that have to be broken down, if individuals are to be able to act honestly and with integrity.

It is this imperative that requires openness and transparent processes now; and independent public enquiries into the transactions of the past. The two are linked and both are necessary.

There can be no doubt that the concepts of democracy and open society are linked. There are many societies consid-



ered to be democracies because their democratic content is simply holding periodic elections which afford citizens the opportunity to vote. Democracy becomes little more than an event. The test must surely be conditions which allow those with different views to put them forward such as freedom of expression and association, freedom of information, as well as the freedom to challenge and monitor not just the ideas but also the actions of government and officials.

I spoke earlier of the culture within which we operate. At the moment, our focus appears to be on politicians and political parties. This is important, for politicians can provide the framework for an open society. But it is dangerous if we make it an exclusive focus. Secrecy and the tendency to regard information as private property needs to be countered in all sectors of our society, for our heritage is pervasive and insidious. All too often the demands for an open society are selectively addressed.

The media have been in the forefront of those calling for an open society, but how much of their efforts are directed at creating such a culture? To what extent have the media changed? The commercial print media cannot easily serve a population that is not literate and where its survival is dependent upon a sufficient return on the investments of owners. The general poverty of reporting is quite noticeable. What are the media doing to examine their own ownership and control structures within the debate on freedom of information and an open society?

Business is prominent amongst those who call on politicians for transparency and accountability. How open is the corporate world in South Africa? What can we as citizens find out about those who produce our food, provide our transport, build our houses, bridges and roads, manufacture our cars and trucks, produce our paper and print our books and carry on activities that impinge on every aspect of our lives? Precious little. How much are we allowed to know about the banks that keep our money, the insurance companies that manage our pensions? They are intrusive in demanding information from us – as anyone who has tried to open a bank account will know – but slam down the shutters when we try to peer into their affairs. (Is it accurate to refer to "their" affairs?)

South Africa is becoming the playground for money launderers, fraudsters and drug dealers. The internationalisation of crime and financial fraud requires international cooperation among law enforcement and regulatory authorities. Yet we are unable to make agreements to cooperate with other countries because it

is difficult, if not impossible, for our own authorities to get information, and even more so, to disclose it to others. As we are unable to reciprocate, we are also unable to ask for information from other countries.

The Companies Act requires very little information to be disclosed, nor do Stock Exchange requirements prior to listing require disclosure of information that is quite normal in other countries. Returns of insurance companies are even less informative.

Banks and insurance companies have collapsed, with losses of billions of rands borne by relatively small investors. Yet these same investors are denied access to curators' reports. There is no obligation to even disclose what public monies have been spent to prop up such institutions, nor the amounts of loans that may have been written off. Even information of mismanagement can be kept secret, though disclosure could save millions by preventing new investors from coming in.

Levies on workers' wages may be compulsorily deducted for investment by Industrial Councils. But those same worker-investors have no access to information on how their money is invested or managed.

How does one control insider trading when there is inadequate information on

share holdings, there is no requirement to automatically register the time of transactions – and there is such an interlocking membership on Boards?

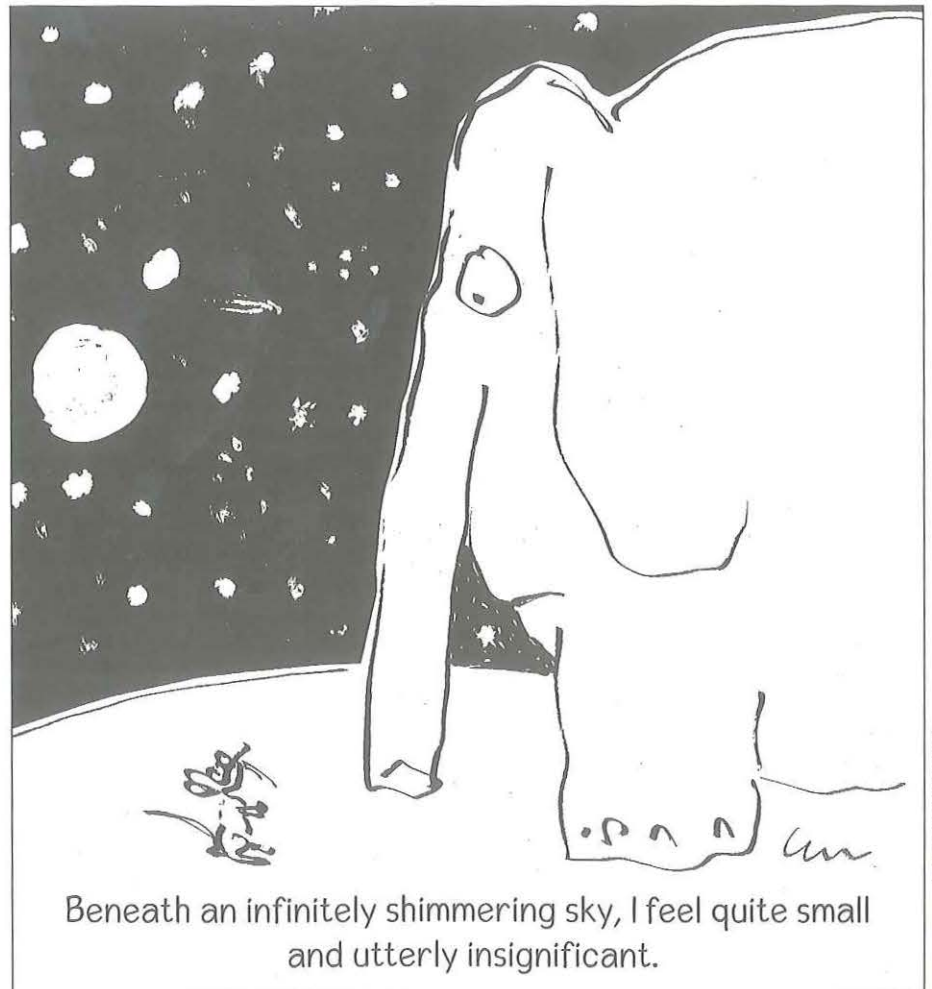
In general the parastatals are even less accountable, while members of the private sector and professions have taken to hiding behind the constitutional provision providing for the protection of a person's privacy. This is an area we need to revisit in the new constitution.

It is only when all institutions in all sectors unlock their minds, and open their doors and windows, that we can begin to lay claim to being an open society.

Finally, there is one element without which all our new aspirations will come to nought – an informed and galvanised public. The organised formations of civil society played a major role in resisting apartheid and ameliorating its worst effects. They are a precious asset which, through our inaction, is in danger of withering away.

Non-governmental organisations are not only important as agents of delivery for the Reconstruction and Development Programme. They have a major role to play in consolidating democracy and in ensuring that our society remains open.

*Dr Frene Ginwala*



Beneath an infinitely shimmering sky, I feel quite small  
and utterly insignificant.

GUS FERGUSON



# RADIO

While it is not yet exactly safe to get into the water, those who have had the courage to try what used to be the national English service, now SAFm, again, may find a glimmer of hope for the future of the service.

Definitely tops as far as I'm concerned is the glorious Big Big Brunch, which pleasantly occupies most of Saturday mornings. It is a light-hearted magazine programme headed by Bruce Miller; always professional, always intelligent but, above all, a person who comes across as really nice – an attribute of, perhaps, greater importance on radio than in any other medium. Somehow television can make nasties watchable – which is why politicians just love it – whereas on radio you tend to tune them out.

Anyway, the BBBrunch is produced by Jane Morgan, a Brit seconded here from the BBC to train and work for a year. Her impact on the radio has been remarkable.

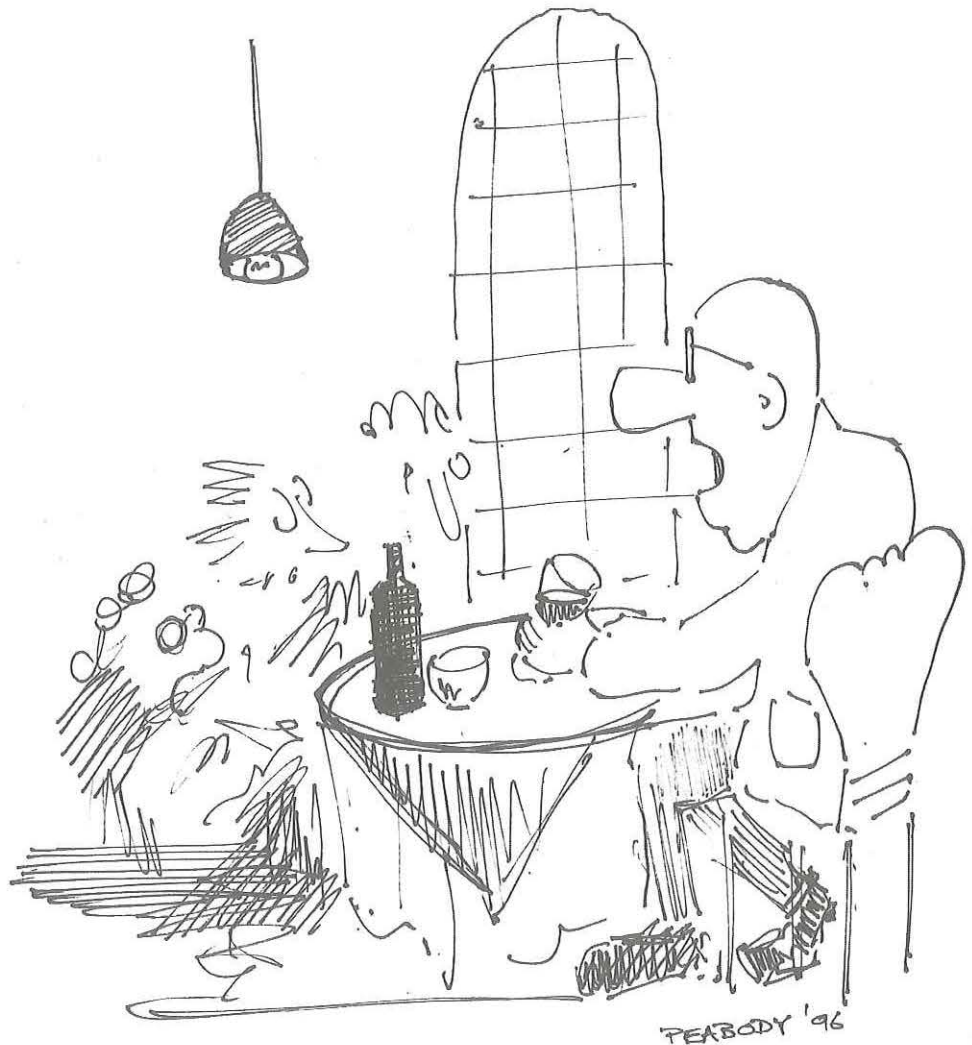
The programme features a team of wonderful broadcasters from home and away. Tops among the away team until recently was Australian comedienne, Linda Gibson, who had us literally weeping with laughter each week as she told incredible but true tales of life Down Under – like the slogan of the Democratic Party, the minority between two biggies in the Aussie elections; "Keep the bastards honest". After she'd reduced Millar to giggles at some anecdote she would reprimand him: "Naow Brooce, doan larf, Oi'm bean serious". Gibson has left because of pressure of work, hopefully just for a few weeks, but if they've got any sense they'll beg, plead and pay anything to get her to hurry back.

The home team includes Alan Swerdlow on movies and Emanuel Kumalo on sport – both excellent on their topics, but each contributing far more to the general joie de vivre than just their specialised bits.

Cape Town journalist, Tony Jackman – whose impersonation of Prince Charles surprised and delighted listeners – Caroline Smart from Durban and Andre Erasmus from PE, are examples of people who may not have been professional broadcasters but who take naturally to the medium. Such contributors help to open up the old closed shop quality to the wealth of talent available in this country.

Of course there are critics of this innovative programme. Bruce Millar has been called "dirty minded" by a couple of Kloof, Natal-dwellers; and when recently they played Rowan Atkinson's brilliant skit as the Devil welcoming newcomers to Hell, the phones apparently just didn't stop ringing with moaning sinners eager to disassociate themselves from such wickedness. What a pity – they blocked the lines and prevented the millions of us good people from getting through to cheer. ☺

Maureen Barnes



## Have a splash of this Pinotage...

"... knew Prof Perold in my youth about the time he did the crossing of the Pinot Noir and Hermitage, here – have a splash of old Kosie's Pinotage, real stepchild of the South African wine industry, is pinotage, been totally ignored for years, now suddenly every single Tom, Dick and cellar-Harry's making it and the overseas boys are getting all excited, we've been faithful drinkers of Kosie's brew ever since we first tasted it, he's worked there for forty-nine harvests already, encouraging his growers to plant plant plant pinotage pinotage pinotage and you know, in those irrigated lands up there on the plateau you can't imagine the

size of the crop they take off, with absolutely no effect on quality, and he sells it at just the right price in returnable bottles with such an unpretentious label – just states the facts, no mumbo-jumbo about what's inside and the cool slopes and mountain breezes, no acetone overtones, rusty nails and sharp acids and none of this lying around in oak barrels for months on end, no laying down at all before drinking, wasn't like that a couple of years ago I tell you, just honest to goodness easy quaffing stuff, doesn't leave your lips all purple either ... haven't got a Rennies for me, have you?"

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# PASTA, PAVAROTTI, A PAIR OF PATSYS

*and other stories from Claremont and equally exotic places*

## THE FIRST PATSY GETS PAINTED

De mortuis nil nisi bonum notwithstanding, we can't seem to get away from ex-Cape Town mayor, Patricia Kreiner, who you will recall (nose13) is banned by the present incumbent from his office.

Her predecessor, Clive Keegan, resigned as mayor in October 1993, after just two months of his two-year term, in order to go for the more powerful post as Chairman of Exco. His resignation booted his Deputy Mayor, our Patricia, into the role of mayor of the mother city – one she otherwise could never have expected to fulfil, as in the normal course of events, Keegan would have served until the transitional government took over in February 1995.

Incredibly, Mr Keegan had no conscience about spending the taxpayers' money on a mayoral portrait to commemorate his sixty days in office, so one can't attack Mrs Kreiner for having herself immortalised on canvas after her 15 months at the top.

Mayors traditionally choose their own portraitists and Mrs Kreiner decided upon Anneke van Deijl, a young Cape Town artist who, after studying here and overseas – with a pupil of Annigoni – has become a successful portrait painter, specialising in children.

However, once the painting was finished, Mrs Kreiner, a hard one to please at the best of times, was definitely Not Happy. Her mind's eye – like most of ours – didn't reflect what she saw in the mirror. She Complained Bitterly. Ms van Deijl, a reserved and modest young woman, made one or two alterations to please her important client, but the Mayor was still not satisfied. She thought, for instance, that her skin should have more translucency and was reminded gently by Ms van Deijl that she was no longer 12 years old. No matter, the Mayor insisted that major changes be made. The artist finally, if you'll excuse the pun, drew the line and offered to take back the painting. The Mayor said that if she returned the painting, the artist would have to destroy or paint over it, and it must not be seen by anyone. Bravely resisting these bullying tactics, Ms van Deijl told Mrs Kreiner that the paint-

ing, if returned, would become the property of the artist to do with as she pleased.

Another worrying dilemma for the first lady. She swung into action and called in the highly respected artist and former Professor of Fine Art, Larry Scully, to advise her.

Scully went to the artist's Durbanville home to inspect the work. "Ms Van Deijl has a highly developed technique in oil painting, in the Annigoni style," he said. "And I advised Mrs Kreiner to accept the painting, which she did."

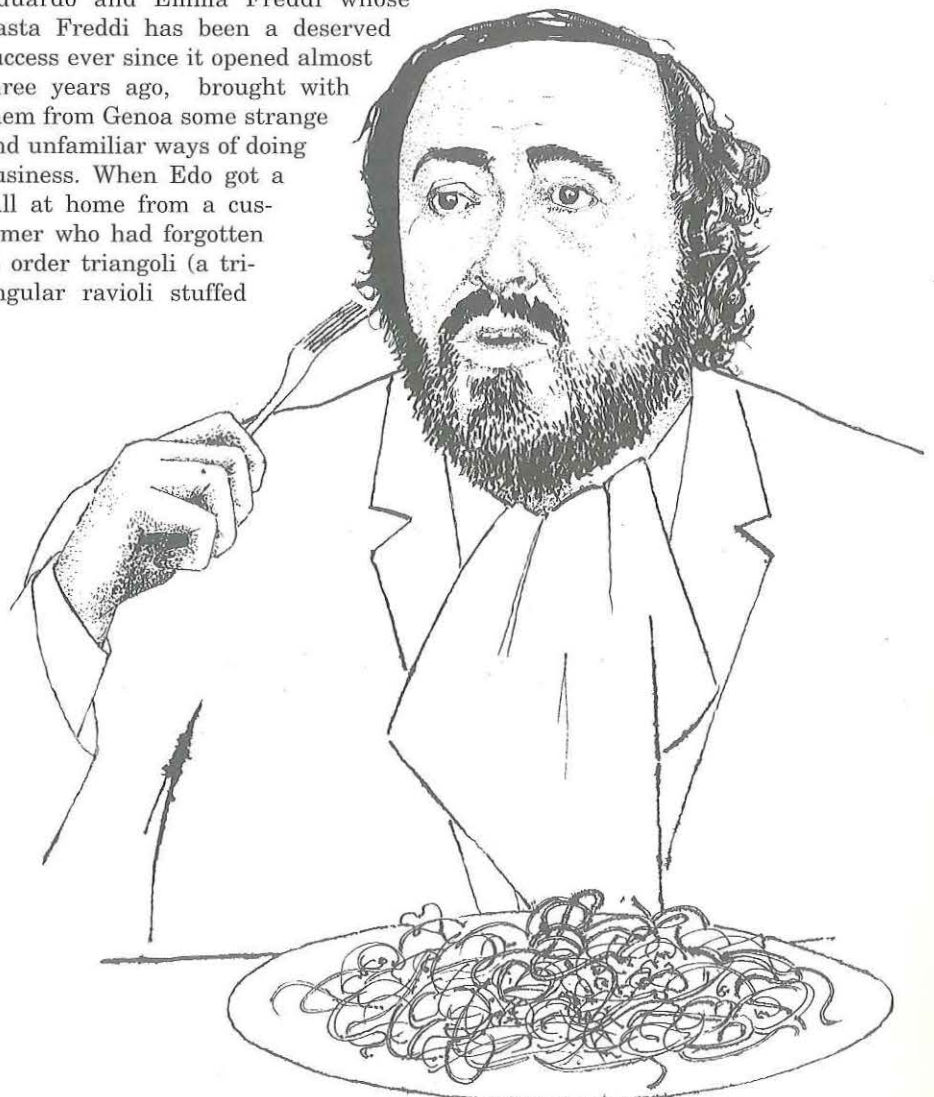
An untranslucent Mayor Kreiner is now to be found hanging in the Council chambers.

## PASTA SAVES THE MAESTRO

Eduardo and Emma Freddi whose Pasta Freddi has been a deserved success ever since it opened almost three years ago, brought with them from Genoa some strange and unfamiliar ways of doing business. When Edo got a call at home from a customer who had forgotten to order triangoli (a triangular ravioli stuffed

with ricotta and spinach) for her Christmas party of ten, he left his home, opened his shop on Christmas Day and made the pasta from scratch for her. This act – which will be unfamiliar to many South Africans – is called Great Service.

Being Italian, the Freddis love opera almost as much as they love pasta. So when Pavarotti was in Cape Town, Edo took a tray of his scrumptious fresh pasta to the hotel where the large melodious entourage was staying, to be presented to the conductor, Marco Armiliato, who also comes from Genoa and who was here with his wife and child. The pasta was stored in the refrigerator in Pavarotti's suite as it was the only one large enough. That evening, the maestro, having dined somewhat unsatisfactorily, arrived





home, opened the fridge and thought a miracle had happened. With what Armiliato later described as "a tear in his eye", lucky Luciano demanded to know whose pasta this was. He was invited to share the feast and his enjoyment was so great that the Freddis found themselves at a dress rehearsal for his concert, where the great man himself made a point of chatting to them and thanking them for the wonderful food. They were also invited to visit him in his dressing room after the performance at Stellenbosch a few days later.

## CURRY AND KINDNESS

A Cape Town couple were invited by visiting English friends who were staying at the Mount Nelson for a few days, to be their guests at the north Indian Bukhara restaurant in Church Street, in the heart of the city. During the evening the local guest unknowingly dropped her gold bracelet. As she and her husband walked into their house later that evening, the phone was ringing. It was their friends at the Mount Nelson. "Don't worry," they said "The restaurant rang, they've found your bracelet!". Apparently, when the bracelet was discovered under the table, the restaurant manager had taken the trouble to ring the people who had made the booking. One shouldn't have to marvel at such a story, but these days, isn't it lovely?

## THE OTHER PATSY GOES TO WOOLIES

Why is Woolworths so irritating? It has high standards, keeps lovely food, and probably has the best salespeople to be found anywhere, but somehow manages to convey an aura of superiority over its customers. They never run out of anything without saying "we have a quality problem" – it could be true most of the time, but surely, sometimes, the great executives simply forget to reorder? And what a pity that when the store opens in the morning, the tills don't.

Another facet of this attitude is probably only visible in Cape Town where the company's Head Office, and many of its major suppliers are based. That is the sycophantic and chummy way these people treat each other, as if they are all members of a trendy club – which they probably are. Get one of

Woolies directors' wives, or one of their more affluent associates' spouses in the shop, and the senior staff come over all Uriah Heepish – or "your friendly neighbourhood grocer" – depending on your viewpoint. Consequently, many of these important people forget that they are merely customers.

Recently, solemn Mrs Pat Shub, director of the big clothing manufacturer, Rex Trueform, and wife of its Chairman, was seen wheeling her trolley round the Claremont food market. Very egalitarian of her, you will agree, but when her trolley was full, unlike the rest of us, she didn't queue up at a till and unpack her own shopping; instead, she just handed it over to a Woolies assistant who saw the load through the till point while Mrs S wandered around picking up a few more items. Meanwhile, the store was teeming with little old people lugging their own shopping about.

Why does Patsy get this treatment? Well, she belongs to the club. Rex Trueform is a major supplier to Woolies – many of whose directors are personal chums of the wealthy Shubs.

An example of a successful public company forgetting about the public.

## HOW TO FEED YOUR BURGLAR ALARM

There are enough people who treat their animals like pieces of equipment rather than living creatures without getting positive encouragement from commerce to do so.

Expensive adverts placed in the national press by mail order company, Vesta Marketing, underline just how common this callous attitude to animals is in people who are anything but poor. Vesta offers readers the Eezi Feeder, an automatic dry pet food dispenser which, they say, will cater for dogs of all sizes and any breed of cat. Priced at around R100 to R150, the feeder takes up to 20 kg of dry food and will give you: "Constant peace of mind by feeding your pets when you can't be there."

It goes on to tell us that "when you're away there's no need for your friends or neighbours to feed your pet, they can simply look in to check on its basic welfare".

Where are the animal welfare organisations when we need them? ☹

## DR STALS AND ABSA

(continued from Page 6)

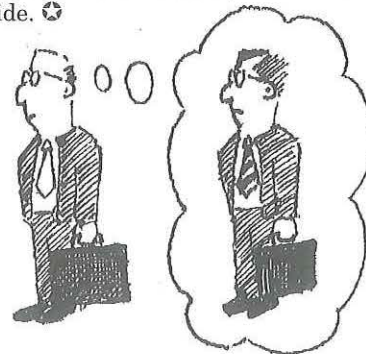
Minority shareholders in Bankorp were allowed to be paid their dividends in cash – presumably so that a falsely optimistic value would be placed on Bankorp (and, later, ABSA) shares on the Stock Exchange.

Finally, the President of the Reserve Bank would decide on 1 August 1995 how much Bankorp had to repay. This would depend on how well the bank had performed, but would, in any case not exceed 20% of what it had received. (By September 1991 the SARB gift had been upped again, to R225 million a year for five years.) So, how much, you ask, did Dr Stals decide his friends at ABSA had to repay, now that they were doing so well? Or did he decide they could keep the lot – because they've been such good Broeders? Yes, that's just what he did.

(Sanlam recently proudly declared that, by giving ABSA R500 million as its part of the rescue, it had secured an asset worth many billions for its policy holders. The least the Reserve Bank should have done is secure R1 billion-worth of ABSA shares for its shareholders.)

Signatories to the deal were Dr Stals, Marinus Daling, main honcho of Sanlam, and, yes, Piet Liebenberg, our current Banking Ombudsman, appointed by the government to protect the public and keep the banking industry honest!

Liebenberg was appointed Ombudsman after he had been paid a R2 million retrenchment package by Sanlam – out of gratitude. He prays a lot, which he no doubt has reason to do – at nice businessmen's prayer breakfasts, over bacon and eggs with pork sausages and savoury mince on the side. ☹



PEABODY '76

Fred Boggleston-Chives thinks back to his glamorous youth.



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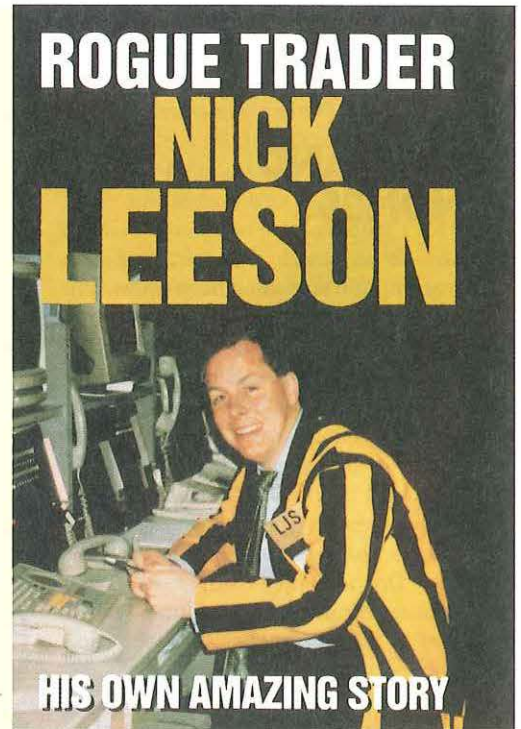
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