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(Shome mishtake, surely? - Ed)

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noseweek

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July 2004



Colin Daniel



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JACKPOT!



HOW DID JACK DANIEL'S WHISKEY TASTE BACK IN 1866 ?

(HAVE ONE TONIGHT
AND FIND OUT.)



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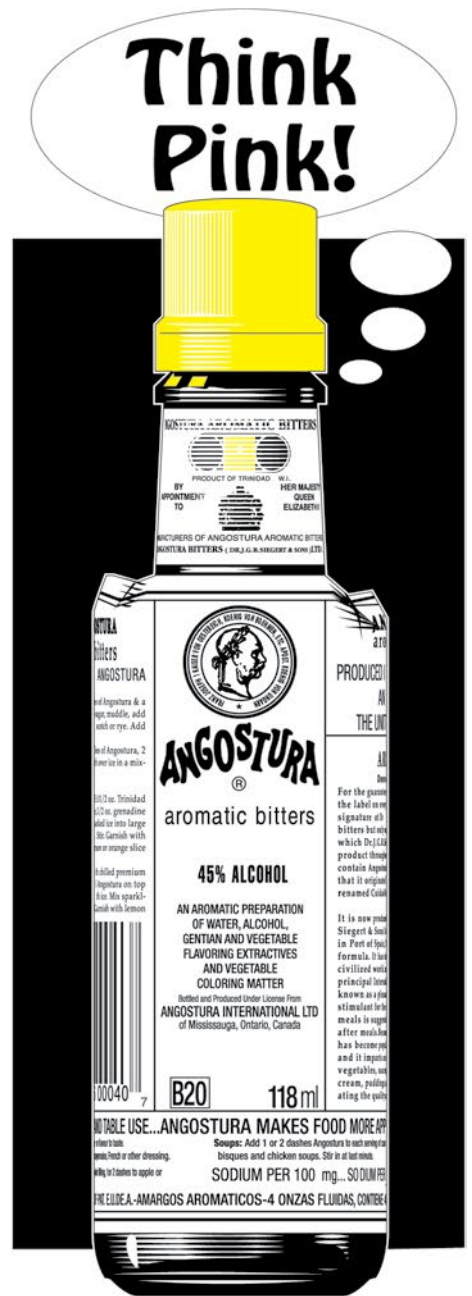


Cover illustration by Colin Daniel

RASOOL'S CHOMS HIT THE JACKPOT AT GRANDWEST

South Africa's richest casino was going to raise millions for the downtrodden of the Western Cape. Three years down the line, it seems the tables were rigged: instead of taking from the rich to give to the poor, the ANC-controlled provincial government has mysteriously snatched R40m from the people of the province to give the suits a hefty tax handout

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Mutual dissatisfaction

With regard to your editorial on OM and Nedcor (nose57): Old Mutual has just announced an increase of 1.5% on my so-called Platinum Pension, “earned on the investment of your retirement benefit.” To further gladden the heart of its grateful pensioners, and add proof of its powers of logical thinking to proof of its financial wizardry, Old Mutual assures us, in an accompanying four-page document, that “Old Mutual has guaranteed that ... increases will never be less than zero.”

Now isn't that good to know?

Michiel Heyns
Somerset West

have turned this country into a one-party dictatorship.

Robin Aberdein
Kwazulu-Natal

■ It was with a profound sense of sadness that I read your exposé of developments at Hout Bay in nose57.

In the late 80s and early 90s I knew Dickie and Shantaaal Meter well. Although we were adversaries at the time, I had great admiration for their courage and determination – both highly principled folk who suffered heavily under the apartheid regime: job losses, detention and social ostracism in the Hout Bay community.

as you can be. When boats could not go to sea there just was nowhere for these fishermen to stay and they were terrified to return to the Transkei, because if the boat owner decided to put to sea he would simply give their place on the crew to whoever was available.

In going to the aid of these fisherfolk, the Meters earned not only the wrath of the white Hout Bay community but that of a large section of the coloured harbour community as well. The establishment of Imizamo Yethu was seen as the root of all social ills in the village.

How tragic that a couple with such fine credentials have

consistently and transparently, in most instances discussing my submissions in person with the relevant officials.

Willie Esterhuysen

Graduate School of Business,
Bellville Park Campus,
University of Stellenbosch



Thank you for responding to the footnote to our story so reassuringly. We are suitably chastened on that score, and do apologise. BUT. We were persuaded to publish those scurrilous campus allegations about you because of your morally limp response to a plea from former Metropolitan Life employee André van der Merwe – the main issue of our story. Now why not respond as precisely to that issue, in your capacity as a director of Metropolitan – or is that not as easily done? – Ed.

Tuck-up

I must compliment you on your latest article on Saambou (“New Louwdown on Saambou”, nose56). As one who has been screwed on various occasions by Saambou management’s manipulations – before and after curatorship – it is great to see that someone is still prepared to challenge what actually went on. Clearly there are many unanswered questions in the whole saga. I must say though, I’m not at all surprised by some of the statements or comments made by the people you spoke to regarding the sale of Leasing Results, taking into account that the bank’s management ran the place like their own little tuck shop and were only really interested in looking after their little circle of “chommies” (one just needs to look at who has benefited from the bank’s collapse). For the record, the comment made by the curator’s “anonymous” representative is absolute bullshit.

My words to Alan Greyling were: “I do not believe we should be forced to pay a premium for the company we built from scratch. The people now in control of the Saambou circus need to acknowledge our performance and contribution, as well as the fact that we were trading exceptionally well before they bugged up the bank and hence made our lives a misery.” This is a far cry from wanting something for nothing! (Then again, what other comment can you expect when people are still covering up all the dirt?) As for the other people’s comments and denials – very interesting, I’m

sacrificed it all at the feet of Mammon and allowed their earlier idealism to be perverted to a sense of entitlement.

Malcolm Wallace
Swellendam

On the other hand...

I took note of “Teaching students to suck ethics” (nose56, May) in which my integrity is questioned.

I restrict my response to the allegations specifically directed at me and ignore those implicating the university’s management of cover-up tactics. It is the university’s responsibility to answer those allegations.

Never have I used (or abused) a credit card of the university or its business school – for the simple reason that I have never had access to such a facility! A quick phone call to the university authorities would have exposed this particular allegation for what it is: character assassination or deliberate disinformation.

Every cent in my university-administered account was legally earned by myself for contract work at the USB. (I do not receive a salary.) I have received no grants, subsidies or donations from the university or business school.

Reimbursements for costs incurred by me, had to be authorised by the financial officer, on the basis of valid receipts and acceptable reasons. I followed the university’s prescribed procedure

‘Old Mutual has guaranteed that ... [pension] increases will never be less than zero’

Old Mutual

ANC feeding frenzy

I have just finished reading the Hout Bay articles in nose57 and am thoroughly disgusted with the events. But, quite frankly, I have no sympathy with those poor people battling to survive in Hout Bay. In all probability they all voted for the ANC in the recent elections, even though their circumstances have not changed in the last five years.

Come 2009, their lives will remain unchanged, but they will vote ANC once again. ANC voters

When the National Party, without warning local authorities, summarily removed the Influx Control Laws and the first informal settlement started on the beaches of Hout Bay, it was the Meters who did most to try and aid the so-called squatters and eventually get land set aside for informal housing.

Most of the squatters were line fishermen working on the boats of private boat owners in the tuna and squid fishing sectors. In the hierarchy of the fishing community that is about as low

Gus



Waiting for Gâteau

sure the guys looking after the submission of IT14 returns will be watching with a keen eye. Good on you!

Stephen McTaggart
stephenm@investrent.co.za

Hooligreens

The Mail & Guardian's recent mammoth "Greening the Future" supplement and awards – from the judges (the most extreme collection of apparatchiks imaginable) to the so-called prize-winners – was nothing but an expensive PR exercise in greenwashing some ultimate environmental hooligans.

Richards Bay Minerals must be popping champagne corks: years

of PR, and probably millions spent on corporate image, finally paid off. They got the top award. Do they and companies like them (read: Wild Coast dune mining) need any more encouragement to keep on raping our coastlines?

When the M&G gave the "Most improved environmental practice" award to the National Ports Authority, they clearly weren't expecting noseweek's exposé about the billions of rands' damage that could ensue from the Ports Authority's decision to enlarge the container docks at Cape Town, glossed over big-time in a supposed Environmental Impact Assessment done by CSIR Enviromentek!

(The executive director of CSIR Environmentek, Khungeka Njobe, was on the judging panel that gave the award to the Ports Authority!)

The full-page advertisement for the Ports Authority in the M&G contains the kind of pie-in-the-sky assertions that make true conservationists want to puke.

M&G has done its image irreparable harm in this buttlicking for corporate advertising revenue. How about a noseweek award, spread over several categories, for Environmental Hooligan of the Year?

Jerry Buirski
Three Anchor Bay

A whole can of lions

Thank you for highlighting the plight of the Enkosini lions (nose57).

You would think that in South Africa – where much lip service is paid to tourism in general and our spectacular wildlife in particular – the tourism industry would rush to resolve this sensitive issue. Our tardy justice system has not helped the situation either; in the interim we continue to get bad press overseas on this subject.

Marianne Birrell
Nelspruit

Premium problem

Nearly 10 years ago I entered into a Children's Accident Protection Plan with AIG Insurance Ltd, with a fixed premium of just over R10 a month.

The premium was deducted until March this year, when I was sent a certificate – with no explanation – of a 37% increase. I emailed AIG and was told that

Limerick competition

noseweek, with Pen & Art, is giving away a Parker Sonnet fountain pen worth R1,200 each month for the best topical limerick submitted to the magazine.

Email your sanctimonious, scurrilous, rude, amusing or insightful scribbles to noseweek@iafrica.com; post to Box 44538, Claremont 7700; or fax to (021) 686 0573. Entries must be received by Monday 12 July and must be headed "July Limerick Competition"

The winning entry will be published in the following month's edition of noseweek. The editor's decision is final.

Winner (Da-da!):

**I have a most powerful yen
To acquire a refillable pen.
We all know feng-shui
Is a lot of honey
But the Sonnet's the pen with the Zen.**

George Stegmann, Mowbray

Judge's comment: Minus two for sucking up to our prize sponsor, but you still scrape home – at least it is a limerick.

Letter of the month

Wesbank: where the truth lies

You are hereby informed that we do act on behalf of our client, First Rand Bank Ltd t/a Wesbank, and we have been informed that your reporter was contacted by a Mr Pierre Pienaar and that he, *inter alia*, informed your reporter that our client forged certain documentation and apparently perpetrated fraud.

Your reporter then informed our client's Mr Nicholas Litton and Mrs Moss that Mr Pienaar's story will be published in your next issue [nose58].

It is hereby formally placed on record that Mr Pienaar's allegations regarding our client are not true. In a court case in the high court in Pretoria,

after Mr Pienaar himself gave oral evidence on this issue, the learned judge found that Mr Pienaar's averments concerning our client were neither true nor fair comment.

You are now aware of the factual situation and are therefore requested to refrain from publishing.

Hack, Stupel & Ross

Attorneys, Pretoria

Who so informed you? Mr Pienaar told us nothing. But, whether Mr Pienaar said it or not, we have no doubt that, in effect, your client forged a document, lied under oath in court and thereby perpetrated a fraud which you persist in defending on their behalf. See our story on page 22 – Ed

Harold Strachan

Last Word in hilarity

To your columnist Harold Strachan – 10 out of 10 for the most hilarious essays ever written. Please keep on writing.

Philip Galasko
Bramley

Who the...?

I know all about thermite, but who in the land of the Philistines are Sam Palmer and Billy Blake? And who's "Governor Arnie"?

If I knew (I don't have a degree in the revolutionary arts) I suspect I might have enjoyed Harold Strachan's contribution to nose57.

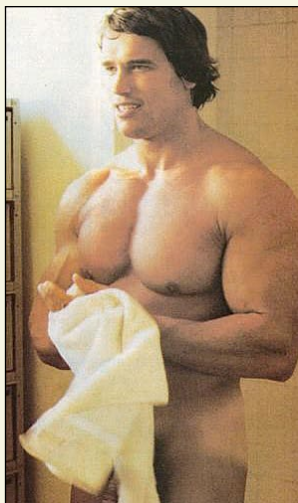
JB

Boksburg

All is revealed (see pictures on the right). – Ed



STRUNG OUT: Engaging by early 19th century mystic English poet and artist William (Billy) Blake who harboured radical beliefs



HANGING OUT: Arnold 'Governor Arnie' Schwarzenegger, star of interminable Terminator flicks and recently elected governor of California



OUT AND ABOUT: Painting by Samuel 'Sam' Palmer, one of "The Ancients" a group of 19th-century artists who were followers of Billy Blake

Hook, line and sinker

In *nose57* we revealed how a group of ANC fatcats “hauled in” the fishermen of Hout Bay by pretending to plead their cause – only to snatch their catch worth millions, leaving the fishermen in poverty. Our story recorded how only one of the local ANC leaders objected to the deceit. Andy Johnston’s reasons for resigning from the South African Commercial Fishermen’s Corporation – which he had helped establish as a co-operative that was supposed to empower large numbers of fishermen – were, however, far more profound than we knew. This emerges from the remarkable letter he has written in response to our story:

My resignation from the SACFC had nothing to do with the R50 “levy” which the directors imposed on the mass of ordinary members – I had left long before that. I walked away as a result of various disconcerting discoveries I had made and a tremendous amount of soul-searching.

At that time, as a loyal ANC member, I worshipped the leadership and believed that their decisions were morally correct and would ultimately benefit the fishers. The ideology and structure of a co-operative system run by the fishing communities and helped by an advisory body of professional persons was what we saw and had promoted as the solution to the problems of the bona-fide fishers. But, I discovered, here were top ANC persons, namely Alan Boesak, Johnny Issel, Chris Nissen, Franklin Sonn, Fred Robertson (Trevor Manuel’s brother-in-law I believe), Jakes Gerwel, Essa Moosa (then on the quota board, now judge of the high court), Mustak Brey (Alan Boesak’s auditor), Don Ncube, N Michaels, seeking shares in industrial fishing companies as the solution to “empowerment” of the

fishing communities! Through a company, South African Fishing Investment Company – it would eventually become Brimstone Investments – the idea of getting shares in fishing companies was vigorously pursued. These and other like-minded party members were strategically placed both on the Quota Board, the Small Business Development Corporation and in the relevant ANC committees, where they had the power to influence decision-making. I was beginning to doubt that genuine transformation would be forthcoming when, as a member of the Mandla Commission that was given the task of drawing up a new fishing policy for South Africa, I discovered that various members of the commission, including Richard Martin (the secretary), Redah de Maine (Eastern Cape Fishing Forum), Alfred Malgas (Northern Cape Fishing Forum), Richard Ball (Western Cape Fishing Forum), Ishaam Mullajee (Small Business Sector), Eckart Kramer (Industrial Fishing Sector) and Piet Meyer (W Cape government) intended applying for quotas for themselves while still making decisions on policy.

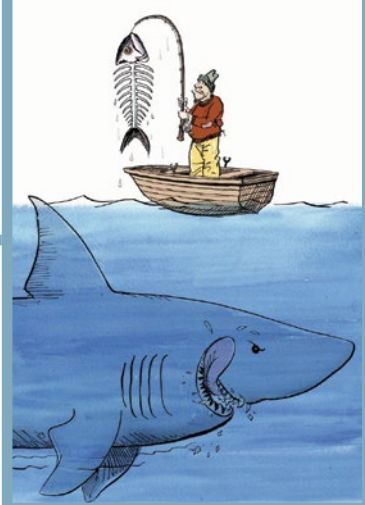
On the ANC fishing “desk” (of which I was a member), the majority of members – Dickie Meter (Bluefin Holdings), Johnny Issel (Sekenjalu), Norman Micheals (Cape Empowerment), Phillip May (Hawston Community Trust), Harry Mentor (Cape Fish Processors), Mandla Gxanyana (Food and Allied Workers Union that held shares in Oceana) and Henry Petersen (Enkalweni Fishing) – were all for promoting the quota system and would themselves eventually become successful quota applicants who traded their quotas to become big businessmen. The final White Paper draft was completely altered by Marine and Coastal Management to suit the large industrial fishing companies and their new co-

opted surrogates. The input and objections to parliament of those who shared my views were completely ignored and all doors were shut to us.

Included in our group of volunteer professional advisors was Zunaid Moola, an “economic expert” advising also the ANC, and Mr Thys Mocke, a lawyer from the offices of Morkel, Olivier, and Du Toit of the Strand who offered his services to the Helderberg Co-op “free of charge”.

I traveled to Brussels to be trained in the dynamics of the co-operative system at a workshop run by the International Collective in Support of Fish Workers, and on my return after three weeks I discovered that what Thys Mocke had legally drawn up and how his quota application was drafted was completely contrary to our co-operative objectives. When confronted with this, he indicated that he had resigned from his legal firm and had appointed himself as CEO of SACHF (a new holding company he had created) and that himself, Zoonaid Moola and himself would earn “market related” wages – which he set at R30, 000 a month. The structure he had set up, which included a subsidiary company, SAFC, various trusts and the holding company [as described in *nose 57*], was never going to serve the interests of the fishers: all of it was designed to create a kingdom for a greedy few. I was appalled also to discover that Thys Mocke was actually working out of Oceana’s offices in Cape Town.

In the meantime the transformation council of which Mr Dickie Meter was a member gave his friends and family numerous quota allocations – all non-deserving applicants. It then dawned on me that the system was a gravy train for unscrupulous people at the expense of the very livelihood of the poorer fisherfolk. At a meeting of all the directors of the co-ops I resigned, explaining how



we were being sold out by Thys Mocke, Earl Gildenhuys (Mocke’s righthand man and a director of the company), Justice Kati Kati and Zoonaid Moola. My exact words were that they had hijacked our vision for 30 pieces of silver. This unscrupulous behaviour is not confined to Hout Bay; it has become a much broader phenomenon engulfing the whole of South Africa. We have brought this to the attention of Horst Kleinschmidt, the director of Marine and Coastal Management, and the auditors, Deloitte & Touche, through marches, demos, petitions and objections. All have been completely ignored. The implementation of the Marine Living Resources Act promotes economic apartheid, discriminating against the have-nots while benefiting the haves and entrenching those who benefited themselves during the apartheid years; it is a policy of industrialisation, favouring the big corporations who have co-opted leading political figures onto their boards, all at the expense of the illiterate, ill-informed and uneducated poor fisherfolk.

While President Mbeki’s brother is in Foodcorp, the Tambo family is in I&J, and Sekunjalo is in Premier; while Chris Nissen is in Sea Harvest and Brimstone in Oceana and Sea Harvest; while top politicians gain quotas and while Deloitte & Touche (auditors for Sea Harvest and Oceana) are the allocation inspectors, our struggle to gain our legitimate rights and the fight against injustice and deceit has to continue.

Andrew Johnston
Artisanal Fishers Association
World Forum of Fisher Peoples

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Fishin', gamblin' and golfin'

Shortly before this magazine went to print, our expose of the ANC fatcats of Hout Bay (*nose57*) got a brief airing in parliament. In a committee debate on the public works budget, the DA's Mr S E Opperman was the first to raise the matter of "all the 'slimy and fishy' issues reported in *noseweek*". Naturally he was most interested in our account of how the Minister of Public Works had made an 'out-of-hand' award of a lease over valuable state-owned land in Hout Bay harbour to Bluefin Holdings, a company controlled by prominent figures in the ANC – without any public consultation and under conditions that compromise the state's plans to privatise the harbour. The *noseweek* report, Opperman told the committee, was confirmed by documentation in his possession. It raised serious questions about "transparency, even-handedness and integrity".

Was it normal, Opperman asked, to give such out-of-hand leases to companies and individuals with connections in high places?

"Madam Minister, did you also receive a letter from Bluefin Holdings, as other decision makers involved with the proposed development did, informing you that all the shareholders of the company are committed members of the ANC," Opperman continued, "and were you also informed that Comrade Terror Lekota [now minister of defence] was keeping 'a watching eye on developments'?"

In her reply Minister Stella Sigcau sailed past the issue by creating a red herring: "When people apply for property or a business area, we never ask them to bring party cards. I take strong exception to what has been said. We look at them as South Africans." She then went on to point out that, statistically, 70% of applicants were likely to be ANC supporters. They could not be disqualified from applying for government concessions by reason of their party membership, she declared to applause from government members. As for the directors, shareholders and promoters of Bluefin Holdings: "If they were to enter this place, I would not even know who they were!"

"Officials scrutinise the applications so that the minister, in making a decision, is always above-board and is not influenced in any direction," said Sigcau. "Just get that straight!"

Which is all very odd, considering the following statement that appears on page four of Bluefin Holdings' formal application to the minister for the lease:

"Bluefin had several meetings with the government with regard to affirming their company, including Ministers Valli Moosa and Stella Sigcau." Add to that letters addressed to officials in the minister's department, in which the company declared its party affili-

ation and ministerial connections. And the statement made by promoter Hassen Adams at a public meeting in Hout Bay concerning his connections in high places that overrode anything mere officials might decide.

Then re-read Andy Johnston's letter on page 6. Now what do you make of Sigcau's pious denials?

A sequel of sorts to the fishing industry scandal is our casino story on page 8, where some of the same players are to be found at the tables. What might have appeared random in just one story, becomes the rule in two. You could also re-read the arms deal stories and see what you make of them, now.

From there, move on to page 26, where we discover that an oily character from apartheid days, John Deuss, has slipped back into business with South Africa! Have we learned nothing from our past? Or from the arms deal? Leave aside morals – have we no common sense? Sigcau and her colleagues in the ministries of energy and defence might heed the words of the American statesman Alexander Hamilton two centuries ago: "Those who stand for nothing fall for anything."

Increasingly, it seems, the world's shady operators view our government and its agencies as a dressed-up pony easily summoned with a carrot and then taken for a ride.

One thing remains to be said about our Huddle Park story on page 18. It's a cynic's cautionary, really.

The battle between the billionaires, as exciting as it might be, could serve to distract us from the real issue: the philistine Johannesburg authorities' attempt to get away with something illegal. The Council is (still) trying, by hook or by crook, to convert land that was donated to them as public recreation space by a public-spirited citizen (ah, those were the days!), into lucratively rateable land. It's not just the prospective millionaire developers who see piles of lovely lolly before their eyes. Clearly Jo'burg's council couldn't care a stuff about its citizens' recreation needs, or about parks and green belts – even if they came for free. What they are thinking is: turn that space into 1000 Linksfield townhouses, and you've got 1000 more ratepayers that actually pay their rates – a couple of million a month! A cynic's guess: the billionaires in our story will generously compromise on 950 townhouses and a slightly larger strip for Mr Rupert's youth golf project. Youthful golfers win! the press handout will declare, to be trumpeted in all the city's media. And a perfect cover will have been created for a robbery: a robbery of a park left, free, to the public for recreation ... a priceless asset.

The Editor

SUN INTERNATIONAL SHINES OUT OF RASOOL'S ANC



Photograph: Andrew October/Cape Times/Trace Images

BRINGING HOME THE BACON (left to right): Hassen Adams of Grand Parade Investments, Peter Bacon of Sun International and Western Cape Premier Ebrahim Rasool had good reason to celebrate a R40 million tax break for GrandWest casino's shareholders

Everybody knew it would rake in more loot than any other casino in South Africa – and GrandWest, outside Cape Town, the garish new jewel in Sun International's crown, is living up to expectations. According to Sun International, GrandWest is its most profitable casino.

Just more obscene profits for the bloated old elite? Well, it certainly wasn't supposed to be that way.

The casino's licensing was carefully planned, years ahead, by the provincial government. Unlike other provinces, the Western Cape did not rush to legalise gambling without careful research. Not only was the shareholding intended to include a strong "empowerment" component; the casino was going to pay back to society in a big way.

On top of normal tax, special super-taxes would be levied on a sliding scale, raising millions to benefit the downtrodden in a province whose disparity between rich and poor is even worse than the dismal South African average.

That, at least, was the plan. But now, barely three years after the Western Cape gambling licence was awarded, the good intentions are being rolled back. Just when the casino machine began pouring out money, the ANC-controlled provincial government has agreed to cut itself out of R40 million in taxes over the next five years alone – for rather peculiar reasons.

Readers of the last *noseweek* will recall the strange circumstances of the Hout Bay Development Trust and the leading role played by one Hassen Adams in a scam that secured substantial fishing quotas with the promise that they would benefit the poorest community in Hout Bay. Of course, they did nothing of the sort, but they certainly economically empowered Adams and a few close friends amongst the ANC's local elite.

It's no surprise, then, that Adams, an ANC "money man" since the 1980s, should emerge as the deputy chairman of SunWest International (Pty) Ltd, owner of GrandWest, trumpeting the award of the Western Cape gambling rights to that company in 1999 as a victory for the people of the province.

"Fifty-one percent of SunWest is in empowerment hands," he said in a press release published in the ANC's daily news briefing on 20 May 1999, "with the biggest single stake in the company being held by Western Cape shareholders."

But that wasn't quite true. Sun International actually owned the vast majority of the equity in SunWest. Adams was



When Cape Town got GrandWest, South Africa's richest casino, gambling was going to raise millions for the downtrodden of the Western Cape. Three years down the line, it seems the tables were rigged: instead of taking from the rich to give to the poor, the ANC-controlled provincial government has mysteriously snatched R40m from the people of the province to give the suits a hefty tax handout

able to make his claim only because the paltry empowerment shareholding had been artificially enhanced, presumably for PR purposes, using the trick of N shares – shares with zero or minimal voting rights.

Most stock exchanges do not permit N shares because they are viewed as undemocratic, allowing groups or families to control companies without the investment that would otherwise be required. But here they were used for a different purpose.

In SunWest, N shares were used to create the *illusion* of a majority empowerment stake. Empowerment groups did in fact own 51% of the voting rights in SunWest, but Sun International retained effective control by means of a management contract – which was, of course, not announced. And, Sun International held enough N shares to give it 87.2% of the real equity – meaning that 87.2% of the profits would flow back to Sun International!

Only 12.8% of the casino company's shares were owned by empowerment entities: Grand Parade Investments (GPI) that held 8.5%, and Afrisun (Sun International's in-house "empowerment" company) that held 4.26%.

What happened next is startling, in view of the real interests in the casino. The province's carefully laid supertax plans – intended, you'll remember, to fund sorely needed social spending – have all but been tossed out of the window, thanks to ANC luminary Ebrahim Rasool, who happens to be a good mate of Adams. He is now premier of the Western Cape.

As provincial finance minister, Rasool vigorously promoted a change to the gambling laws to ease the supertax burden on the GrandWest cash cow. He claimed that the sliding scale needed to be adjusted to compensate for inflation, as if the richest casino in the country were a struggling individual taxpayer groaning under bracket creep. But he had another reason, as we shall see.

On 1 April this year, the Western Cape Fourteenth Gambling and Racing Amendment Bill became law. Rasool ensured that it sailed through the Western Cape legislature despite vigorous opposition from, mainly, Robin Carlisle, a Democratic Alliance member of the provincial legislature, whose opposition was ridiculed as "stupid", "racist" and an attempt to preserve the "old order".

But by Rasool's own admission, the effect of the amendment is to deprive the provincial coffers of about R40-mil-

Legal and medicolegal services

Eberhardt and Janette the judges, and, "Chief Rabbi" Cyril Harris the "judge" in higher places decided I can't practise law because I wanted to see my child so much and because strangely, Cyril did not want to recognise the holiest of the ten commandments. Now, I have decided to become a typist and medico-legal researcher. For urgent dictaphone typing in law, medicine and any other field. I will fetch cassettes in Gauteng and outside Gauteng the tapes can be sent overnight and will be typed and sent back immediately by e-mail. Standard rate of R300 an hour and by agreement for after-hours work. Medico-legal research at R450 an hour.

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lion over the next five years alone. How on earth could such a loss to the public purse be justified?

According to Adams and Rasool, it's all about empowerment.

At the time of the original deal to set up GrandWest casino, Grand Parade Investments, the vehicle for empowerment shareholders, was given the option to buy additional shares to increase its shareholding in SunWest to 34% – but GPI was never able to exercise the option as it did not have the money to buy the shares. (In the meantime the option shares were "warehoused" with Sun International.) The hefty new tax break is supposedly to compensate Sun International for selling enough SunWest shares at an undisclosed discount to GPI in order to raise GPI's stake to at least 20%.

Calculation of the relative benefits of the tax break to Sun International and other shareholders is complicated by the fact that a substantial part of the casino's gross profits gets diverted – some would say "creamed off" – as a management fee to a management company controlled by Sun and GPI's directors, before what remains is taxed and paid out as dividends to shareholders.

But the benefits to Sun International are sure to be substantial.

Adams has painted GPI as a paragon of broad-based empowerment. GPI's participation in the GrandWest casino was a "watershed event" for GPI's historically disadvantaged investors, and a "significant win" for the broader Western Cape public, he said. He failed to mention that, after Sun International, he was personally probably the biggest winner of them all. Quite apart from his major – indirect – shareholding, he pockets a million rands or more each year in director's fees from GPI, in addi-

tion to the handsome sum he gets as director of SunWest, and of the management company.

To revert to what the public was told: at the launch of GrandWest, Adams claimed that GPI had 20,000 shareholders. That was an exaggeration. An analysis of GPI's share register shows that, in fact, it had (and in all probability still has) only 8000 shareholders – and even then, over 60% of the shares are owned by the top 100 shareholders, who are wealthy individuals, companies and trusts – not the previously disadvantaged people that Adams claims are beneficiaries.

An analysis of the top 10 shareholders indicates that it was a coalition of politically influential people who benefited most: New Nats and Labour party bigwigs (they dominated the Cape government at the time the casino licence was on offer) and ANC men with influence in the central government.

Critically, also, the ANC's Reverend Chris Nissen was Cape Minister of Economic Affairs and RDP throughout the period.

So it came that the coalition to promote the casino bid included members of both groups. They were so well-connected that certain leading men in the consortium were known at the time to have had copies of confidential cabinet minutes relating to the matter.

First amongst the consortium members was a company called Quintessence Opportunities Ltd, that held 6.8 million GPI shares. Three ANC men each held 10% of its shares: Hassen Adams (who was always happy to lend his often hard-up friend Chris Nissen the odd 10 or 20 thousand – and not demand it back), Yusuf "Joe" Pahad (close relative of the cabinet ministers of that name), and Ralph Freese (businessman and party fundraiser at the time).

Other ANC interests were housed in

Gini out of the bottle

Social budgets need money if pressing development needs are to be met. South Africa is not a wealthy country and if the growing gap between rich and poor (and the social ills it brings) is to be closed, some hard cash is essential.

The new premier of the Western Cape, Ebrahim Rasool, pointed out in a recent address to the provincial legislature that unemployment in the province stands at 500,000 and that the Gini coefficient (a measure of the gap between rich and poor) is even higher than in the rest of South Africa, which ranks among the highest in the world.

Marius Fransman, the new Minister of Housing, has also pointed out that the massive backlog in housing in the Western Cape will be difficult to clear for budgetary reasons.



ARCH EXPLANATIONS: Why is the ANC being so generous to GrandWest, the jewel in Sun International's crown?

Origin Investments Ltd, and Ukhozi (“bird-of-prey”) Investments Ltd. Origin has over two million GPI shares and is headed by Solly Tshiki, an ANC mover and shaker and headhunter in the business world, while Ukhozi, which holds two million GPI shares, is run by KK Combi (also of Master Currency) and Lizo Ngcokoto, who also managed President Thabo Mbeki’s charitable trust. (He is a director of no less than 60 other companies. Are we surprised?)

The leading New Nats and Labour Party men were accommodated in two companies in the consortium: Sancino Projects Ltd (directors included Peter Swartz and Franklin Sonn) which held 878,000 GPI shares, and Prosperity Through Partnership (Pty) Ltd, with two million GPI shares, headed by Tony Bedford, a former director of Denel. (Sancino is currently experiencing difficult times, owing Sanlam about R30 million.)

The three remaining consortium members have no direct political affiliation: a trade union-owned company called BLRT (headed by fishing union leader Norman Daniels) owns 2.5million GPI shares (is that perhaps where some of the fish quota proceeds went?); The Western Cape Women’s Investment Forum (with 360 women members) owns 2 million shares; and Intshinga Leisure (Pty) Ltd, a company apparently controlled by Alex Abercrombie, a partner at Hofmeyr Herbsteins – Sun International’s attorneys. Intshinga has 2.5 million GPI shares. (Readers will recall that some other Hofmeyr Herbsteins

partners were at the centre of controversy when it was discovered that they had bought, and almost immediately resold, the Goodwood land on which the SunWest casino is now situated, to the company for a massive profit.)

noseweek has not yet been able to establish whether the option to acquire additional shares in SunWest benefits all shareholders of GPI, or only the

We’re more interested in enriching a new elite than we are in funding the needs of the poor

eight original consortium members.

Among the general body of GPI shareholders there are other names that don’t sound disadvantaged to us. Some examples: the Singer and Friedlander Trust (registered in the Isle of Man) which owns 755,000 shares; the Amid Family Property Trust, good for 57,000; Yusuf Pahad’s family, company and family trust (all of PO Box 70, Tokai), who, between them, own 1.1million shares; Mr Devan Naidoo of Goodwood also has two million shares, and Prof and Mrs Fagaji (he heads the Peninsula Technikon) with about 90,000 shares, Patrick Leggett of Bergvliet with 150,000, and Sipiwo and Babalwa Ralo of Beach Road, who own 437,000 shares.

And then there’s the question of poor Mr Moses Mabokela Chikane, a member of parliament. His 10,000 shares in GPI directly contravene Section 13 (h) of the National Gambling Act, which states that “no political office-bearer

shall have a direct or indirect financial interest in any gambling activity”.

Another curious development on the GrandWest front is a recent career move by Derek Auret, the man who chaired the Western Cape Gambling Board when the casino was awarded its licence. He resigned last year to head up the Casino Association of South Africa, the gambling industry body whose most powerful member, by far, is Sun International.

Section 15 (2) of the Western Cape Gambling Act provides that “a member of the Board ... shall not solicit or accept employment from a licence holder ... within four years after termination of his or her term of office”. Auret may not have broken the letter of the law, but he himself describes his new position as “an exciting challenge that still offers me an opportunity to remain involved in the industry”. Strange that he sees no conflict of interest.

But all this is perhaps to miss the real point. Even if GPI were a bona fide broad-based empowerment organisation, would that be any reason to deprive the 4.5million general population of the Western Cape of huge amounts of revenue and concentrate it instead in the hands of a select band of individuals?

Rasool evidently thinks so. Unblushingly describing the tax break for SunWest as conditional on GPI’s acquisition of cheap shares from Sun International, he told the press: “This is in line with our oft-stated intention to advance a new order in the ownership and management of the Western Cape’s tourism assets.”

Could this be ANC-speak for: we’re more interested in enriching a new elite than we are in funding the needs of the poor? And if we have to steer a few million rand the way of the old homeland gambling bosses to get it done, that’s just too bad.

And it’s far from over. As *noseweek* went to press, the Western Cape Gambling Board awarded a licence to put 1000 slot machines in pubs to a private company called GPI Slots (Pty) Ltd. All four of its directors are SunWest board members, and one of them is well-known to *noseweek* readers. Step forward the ubiquitous Hassen Adams. **■**

WESBANK FOR AHEAD

GES

Take care if you approach WesBank (motto: “The home of stunning service”) for new car finance. And, if ever you challenge South Africa’s leading financier of vehicles in court, make sure that they produce original documents in evidence – not photocopies. Property developer Pierre Pienaar didn’t. With creative use of Tippex, a photocopier and computer WesBank produced a doctored copy of a signed credit application form which it purported to have received from Pienaar – and used this in court to obtain a judgment against him.

So far, Pienaar’s eight-year battle – to get his R40,000 deposit back after cancelling a vehicle finance deal with the bank – has totted up legal costs of more than half a million rands.

The tale of deceit starts in 1996, when 44-year-old Pienaar bought a Toyota 4x4 and obtained finance from WesBank’s Pretoria office. Over 20 years he’d bought 15 cars through the FirstRand-owned finance house. A valued customer, you might think. But his brand-new R138,592 Toyota turned out to be less rugged than he had hoped. Three days after taking delivery of the 4x4, the rear axle broke as he drove at 120km/h on a tarred road to his home in Pretoria’s Montana.

Section 13 of the Credit Agreements Act states that anyone buying on instalment credit may terminate the agreement within five working days

Pretoria
businessman Pierre
Pienaar was so
outraged by the
injustice he has
suffered at the
hands of WesBank
and its lawyers in a
series of court cases,
that he erected
large placards on the
back of his bakkie
warning fellow
citizens against
doing business
with the bank. This
prompted WesBank
to launch yet
another high court
case against him.
So desperate is the
bank to prevent him
from telling his story
that they now want
him locked up in jail.
Enter noseweek ...

of signing it, subject to certain key conditions. The law dates from the days of door-to-door encyclopaedia salesmen who persuaded the poor and unwary to “sign on the dotted line” for instalment purchases beyond their means.

The key conditions are:

■ The seller must have initiated the deal.

■ The contract must not have been signed at the seller’s place of business (which might suggest that the buyer had gone looking for the deal).

Mr Pienaar has long been aware of his rights in terms of this law, and is always careful to meet these two conditions. Which was easy, since WesBank always rushed to offer him finance whenever they learned he was trading in an old car to buy a new one.

After the mishap with his new Toyota, Pienaar wrote to WesBank saying that he was calling off the deal, and that he would like his R40,000 deposit to be returned, please. (They could collect the vehicle at the panelbeaters.) Section 13 states that the credit receiver [Pienaar] must get his deposit back within 10 days of giving notice of termination. But no cheque was forthcoming from WesBank.

A year went by without a satisfactory response from WesBank’s legal department, despite Pienaar’s increasingly agitated demands. Then Pienaar received a nasty shock. Checking his bank statements, he discovered that, for nine months, more than R2000 had been deducted monthly by WesBank on a debit order. The total, he says, came to R22,153.

The dispute trundled on for five years. On 31 May 2001 WesBank took Pienaar to Pretoria’s civil court, accused of breaking his agreement with them. The court had to decide whether or not (in terms of



KEEP ON TRUCKIN': Undeterred by his repeated maltreatment by Wesbank, Pierre Pienaar emblazoned his message across the back of his bakkie

Section 13) Pienaar had validly cancelled the loan/instalment sale agreement concluded with WesBank in 1996. Just before the hearing commenced, WesBank's attorneys produced photocopies of two documents that, for some reason, had not been disclosed to Pienaar's lawyers in the course of the usual "discovery" procedure several weeks before the hearing. They were central to the case: One was an Application for Instalment Finance form, the other an instalment sale agreement of the sort that would follow if a finance application was successful.

Shortly before WesBank's advocate, Andrew South, called his first witness, he informed the court that the originals of these two documents had "gone missing", but that Pienaar's advocate ("my learned friend") had accepted that the copies placed before the court "are true copies of the original". Pienaar had not been shown the documents, and had not had time to study them – or he would immediately have noticed that both included disturbing features: the first was a "copy" of an original that had never existed; the second contained – in the small print – a false warranty of which he had been innocently unaware.

The finance house's officials and its legal team intended exploiting both documents to the hilt – they had built their entire case around them and the testimony of a senior official, Dirk Jan

van Jaarsveld, business manager of WesBank Corporate in Pretoria at the time the documents were purportedly completed and signed by Pienaar. Van Jaarsveld testified under oath that he had signed the instalment sale agreement both as witness to Pienaar's signature, and on behalf of the seller, WesBank. (He had also signed as witness to his own signature, but had later corrected this mistake by asking another

point – under oath. There was another critical issue to be decided in terms of the Act: who initiated the deal? If it was WesBank, Pienaar could cancel within the five-day "cooling off" period allowed by the law. But if Pienaar had initiated the deal by approaching WesBank for finance, he could not validly cancel the deal. In that case he remained liable to Wesbank for the full purchase amount plus interest. In evidence, Pienaar

A senior official, Dirk Jan van Jaarsveld, business manager of Wesbank Corporate, was prepared to give false evidence under oath

WesBank employee, Wilma Niewoudt, to sign as well.) Then, when asked where the signing had taken place, Van Jaarsveld declared unequivocally: "It was signed in my office in Pencadia [WesBank's place of business]. Yes, it was signed there definitely." Pienaar has always maintained that he did not sign the agreement at WesBank's premises – but did so at the premises of Tiger Wheel & Tyre. If Van Jaarsveld's testimony was accepted, Pienaar had lost the case. Only much later would Pienaar find proof in WesBank's own files that Van Jaarsveld had lied on this

contended that WesBank's salesman had approached him with an offer to finance his new car – with a reduced deposit special inducement. It was the brief of WesBank's counsel, Andrew South, to prove to the court that Pienaar had "initiated" the deal by applying to WesBank. South set about his task at the outset of his cross-examination – by presenting Pienaar with the photocopied "Application for Instalment Finance" form – the document which Mr South had, at the commencement of proceedings, assured the magistrate was "a true copy of the original".



One of the signs that offended the delicate sensibilities of Wesbank

The cross-examination is worth repeating, verbatim...

South: It is a document with the heading 'Application for Instalment Finance'?

Pienaar: Correct.

South: It is an application form for a Toyota Rav 1996 model – do you see that, at the top left?

Pienaar: That is correct.

South: And the supplier is Rivonia Toyota. Isn't that true?

Pienaar: That's correct, that's what's written here.

South: And right at the bottom is your signature. Is that correct?

Pienaar: It looks like my signature.

South (driving the point home): So you signed an application for instalment finance at WesBank, not true?

Pienaar: (silence).

South: Before you got finance?

Pienaar: I signed an application...?

South: ...to get finance.

Pienaar: That is correct, that is the form.

South's cross-examination of Pienaar leaves no room for doubt that the advocate wished the court to believe, firstly, that Pienaar had submitted a

form – and by the confidence with which South put it to him as incontrovertible truth – although Pienaar's hesitation in answering some of the questions suggests that he was at least puzzled. (In a calmer moment after the hearing, he was particularly puzzled by the fact that the address on the form was out of date: he had last lived there years earlier.) Advocate South had another trump card to play. It was buried in the (very) small print:

South: Look at clause 2.3.3. [of the instalment sale agreement]. Do you see it?

Pienaar: Clause 2 ...?

South: ...3. 3. See it?

Pienaar: Yes, OK, my eyes aren't so good. Read it to me.

South: I'll read it for you: "The purchaser warrants that the initiative for this transaction came from him."

Pienaar (clearly stunned):

Excuse me, let me just ... I can read it, I just need a bit more light, because this thing's so fine and blurred.

There are many court judgments against the use of such fine print clauses in readymade commercial contracts, most particularly, one would imagine, against such clauses that "warrant" a lie to be true. But Magistrate Syed was in no doubt that Pienaar had applied to WesBank for a loan, thereby initiating the deal – and ruled in WesBank's favour.

She dismissed Pienaar's counter-claim for his R62,000 (deposit plus those debit order payments) and ordered that he pay WesBank's costs (R102,336). His own

1996 document delivered by WesBank at the last minute outside the court – the document which won the case for them. The handwriting on both forms is exactly the same.

When *noseweek* applied computer technology to lay the two sections on top of each other it was a perfect fit. The "proof" that WesBank had presented to Magistrate Syed as material evidence was a forgery! But an internal WesBank memo in the papers was an even bigger surprise. Dated 27 May 1996, it reads: "Dirk [Van Jaarsveld] came in to see Mr Mostert – Memo also received whereby he confirms that client did not sign agreement on WesBank floor, but at Tiger Wheel & Tyre – (refers to the 5-day cooling off period)."

This was clear proof that Pienaar had told magistrate Syed the truth. Pienaar then opened hostilities on another front. He made two enormous banners – one blared "WesBank forged documentation to gain market share. Don't use them, you will be sorry"; the other proclaimed: "Our customers come first – BULLSHIT! Listen to my raw deal with WesBank", and included his cellphone number. WesBank responded with an application to the Pretoria high court seeking an interdict to prevent Pienaar displaying banners accusing them of fraud and falsification of documents. But now WesBank was telling a different story.

In his affidavit of 21 September 2001 to the high court, regional manager Ferdinando Pulella admitted that Pienaar did not complete an application for finance for the 1996 transaction. "I admit that the applicant [WesBank] utilised the application for finance of 1993 for the 1996 transaction," reads his affidavit. "This is according to banking and the applicant's practice. It was changed to reflect the vehicle particulars of the 1996 transaction." Even more brazenly, he continues: "I deny that the applicant misled the trial magistrate. I further deny that false documents and false evidence was placed before the trial magistrate. I deny that the applicant perpetuated a fraud.

"When an application for finance is reviewed for repeat business, the information under *Besonderhede van Transaksie*" [details of transaction] is either Tippexed out and replaced with the latest information or replaced with

He was flabbergasted to find his 1993 personal details exactly reproduced on the 1996 document delivered by Wesbank

written, signed and dated application form for finance to WesBank for the vehicle and, secondly, that the document before court was a true copy of that application form.

Such a document would prove that Pienaar had initiated the finance deal – in which case he could not cancel it in terms of the law. Even Pienaar appears to have been taken in by the

costs came to another R133,600. And there it might (expensively) have ended, had Pienaar not returned to WesBank and asked for the papers of their previous dealings. One of the documents he received was an application for credit he had signed, back in 1993, for a BMW 325i Coupe. He was flabbergasted to find his old personal details on this 1993 document exactly reproduced on the

a blank *Besonderhede van Transaksie* by photocopying it. There is nothing surreptitious about this," Pulella claimed.

Inexplicably – if one considers the transcript of advocate South's cross-examination of Pienaar – (then acting) Judge Roger Claasen went along with WesBank's story. In his judgment Judge Claasen said: "It is common cause that the defendant made certain defamatory allegations concerning the plaintiff [in banners attached to his truck]. Defendant pleaded that they were true and in the public interest, alternatively that they amounted to fair comment." Said Judge Claasen: "The only issue at the hearing was whether the defendant had proved a justification [for making the defamatory allegations about WesBank]. From the evidence it clearly emerged that the allegations were indeed not true; even less were they fair comment."

WesBank was granted its interdict. Pienaar was ordered to hold his tongue in future and ordered to pay the finance house's costs (R88,192). His own came to another R121,800. After WesBank's courtroom admission that it had "created" the 1996 credit application form, Pienaar returned to the civil court to apply to have Magistrate

Pierre Pienaar standing up to the bank



Syed's decision reversed. A different magistrate decided the matter should go to the court of appeal. Again Pienaar was ordered to pay WesBank's civil court costs (R20,823). His own: another R38,000.

Pienaar forgot about the court of appeal – the cost would have been prohibitive – and for the next two years fumed about the injustice of it all. Finally, at the beginning of this year he built a website www.bankfraud.co.za, telling the whole sordid story complete with documents. But someone tipped off WesBank, which is now seeking to have Pienaar committed to prison for contempt of court. The application was set down for 7 September. But recently *noseweek* came to hear of this strange series of events and approached Pienaar. He explained that he was restrained by a court order from repeating his accusations against WesBank. He told us the whole story was contained in accessible court documents, loaned us his set of papers, and invited us to read them and make up our own minds.

On 11 May *noseweek* invited WesBank's in-house lawyer Nicholas Litton to comment. WesBank's response was to rush back to Pretoria high court and change its committal application to an "urgent" one on the grounds that Pienaar was making more defamatory statements about them (allegedly to *noseweek*), in breach of the interdict. However, when the matter came before Judge Ronnie Bosielo on 28 May, WesBank's advocate, Werner Luderitz, argued that a "factual dispute" had been created and that the matter should now be postponed and referred for trial. This was so ordered.

Judge Bosielo justified WesBank's urgent application with the comment that this large corporate entity was entitled to protect its interests. Even though the trial has not yet taken place, the judge, most extraordinarily, ordered Pienaar to pay the costs of Wesbank's application, postponed at Wesbank's request – another R80,000 or so!

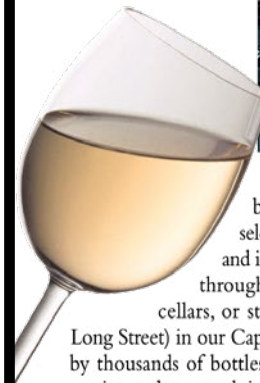
■ On 19 April WesBank wrote to Pienaar demanding payment of its costs up to then, which totalled R211,359. Pienaar's own costs at that date came to R293,400. That's a R504,759 bonanza for the lawyers, not counting the costs of WesBank's latest "urgent" application and the looming trial – date awaited – to dispatch Pienaar to the slammer. ▣



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Man in the groove **Ready, Eddie...**

You may not yet have heard of him, but Eddie Funde's name is one you'll certainly get wind of in future – on radio, TV and cellphone. As boss of the SABC board, this ANC power-broker, helped award a billion-rand contract to upgrade the national broadcaster's technology. To himself. And that's not all...

Meet Mr Eddie Funde, a name we should all be familiar with but, perhaps, are not.

In case you're not, dear reader, let us enlighten you so that, as events unfold over time – as they undoubtedly will – you can proudly say: "I read about him ages ago in *noseweek!*"

You might not have heard of Mr Funde, but every ANC/Cosatu/SACP member of parliament, in the National Assembly and in all nine provincial legislatures, knows exactly who he is: Mr Funde was the big boss of the ruling party's recent election candidate selection process. Which is where our story begins.

As these MPs sat shivering at their desks late last year – wondering how they would feature on the ANC's election lists – imagine the misery of their comrades in the portfolio committee on communications! The committee had been called into session to compile a shortlist from the numerous nominees for appointment to the SABC board. In that critical month on the political calendar, it was no surprise that Mr Funde's name topped the ANC list of nominees for our national broadcaster's board.

His nomination form was signed by the party's secretary general, Kgalema Motlanthe, no less. Who does the

ANC nominate as a candidate for the SABC board? None other than Mr Eddie Funde!

Clearly it was not enough for the comrades on the select committee to vote him on to the shortlist (he was a shoo-in) – they had to ensure that he passed through the process unscarred.

The ANC MPs on the committee would brook no opposition to his appointment. "But, but, but..." cried the DA's Dene Smuts and the IFP's Suzanne Vos, waving Mr Funde's CV, "what about the conflicts of interest?" Alas, without pause for breath, they were outvoted and the shortlist, bearing Funde's name, went to the National Assembly – where it was equally expeditiously approved.

Moving right along, President Mbeki totally agreed with parliament's selection – and appointed Mr Funde chairman of the SABC board.

Are we surprised that, within weeks, the SABC news team had developed a new understanding of their brief and were broadcasting the ANC's election launch live from Durban – hour after hour?

Fast-forward again to a May evening: who do we see starring in the lead business story on prime-time SABC TV news? Our Eddie! Not in his capacity as

chairman of the SABC board, mind you. No, no, this time Mr Funde was featured as the proud chairman of Shaya Technologies [*Who? What? – Ed.*] ... who were... wait for it ... opening their Cape Town office!

Which merely served to confirm that the SABC news team have finally learned how to identify a top national news story. Mr Funde – we don't recall any mention being made in the item of his also being SABC board chairman – took the opportunity to inform the nation about Shaya Technologies' exciting new, er, technology.

Fast-forward yet again: only a matter of weeks later, the SABC board and its chairman sat down once more with parliament's portfolio committee on communications. This time the board, through Mr Funde, announced it needed more than a billion rands (yes, 1,000,000,000 smackeros) to upgrade SABC technology – specifically in relation to its migration from analogue to digital broadcasting.

What was that technology company's name again? Hullo, Mr Funde? Are you there?

Now we understand why those opposition ladies rushed for the alarm button! Fresh in their minds was Mr Funde's role in the South African Telecommunications Regulatory Authority (Satra). Remember the Cell C fiasco? When the bidders for SA's third cellphone service provider's licence were slugging it out (naively, since it was made clear, over and over again, that Cell C was going to be the winner anyway – for goodness' sake, Jakes Gerwel, fresh from the presidency, was one of the shareholders!)

Anyway, as a Satra councillor Mr Funde is remembered as the man who effectively ousted his chairman Mr Nape Maepa – when it became clear that he intended swinging the vote against Cell C.

Poor Nape had signalled that he smelled a rat. In a flash, he was out on

GO!



Photograph: THISDAY

HOT AIRWAYS: Eddie Funde puts his mouth where his money is

some trumped-up “conflict of interest” allegation – a charge on which he was later (too much later) acquitted. After that, our Eddie seemed to be at the helm. Cell C won, many big payouts were made to aggrieved parties, the government paid millions in legal costs and the rest is now history.

But we digress.

Here we note, for posterity, some possible problems regarding Mr Funde (more later?):

With the convergence of technologies [convergence, that is, of telecommunications and broadcast technologies – we know our stuff! – Ed.] Mr Funde has been strategically placed by the ANC/government. (He is also on the government’s domain name authority!)

He has nicely placed himself right where the action is (not forgetting the money, too).

And, here we go again: our Eddie is now president and director of the South African Communications Forum – which promotes participation of the “historically disadvantaged” in the ICT and broadcasting industry.

And, guess who is pushing for most

multinational technology groups in SA to hand over at least 25% of their shares (worth billions of rands) to local black shareholders within five years?! You get the picture.

PS1: Eddie obtained an engineering MSc from the Leningrad Polytechnical Institute and has a long history of senior appointments in the ANC.

PS2: Watch-this-space department: please file Funde’s CV. Note that he serves on numerous boards – IDT, Murray and Roberts etc. (Busy busy busy!)

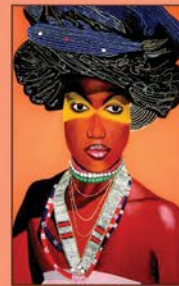
Note that he is chairman of IO Mobile, a distributor of Korean communications technology which provides “communications solutions” in the South African market. [What?! Haven’t we heard/read something about Korean technology being ideally suited for the “solutions” we require in “migrating” all our television sets and whatever from analogue to digital? – Ed.]

PS3: Since the Cell C affair, Satra has (with the convergence of technology) been merged with the IBA (Independent Broadcast Authority) to become ICASA – the Independent Communications Authority of South Africa. **W**

Funde has nicely placed himself right where the action is (not forgetting the money, too)



“Seems everybody has a little something on the side.”



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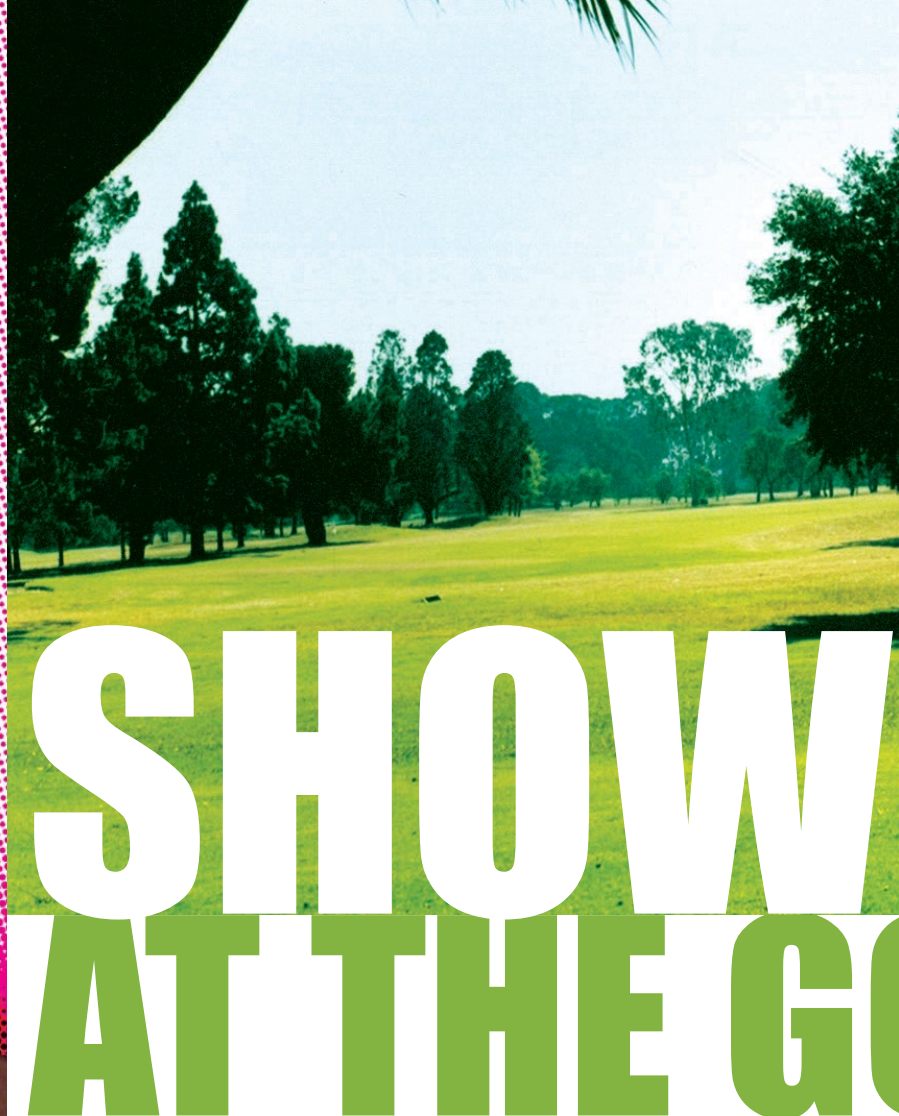
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SHOW AT THE GO

I WANT IT: Tokyo Sexwale is one of a group of businessmen who would like to turn Huddle Park into a residential development

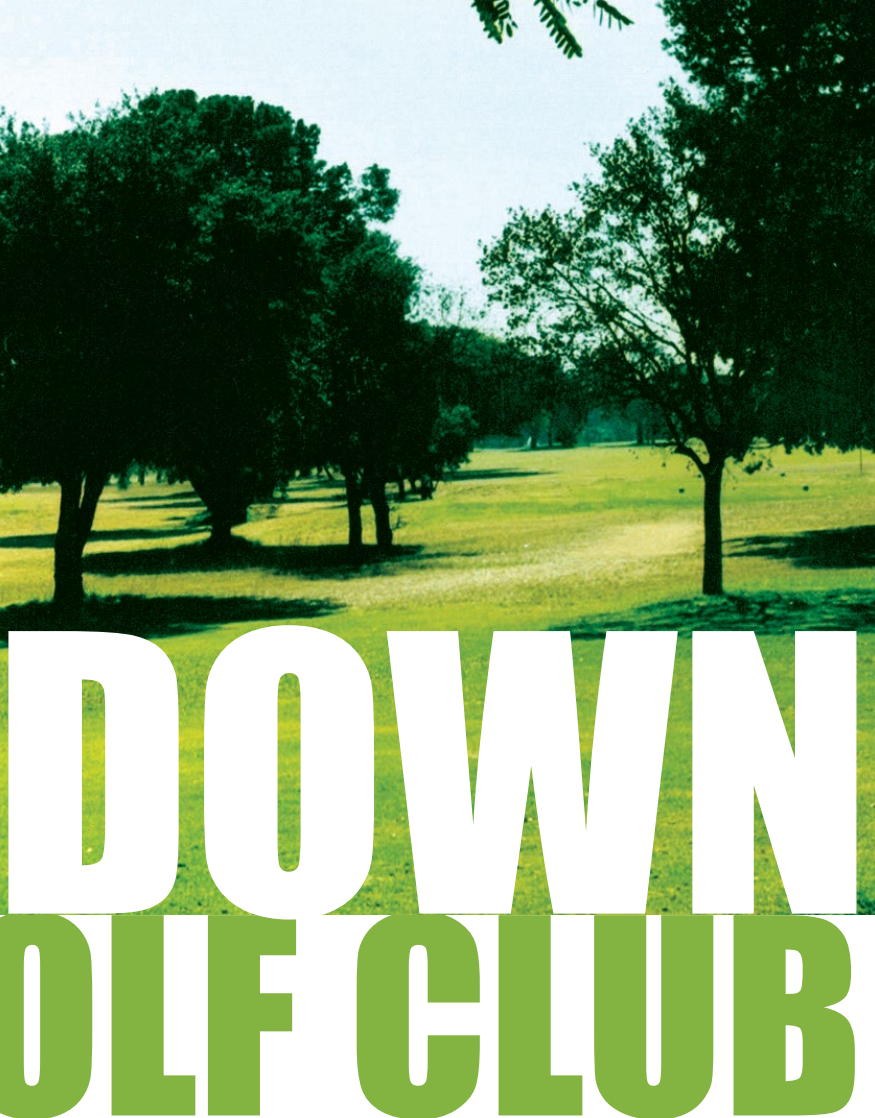
On one side of a battle royal over Joburg golf course Huddle Park is Rembrandt and Richemont boss Johann Rupert – and a unique upliftment project which is training 800 black youngsters in a golf development programme. On the other side are mega-millionaire businessmen, said to include Tokyo Sexwale, Cyril Ramaphosa and Larry Nestadt. They would like to extend their wealth by building a golf estate with up to 3000 houses, offices, shops and a conference centre on the tranquil Linksfield beauty spot.

Huddle Park was bequeathed to the city council in the 1920s. Local residents claim it was given on condition that it remain an open space for the people of Johannesburg. For years the council operated, with singular

Some of SA's best-known billionaires are taking swings at each other over Huddle Park – 235 lush hectares left to the people of Johannesburg for public use – and which the city council now secretly plans to hive off to developers

inefficiency, a run-down and loss-making golf club at Huddle Park, while it toyed with various more-or-less ludicrous schemes for getting around the donor's restriction on selling off the land for

development. (See box.) Then, in July 2003, it granted a 15-year lease to the Linksfield Golf Development Company, which, in a joint venture with Johann Rupert's SA Golf Development Board,



DOWN GOLF CLUB



photograph: Sydney Seehabidi/Sunday Times

has established a successful training academy there for black youngsters from the townships.

Now, just as Vodacom, Telkom and Coca-Cola stand poised to hand over R50 million to upgrade its three golf courses and clubhouse, it seems Johannesburg Metropolitan Council again has secret plans to seize the land for a R500m-plus luxury development. Linksfield Golf's development manager, George Johnston, says that if the council's plan goes ahead, the youngsters' upliftment project will be doomed. Plans for a Melrose Arch-scale development at Huddle Park have been in the hands of the City of Johannesburg Property Company, a private company set up to dispose of public sector-owned property, for some time. But so sensitive is this proposed sell-off that Amanda Nair, the council's executive director of planning, has taken over direct control. Her project manager, Musa Jack, enthuses: "It's very exciting." But when pressed for details, Jack referred *noseweek* to Nair, who failed to return our calls.

The developer who wins the council's



NO, IT'S MINE: Johann Rupert's development golf project brings hundreds of Tiger Woods wannabes (left) from the townships to Joburg's northern suburbs

sell-off tender will make a killing – the proposed 3000 medium-density houses alone, with a conservative price tag of at least R1.5m apiece, will bring in a minimum R4.5 billion. A source close to the council says: "There's a lot of interest from the big players." He names three of them as former Gauteng provincial premier and businessman Tokyo Sexwale, Investec founder and dealmaker Larry Nestadt and business tycoon Cyril Ramaphosa.

The proposed development provides for 10,000 sq metres of offices, 10,000 sq metres of retail and commercial space, and 12,000 sq metres for a hotel, clinic, gym and conference centre.

The development will wipe out one of the existing public golf courses. A second course will be dotted with luxury homes

and designated a private golfing facility. As a sop to the community, a pared-down public golf course will survive on the 78ha of remaining public open space.

The council will soon be calling for proposals from developers – although sources say secret talks with a favoured few have been going on for some time. The Linksfield Golf Development Company's lease of Huddle Park will be terminated and building is scheduled to begin in February 2007.

In Geneva, where he was preparing to deliver Richemont's latest annual results, Johann Rupert was dismayed to hear of the council's intentions. "This is very bad news," he said. "If it goes ahead it will be a tragedy and set golf development back a very long time." Rupert ploughs R7m a year into bringing golf to black youngsters through the SA Golf Development Board, which he founded four years ago. He is honorary president and funds the development programme through three of the Richemont companies – Remgro, VenFin and Dunhill. The Golf Development Board teaches golf to black youngsters in 11 centres across the country. But its nerve centre and base is at Huddle Park, in the joint venture with George Johnston's Linksfield Golf

Development Company. Some 800 youngsters are learning to drive, putt and excel at Huddle Park.

Rupert tells *noseweek* he thought he had put a stop to housing development plans for Huddle Park 18 months ago, when he dispatched former golfing pro Selwyn Nathan to see Gauteng premier and golfing fanatic Sam Shilowa.

"Selwyn [former head of Vodacom Sport and Entertainment] called me a month and a half ago and said: 'Don't worry, the thing is sorted out; the

accessible to everybody in South Africa," says Nathan. "Sam agreed, but said we needed to go through the process. This land was left to the council by someone who said it would always have to remain what it is – an open space for the people. If the council wants to change that, they need to go through the process. Sam said he wasn't interfering."

Adds Nathan: "I know there are more than five investment corporations that would like to turn Huddle Park into a housing and exclusive golf facility." Says

As Vodacom, Telkom and Coca-Cola line up to inject R50m to upgrade Huddle Park for the wannabe young Tiger Woodses, the whole thing could be scuppered

provincial government won't allow it to go," said Rupert.

"I thought Selwyn had persuaded the premier to stop the thing. If the council goes ahead, the SA Golf Development Board will certainly put up a robust argument." It emerges that Selwyn Nathan's visit to Sam Shilowa was not as successful as Rupert imagined. "I went to Premier Shilowa and said Huddle Park is a great opportunity to level the playing fields and make golf

Linksfield Golf's George Johnston: "Three years ago my father Kim and I wanted to start golf development for black kids. We approached the council and they let us have one of the Huddle Park courses. They were happy with what we did and at the beginning of 2003 they gave us the other two courses. Then we heard of Johann Rupert's organisation and now we run the development programme together. The council had let the golf courses go to rack and ruin. They were losing hundreds of thousands of rands every month. Now we pay them a rent [around R30,000 a month]. The council has done away with the losses and it receives an income."

Saved by divine intervention

This is not the first time that Johannesburg's city fathers (and mothers) have attempted to sell off tranquil Huddle Park to developers for a quick buck. In 1994 the then Greater Johannesburg Transitional Metropolitan Council granted a 99-year-lease on the park to a non-profit body called the National Sports Council, for a peppercorn rent of R49 a year. Which sounded good – but there was a hidden catch. In terms of the deal, the "sports" body was allowed to sub-let the park to property developer Kon Leech, whose Needwood Leisure company was going to develop a hotel and entertainment centre there. That was until – God is on our side! – Leech was sequestered, owing Absa bank R60m. The National Sports Council, too, has gone to meet its maker. In 1998 the then Greater Johannesburg Council had another go and approved a plan by a company called Greenoaks Trading, represented by Durban businessman Vivian Reddy [See *nose52* for more about him!], for 343 upmarket houses, a casino, a 250-room hotel, restaurants and an amphitheatre. Funding was promised by "Malaysian interests", but the money never materialised. Now for round three!

Anyone can play golf at Huddle Park – to the general public it operates as the Linksfield Golf Club. But the focus, says Johnston, is on development of the black youngsters. "We now also have the Gauteng Golf Development Academy that opened recently as part of our new sponsorship deal at Huddle Park. It's for kids who have come through our training programme, to develop into champions."

So, as Vodacom, Telkom and Coca-Cola line up to inject R50m to upgrade the Huddle Park courses and clubhouse for the wannabe young Tiger Woods, the whole thing could be scuppered. Johnston remains hopeful: "The council has always said over our heads that they're going to develop, so we've been

reluctant to put a lot of money in. But now we've decided that we're going to proceed anyway. Hopefully, they won't turn around and say: 'Get the kids off the course – we want to put houses there.'

That would be the end of his dream of a South African golf village, with squads of black golfers aged up to 18. "It's a Melrose Arch-size development that they're talking about. It would block up the streets and the whole place would become grid-locked. It would effectively be the end for us." But what about his 15-year lease? Can the council just grab the land back? "They can," says Johnston.

"There's a standard clause when they rent out open space for recreational purposes; if they want to develop or sell it off they have that option to take it back." Johnston protests at the council's "cloak and dagger" operating style. "They haven't sent us any documents or notice of any intention to develop."

Then there are the local residents. Two associations – the Head League (Huddle Park and Environs Anti-Degradation League) and Linksfield North Residents



VOETSEK: If the housing development is given the go-ahead by the Joburg council, it is likely to see golfing enthusiasts like this youngster shoo-ed off the links

Association – have got wind of the council's plan and are preparing for battle. The Head League's chairman, attorney Raymond Druker, says: "The council has told me in general terms that it does propose a very substantial development at Huddle Park. We will oppose it. One of our objectives is the preservation of the environment in Huddle Park. There's not another area in Johannesburg with a green lung like this. The whole park is a well-known bird sanctuary. Unfortunately, it's hugely attractive as a commercial development site. You're talking billions in profit and the developers are slaving over it. Huddle Park is a very tempting morsel, or rather mouthful. These people are only in it for the money. There's so little public open space left. In a city like Johannesburg you might find a small park here and there, but there's nothing remotely approaching the size of Huddle Park.

"We've got to aspire to being a city like London or New York. Imagine if someone were to go to the London city fathers and say: 'I want to develop part of Hyde Park or Green Park.' They'd tell you to jump into the Serpentine." **W**

[See Editorial on page 7](#)

**WAKE UP WITH FRESH,
THATO AND GP'S BLAZIN'
JAMZ ON 99.2FM.**



TBWA/GAVIN/REDDY/310321

The story, if not the Caravelle, looks set to run and run

At last! All is well with Geoff Barnes' Volkswagen Caravelle T4! (See *nose*56.)

Or so we thought when we received a copy of the following letter, dated May 20, 2004.

Dear Mr Barnes

Subject: Your VW Caravelle T4

Further to our telephonic conversations this morning, I am pleased to confirm that your Caravelle has finally been duly repaired and that it is ready for collection at McCarthy Durban.

The vehicle was tested by various people, who had no hesitation in affirming the vehicle's positive responsiveness and overall performance. Admittedly, the opinions expressed are all subjective; however, we are confident that you will be more than pleased with the performance once you have driven it yourself.

We have previously informed you that the current repair bill will amount to some R21,800. This amount has since increased to close on R25,000, mainly as

reliability in the short to medium term. In this regard, we would like to re-assure you that both the new components fitted as well as the dealer's workmanship carries a 12-month guarantee. This guarantee must certainly provide a degree of comfort.

Moreover, and given that the engine has basically been "reconditioned" we have asked that you "run in" the engine for at least 3000–5000km, whereafter McCarthy Durban will reassess its performance. You will appreciate that no manufacturer can give an unlimited guarantee on its products. However, in the unlikely event that there has been a drastic deterioration in the performance, VWSA will give sympathetic consideration, within reason, towards repair costs required, provided that it can clearly be shown that such repairs are necessitated as a direct result of, or stems from the most recent work carried out.

I look forward to receiving your feedback on your experiences with your



LOST IN THE WILDERNESS: Geoff Barnes and his family have been left high and dry by VWSA

Dear Mr Minnie: The vehicle broke down 34km after collection [from being repaired]

Volkswagen Caravelle owner Geoff Barnes

a result of additional new components such as injectors which have subsequently been fitted. Nevertheless, we have undertaken to absorb at least 50% of the repair bill. The remainder would of course be for your own account. However, I have given an undertaking that your contribution will not exceed R10,000. We remain committed to honouring this undertaking. Accordingly, we kindly request that you settle your portion in the amount of R10,000 directly with McCarthy Durban on collection of your vehicle.

You have indicated that whilst you accept that the vehicle is now probably almost in a 100% technical/mechanical condition, you have – understandably – expressed concerns about the vehicle's

vehicle – hopefully only positive this time – particularly in relation to its performance.

Kind regards

Alf Minnie

Customer Services Manager, VWSA

But then we got the first blow – in the form of the following letter copied to us by Mr Barnes:

Tuesday 1 June 2004

Dear Mr Minnie

The vehicle broke down 34km after collection. Tony is fitting new parts at present, so I hope to collect tomorrow. I am holding all payments until the vehicle is re-delivered.

Geoff Barnes

And then came the second, equally discouraging missive:

Dear Mr Minnie

Today, 9 June, the vehicle has again broken down after 940km of the proposed 5000km test and running in that we agreed upon.

The expected improvement in performance is noticeable, but I do not believe it is yet back to spec – this will be addressed after the 5000km test period.

I am however very concerned about the poor reliability of this vehicle, having had two breakdowns within 900km and after you have had the vehicle for repair since mid-November 2003.

As I intend making a trip to the Kalahari Transfrontier Park within the next month I would like the assurance that this vehicle will be reliable for this venture and would also appreciate details of VW backup service facilities in this area in the event of further breakdowns.

Geoff Barnes

No reply had been received from VWSA at the time of going to press. **W**

Hi-Fi Corp and the R2bn hot money laundering syndicate – who told what to whom?

One aspect of the confessions of **Michael Addinall** (*nose56*), member of a money laundering syndicate that managed to move over R2 billion in “hot” funds offshore for various wealthy South Africans, left us puzzled: why is it that, apart from Addinall (who is currently serving a five year prison term), nobody else seems to have been arrested or prosecuted – or even investigated for these capers? The scam must have cost the Revenue Service hundreds of millions in lost customs duties, VAT and income tax!

Addinall’s story implicated bank and Revenue Service officials by name, yet, two years later, none of them has been prosecuted – which raises the question: has the Revenue Service been in some way compromised?

Many of the syndicate members were supplying Hi-Fi Corporation with shady imports of electronic goods. This led us to just one small clue that suggested that maybe not all the players got away with it. Not entirely, anyway: at the end of 2000 JSE-listed Profurn Ltd – which owned Hi-Fi Corporation at the time – announced that it had paid a R26m “settlement” to SARS “regarding unpaid VAT and customs duties”. But when we enquired, the JD Group, which took over Profurn last year, was unable to confirm that this R26m payment related to Hi-Fi Corporation. And Hi-Fi Corp’s MD, Diane Bowran, who surely knows, did not return our calls.

Presuming the directors of Profurn were properly informed about the source of their ultra-cheap goods, we decided it was time for our famous organogram department to chart the social network surrounding Profurn Ltd. Perhaps this could suggest who might have talked to whom about Hi-Fi Corp’s role in the scandal. (Remember: an organogram proves nothing!)

This is what they came up with:

The joint managing directors of Profurn Ltd were **Gavin Walker** and **Jack Kaplan**.

Not much is known about Kaplan, but Walker was on the board of five other companies. Two of these, Benoni Gold



Michael Addinall,

Holdings Ltd and Egoli Consolidated Mines Ltd, were chaired by **Norman Lowenthal**, stockbroker and chairman of the JSE from 1997–2000. Lowenthal, who was on the board of a number of other, equally obscure, companies with mining references in their names (see Last Laugh at the Wailing Wall, *nose30*) was also a director of Arthur Kaplan Jewellery Holdings Ltd. And his younger brother, **Ronnie Lowenthal** had been at Rothschild International Bank/Amex Bank 1972–77 and Scandinavia Bank 1977–79, according to his entry in the Who’s Who for 2003.

Gavin Walker was also on the board of a company called Vestacor and its subsidiary Fashion Africa. Here he would have sat on the board with none other than the ubiquitous **Christo Wiese**. The CEO of Vestacor – and chairman of Profurn – was **Gerald Rubenstein**, consultant to attorneys Fluxman Rabinowitz Raphaely Weiner.

Shareholders of Vestacor at the time were (may we raise an eyebrow here?) Corpcapital (47%) – whose directors included **Errol Grolman** of Investec and **Jeff Liebesman**, Nedbank Nominees and an outfit called Peregrine Nominees. Peregrine Nominees’ website bills it as being concerned with ‘private wealth management and alternative investment management’. It has some 3000 clients and manages R8bn worth of assets. It has been going for ten years. Control is by

the directors, but shareholders include State Street Bank & Trust (US) (2.3%) and the exclusive Swiss bank Pictet (1.5%) as well as Ellerrine Bros (1.2%).

Bottom line is, Gavin Walker was sharing business ideas with Jeff Liebesman, Christo Wiese, **Eric Ellerrine**, Errol Grolman and **Norman Lowenthal**, who might have dropped a word in Arthur Kaplan’s ear. This is not to mention whoever controlled Nedcor Bank Nominees Ltd, First National Nominees Ltd and Standard Bank Nominees Tvl (Pty) Ltd at the time, the latter being the shareholders of Profurn Ltd.

As for Peregrine Nominees, it may be coincidence, but according to the *Concise Oxford Dictionary*, a peregrine is apparently so named because falconers used to catch them fully grown during migration, not as chicks from the nest!

Profurn also held a 33% share in Courts (Mauritius) Ltd. The other 67% of this company was held by Courts in the UK, which exports furniture and electronic goods and is owned by the Cohen family. A Mr **RV Cohen** was CEO of Vestacor in 1999. The company was delisted in 2003 according to McGregor’s 2004, and there is no trace of RV Cohen in the directors lists or Who’s Who 2003. It’s not known what his links are to the **British Cohen family** that owns Courts plc. A **Steven Cohen** is the UK managing director; his father, Bruce, is the company’s chief executive with a 5.5% stake. Between them, the Cohen family own 51% of the business.

In 2003 JD Group acquired Profurn and the deal was approved by a tribunal of the Competition Commission despite a submission by a group of mostly historically disadvantaged individuals who argued that the merger was going to have a negative impact on their businesses. Well, guess who’s on the board of JD Group? None other than the dreaded **Mervyn King** and one **Dr D Konar**, who just happens to be a director of the South African Reserve Bank! This makes it even more interesting that nobody’s prosecuted anybody else who Addinall has fingered as having been involved in the scam. **W**

Why the land commissioner wants to DU TOIT TOYI

It is perhaps inevitable that Dr Philip du Toit's privately-published lambast of government's land reform programme, *The Great South African Land Scandal*, is selling like hot cakes among the nation's white farming community. Du Toit tells *noseweek* that, of the 9000 copies of the English and Afrikaans editions printed since February, only a few hundred remain unsold.

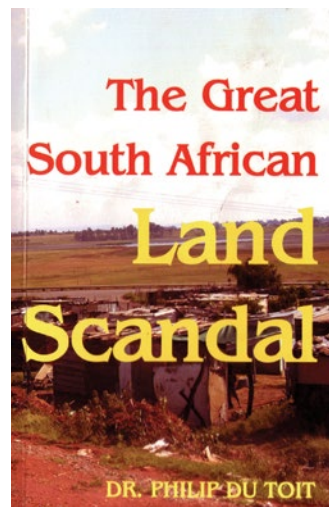
Du Toit makes many valid points, which is why *noseweek* kicked off a 2002 debate about the government's land reform programme with extracts from a paper he had hoped to deliver at the National Land Tenure Conference in November 2001. (He was barred from doing so.)

But Du Toit's book is flawed by its obsession with example after example of failure following the passing of white-owned farms to the previously disadvantaged. A critical review in *Farmer's Weekly* observed: "Many examples of failures are based on hearsay, on the evidence of unnamed sources and they are unashamedly told from a purely white perspective. There is hardly a single instance of interviews conducted with black people, apart from quotes from newspapers – mostly intended to stereotype blacks as not able to farm productively."

It was also noted in the review that Du Toit's approach ignores history, and has scant regard for the devastation wreaked by land disposessions under apartheid. Land claims commissioner Tozi Gwanya described the book as "a piece of racist literature that would surely anger any black reader". But what are we to make of that, when the government *does* have such a bad record of mismanaging agricultural land transfers?

Well then, how sound are the book's pronouncements? It's difficult for those of us not schooled in the field to say. But we thought we could, for a start, investigate the veracity of the blurb on the book's back cover.

"Attorney Dr Philip du Toit completed his doctorate on Labour Law in South



A book that savages the ANC's land reform programme raises as many questions about its author as it does about government policies

Africa, with emphasis on the agricultural sector, at Pacific Western University in California, USA," the blurb commences. Very impressive – but Pacific Western University is actually based in Hawaii, not in California. It offers doctorate courses on the internet for \$5400 – very cheap by US standards – but then, its academic curriculum is not accredited

by any agency recognized by the US Secretary of Education. (Its degrees and diplomas are also not accepted by South Africa's education watchdog, SAQA.)

Why should anyone want a doctorate from an internet university in Hawaii, rather than from, say, Free State University, or our own Unisa? Pacific Western's website suggests several reasons: "A good candidate for a doctorate degree would be someone who needs the qualification to facilitate foreign travel, obtain a work visa, publish a book or professional articles, join professional associations or to elevate his or her standing in professional circles, particularly in the consulting field."

Du Toit's cover blurb continues: "Lectures at the University of South Africa, Pretoria on industrial and commercial law." But Professor Pieter Havenga, director of Unisa's school of law, says he has never heard of Dr Du Toit.

Other snippets dug up by Chris Louw, a freelance journalist who regularly writes for the *Farmers' Weekly*:

■ Du Toit was assisted in research by Gaye Graser, who is better known as the wife of right-winger Clive Derby-Lewis, presently serving a life sentence for assassinating Chris Hani.

■ In February Du Toit was one of the speakers at an American Renaissance conference in Washington DC. The American Renaissance is a virulent anti-black hate group classified in the US as akin to the Ku Klux Klan.

Topics at a typical American Renaissance gathering: blacks are bigger in bone, smaller in brain; black marathon runners are biologically adapted cattle thieves because they come from a Kenyan tribe specialising in cattle theft; the inverse relationship between brain and penis size ... The list is endless.

The American Renaissance's own website holds a collection of cause-serving newspaper clippings: Liberian cannibal to be expelled from New Zealand; Black brothers admit to murdering eight whites in Toledo; White teacher

slain by black student in Florida etc. etc.

Du Toit, 52, works as director of legal services at the Pretoria-based Agricultural Employers' Association. He tells *noseweek* that *The Great South African Land Scandal* is now selling briskly in the UK and US, and is being translated into Dutch and German. He claims that in South Africa the Department of Land Affairs is trying to keep it off the shelves. "A bookshop in Pietersburg received 50 copies. An hour later someone from Land Affairs walked in with a cardboard box and bought the lot," he says.

Gaye Derby-Lewis? "She was one of my researchers. She's a very proper, astute lady and she's done good work for me."

That Pacific Western doctorate? "The university is properly registered. I worked on my doctorate for five years and I have my thesis. It was very hard work."

Lectures at Unisa? "That was a spelling mistake. It should have said 'lectured'. I was there for a year in 1974."

His speech at the American Renaissance conference? "They invited me to address them and I did. I spoke on the land reform issue and farm murders. I would never classify the American Renaissance as a hate group. Hating what?"

Concludes Du Toit: "People are trying to discredit me and the book. It seems to me it's a sin if you put the truth on the table. In the book I did not refer to anything between black and white."

Comments journalist Chris Louw, who frequently travels 2000km a week visiting farms all over South Africa: "There are problematic farmers – black and white. Yet there are hundreds of black farmers who are extremely successful."

Why, for example, didn't Du Toit think to mention Stephen Matsididi, now a millionaire from his two Free State farms at Khumu-Flet and Rusoord (maize, wheat, sunflowers, oats, dairy, cattle, pigs and chickens)? Or the neatly-cultivated maize and sunflower fields of Jeremiah Tsatsimpe at Verdwaal near Mafikeng? (This year, Tsatsimpe harvested 74 tons of sunflower seed.) Or Job Metswamere, who grows maize, sunflowers, peanuts and rears cattle at Gannalaagte, near Lichtenburg? Metswamere's income from cash crops last year was R218,000.

Maybe it's time Minister Thoko Didiza – and Dr Du Toit – had a chat with some of them and got to hear how they succeeded when so many others have failed. **W**

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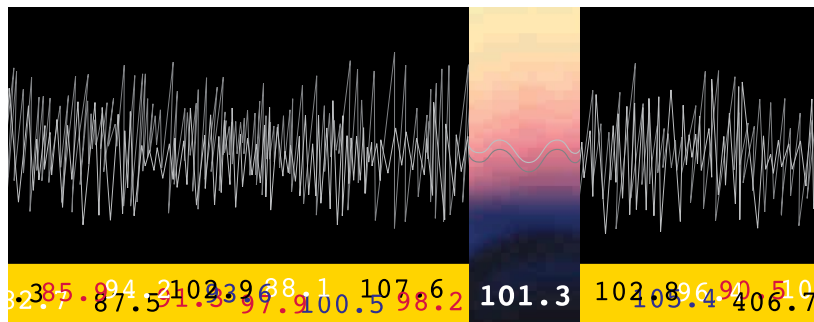
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State petroleum company in bed with oily whore

Since 2000, PetroSA, an amalgamation of Mossgas and Soekor owned by the government's Central Energy Fund, has embarked on joint ventures with the Bermuda-registered Transworld Oil Group.

Their joint venture company, styled Petroworld SA, has offices in Rotterdam, Houston and Singapore. This implies a wider trading function than has been suggested in news reports about the company's plans to build a methanol plant in Qatar, and its tentative investigation of a plan to extract gas from below the ocean floor off the West African coast. (The latter would require a floating plant to be built at a cost of \$700 million.)

In mid last year PetroSA said it would be ready to report progress in December. Now, six months after that, still nothing has been heard. What's up?

Various issues, both current and historical, suggest that it might be prudent to have a closer look at PetroSA's new partner, Transworld.

Although all significant companies in the Transworld Group are registered offshore and thus neither file accounts nor list shareholders, it is known that they are 100% owned by a Dutchman, John Deuss and his family, including his sister Martina.

Transworld evolved out of a company called Joc Oil, also Bermudan registered. During the mid seventies Joc Oil contracted with the then Soviet Union's state oil company SNE to load about 20 cargoes of crude and some petroleum products. This was unusual, as most oil deals with the Soviet Union were done government-to-government and loaded by state owned companies.

Mr Deuss paid for four cargoes, and declined to pay for the balance. He then folded Joc Oil, creating Transworld in its stead. Transworld then sold the Soviet oil plus some from Oman to South Africa's apartheid regime, charging a \$4.50 premium per barrel. This was at a time when international sanctions were in place.

Arguably, Deuss and fellow oil "independent" Marc Rich (with a little help from Shell) prolonged the life of the apartheid regime by almost a decade.

John Deuss is a man with a morally outrageous past. But, ask his new partners at PetroSA: 'What's morality got to do with it?'

Over a three to five year period some 6 million tons of oil were delivered into the SA system in contravention of international law.

When the World Council of Churches set up the Amsterdam Shipping Research Bureau to monitor shipments into SA, researchers at the bureau were mugged and terrorised on their way home from work by Deuss henchmen. The Dutch Anti-Apartheid Movement retaliated with hostile protests outside his home, prompting him to leave Holland to seek safety in America.

Since achieving unimaginable wealth by these means, Deuss has – at roughly seven-year intervals – done things that have made him a pariah in an industry not noted for its ethical standards.

These include:

■ A major "squeeze" of the Brent Oil market in January 1988, leaving him in possession of 41 of 44 available oil cargoes. The intention was to secure all physical and paper cargoes for a month, at the end of which traders with physical obligations were forced to pay a premium or face breach of contract litigation. (Deuss' squeeze failed when Saudi Arabia made more oil available, causing a drop in the oil price, instead of the price rise he had anticipated. His losses have been assessed at between \$300m and \$500m – but no sweat to Mr Deuss.

■ In 1989, the Russians, after a dogged

15 years of litigation all over Europe, finally brought the case against Deuss in the High Court of Bermuda. As a wealthy resident of Bermuda, he expected to win. He lost – but was ordered to pay far less than the Russians might have liked. He paid immediately.

■ Throughout these years Deuss had achieved extraordinary influence in the tiny Sultanate of Oman, based on his close friendship with the Sultan and contacts in the oil ministry. In or about 1993, he used this influence to gain the position of chairman of the Oman Oil Corporation.

He persuaded the Sultan to invest in a 20% stake in the Caspian Pipeline Consortium and then used his position to gain influence in Kazakhstan and with its corrupt President Nazarbaev. Using spurious legal objections he managed to bring the pipeline project to a halt for three years, thus gaining the undying enmity of the Chevron Oil Corporation, which badly needed the pipeline in order to get its Tengiz crude to market.

He was eventually ousted from that position of influence (by two individuals with more influence than he, currently being tried under the Foreign Corrupt Practices Act in New York). In the meantime Chevron lobbied Washington and the IMF, who may have leaned on the Sultan.

Then, in 1996/97, the then Omani Oil Minister was killed in a car accident. His briefcase found its way to the Sultan, who discovered detailed records of payments from Deuss to the late minister, about which the Sultan had no knowledge. This signified the end of Deuss' influence in Oman.

Since then, to quote a well-known London trader, he has "on several occasions since tried to recreate his image: He bought refineries in the US, paid his bills, set up a personnel department, paid salaries and behaved like a normal human being. But ..."

Seven years have passed. In the past year, Transworld has struck a deal in New Zealand, where both media and government seem unaware of his background. And here, with PetroSA.

It may be that in the Rainbow Nation a history does not matter. However, questions might be asked as to how a man who sustained apartheid for some years is now welcomed by the very regime against which he actively worked.

And then there are the usual questions, like: Who brought Transworld into the equation? Was it at government level, or company level? Was due diligence undertaken and if so, at what level? Were full financials obtained?

Bank details? Were the negotiators aware that Deuss owns the Bermuda Commercial Bank (formerly First Curacao International Bank)? Were they aware that the CEO of BCB, Ted Urlich, has been employed by Deuss since 1987? Were they aware that First Curacao Bank has been "scrutinised in the context of money laundering"? And lots more. Make up your own list.

For a start, we asked PetroSA for the long-promised project progress report – without much luck. "The first project we have embarked on is in Qatar, together with Qatar Gas. PetroWorld is studying the viability of this project. If it is, it will then have to be channeled through the PetroSA structures for

approval and the other necessary channels such as the National Treasury and the Reserve Bank," said PetroSA spokesman Ngwenya Nhlanhla.

He made no mention of the West African project and gave no explanation for the delay. Nor did he answer our question about how much PetroSA has spent on the projects so far.

On the subject of Mr Deuss, Nhlanhla said: "He is a director of PetroWorld. In our engagements with Transworld we also engage with Mr Deuss."

Did PetroSA have any knowledge of Deuss's history and his role with the previous regime in oil sanctions busting? "Yes," said Nhlanhla, "we are aware, [but] the relationship with Transworld is not centred on Mr Deuss. At PetroSA we are constantly seeking opportunities to secure the energy needs of South Africans. Mr Deuss' history cannot be a stumbling block to us pursuing opportunities that can make a difference to our country and its economy."

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Make sure your neighbour isn't a rear-admiral before you complain about his dogs, warns noseweek's naval correspondent Marianne Thamm

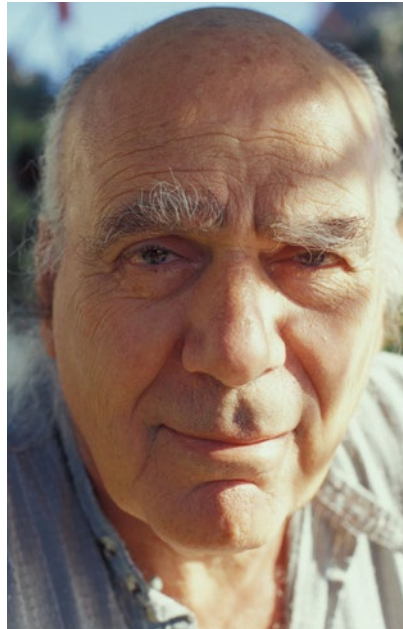
The bark stops here

Next time Jehovah's Witnesses come knocking at Felix Baddeley's front door, No 1 Hope Street, Simon's Town, he's going to ask the military police to toss them into the local police cells for 17 hours.

Well, why not? That's what happened to him on May 17, two days after he had trundled 50m down Cardiff Road to the national monument Ibeka, home to Rear Admiral George Mphasi, Mrs Mphasi, two children and two dogs that had been barking incessantly for about two months

"Felix Baddeley, Chartered Architect" reads the discreet plaque to the left of the front door of the double-storeyed Victorian that Felix renovated, and which has been his home for 15 years.

A neighbour's cat has taken up residence on the wooden bench on the tastefully ramshackle stoep. A pair of well-worn size 10 (at least) flip-flops lie abandoned beside the front door.



Felix Baddeley

He may be 71, but the tall, spry man, grey hair swept back into a miniature ponytail, refuses to be labelled either "retired" or "pensioner".

The sunroom/lounge on the first floor of the home, where Felix lives alone, commands uninterrupted views of False Bay, a section of the Simon's Town Naval Base – and the enclosed backyard of Ibeka, where two dogs, one large, one small, were kept. (Neither of them named Just Nuisance, after the Navy's legendary mascot.

Having endured at least six weeks of incessant barking and yelping, Felix collected signatures from several other residents who had also been "driven to the edge of insanity" by the noise.

On May 6, Felix hand-delivered a letter to the Fish Hoek office of the City of Cape Town's Law Enforcement Unit. It was received by one Officer Mkhwezo.

"It is not only the continuous barking of these two dogs that causes a disturbance, day and night, but also the fact that they are deprived of human contact by being left outside at all times, housed in a kennel," the letter read.

Days went by. Then weeks. Still the dogs barked and howled. Finally, in desperation, and deciding to act on the old Congolese saying "while you still have teeth, crack nuts", Felix Baddeley resolved to approach the occupants of Ibeka in person.

On Saturday, May 15, at around 9.30am, he strolled down the road to Ibeka. In his own words then, the events that followed:

"I knocked at the enclosed stoep. This had to be done consistently for 10 minutes in order to gain any attention as the dogs were howling and barking. Two children came to the door. I asked them to please call their father. They unlocked the door and went back into the house.

"After a further 10 minutes, I opened

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the stoep door and approached the front door cheerily calling ‘anyone home?’ A shirtless, bleary-eyed gentleman appeared – very annoyed. ‘How dare you disturb my family at this hour?’ I complained to him that, in fact, the dogs were causing a disturbance. Response: ‘I don’t care. Do you want me to kill them?’ I again put my case that the dogs were a neighbourhood nuisance. Further response: ‘You fucking racist shit. I fought for this country – you go back to Europe!’. I am ashamed that I then stooped to his level by telling him to go back to his township. This is a burly gentleman, very aggressive, so I retreated to my home.”

Rear Admiral Mphasi was not to know that Felix has no European links. He was born in Kenya and has lived his entire life on the African continent.

But that’s another JM Coetzee novel.

We pick up the saga two days later, on Monday, May 17, when the wheels of justice began slowly to grind and a municipal official delivered a written instruction to Ibeka ordering the

pushed past me and sat themselves – quite uninvited – in chairs at my table awaiting my return, dressed, from my bedroom. Lucky me, no leg irons or handcuffs,” he said.

He was taken, actually “hurtled off” in the back of the van to Military Police headquarters, where a detention order (MPA 002402) was made out charging him with “crimen injuria, intimidation and trespassing”.

“I thought I would be returned to my home but, instead, was driven to the Simon’s Town police station where a police lady took me into custody. Minus belt and shoelaces, I was placed in a cell. By 11pm I felt extreme trauma. The cell bell was evidently not functioning but, after rattling the cell gate for half an hour, a policeman came to attend to me.”

For years, the Military Police, who do not have holding cells in Simon’s Town, have had an “arrangement” with the local police station to use their cells to detain members of the defence force and navy whom they have arrested.

They have clearly become so

You fighting racist shit. I fought for this country – you go back to Europe

– Rear Admiral George Mphasi

“occupants” to do something about the barking dogs or face a fine of up to R20,000. According to records, the instruction was received by a Mrs T Mphasi at 11.15am.

The delivery of the instruction was purely coincidental and unrelated to Felix’s visit to the rear admiral on the previous Saturday. The municipal official was acting, belatedly, on Felix’s earlier letter of complaint.

At 6.30pm that same Monday, Felix was padding around naked downstairs about to take a shower after a four-hour hike in the mountains when a cavalcade of four “uniformed, pistol-packing” military policemen pulled up outside.

“Although they were in no way impolite or aggressive, they did intrude upon my privacy at my home. When I was told to get dressed I thought I would be allowed to do so and then exit my home but, at the front door they

accustomed to the practice that they thought nothing of doing the same with a civilian whom they had arrested in his own home.

Felix had last eaten at lunchtime and also needed to take his medication. Around midnight on Monday a young policeman phoned the station commander who “gave permission” for Felix to be taken home.

“I was told to hurry as they had a case to attend to. I had time to take my medication, eat a handful of raisins and a biscuit, whereupon I was taken back to my cell.”

The jailbird spent the night on a “thick something (material unknown) on a cement floor with a few flea-infested blankets (smelly)”. The following morning he was fed a breakfast of two slices of bread and coffee and taken to the magistrate’s court. He was charged, the matter was postponed (as it has

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been twice since then) and he was then released – 17 hours after being detained. He walked home, in his flip-flops.

The South African National Defence Force, through its spokesman Colonel Kwena Mangope (yes, son of the former Bop homeland president Lucas),

arrest] in his private capacity, so there was no navy involvement,” a spokesman told Garth King of the *False Bay Echo*. that the navy would not be taking action as “it was done in his private capacity so there was no navy involvement”.

“I’d like to know if I can call on

“The rear admiral issued an unlawful order for the arrest of a private citizen and the police had no authority to detain Mr Baddeley,” says Felix’s attorney, Anna Cornelius.

She could not confirm the amount of the damages Felix will be claiming but it is believed that the rear admiral’s private vendetta could end up costing the ministers (and taxpayers) around six figures. (Maybe enough for Felix to retire?) Advocate Craig Webster has been briefed.

Meanwhile, Felix still faces criminal charges. His hearing has twice been postponed. The rear admiral has not been present at any of the court

Can I call the military police as a private army next time the Jehovah’s Witnesses come by?

– Felix Baddeley

apparently claims that the rear admiral did not abuse his position when he instructed military police to arrest Felix – “the incident took place on Naval property” – and are therefore not investigating the matter.

The navy has a different, contradictory reason for taking no action: “the rear-admiral was involved in the incident [and, presumably, authorised Baddeley’s

the military police as a private army the next time the Jehovah’s Witnesses come knocking at my door,” said Felix.

Attempts by *noseweek* to contact Rear Admiral Mphasi, the navy and Colonel Mangope, proved unsuccessful. Someone who answered the phone at the Simon’s Town naval base said he could not comment, as the matter has gone “to the highest level”.

dates.

And the dogs? They’ve disappeared. No van from the SPCA was seen to call. Have they been shot? [Perhaps the rear admiral could let us know?] Or will they become Able Seamen, like Just Nuisance?

Lift a rock in South Africa, and you’ll find politics lurking – even in quaintly Victorian Simon’s Town. **■**

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Metrorail's SKOLLIE EXPRESS

For the past nine years I have been using Metrorail trains to commute to Wellington, Simon's Town, Stellenbosch and Strand. Along with millions of other third class passengers, I have watched Metrorail doing battle with the thieves, vandals and *skollies* of Greater Gangsterland. By now, just about every bit of the vast railway infrastructure that spans the Cape Flats must have passed through the ovens of unscrupulous metal recyclers. And the trains themselves have fared

**Why bother upgrading our urban train network for the bunch of soccer hooligans who will descend on SA for the 2010 World Cup? asks
Tinus de Bruyn**

So far, Metrorail has coped by playing rough. Stolen windows remained gaping holes for more than a year before they even attempted a patch-up. And to compensate for low tariffs, they pack trains so tightly that the driver often has problems braking. (Remember that accident in Cape Town station? I, for one, was not surprised.)

Should I say that trains are frequently late, or that they sometimes happen to be on time? (As a whitey) I take off my hat to my darker compatriots whose patience seems to stretch all the way to Doomsday. Long after I've flipped my lid at another train that just didn't show up, or was too overloaded to take on more passengers, they remain as amiable as ever.

Train security comes in groups of eight or more. Blame the employment equity laws, for many of these so-called guards are timid women who couldn't defend themselves, let alone threaten criminals. (Call me a male chauvinist, but facts are facts.)

After hours all the guards disappear – whether by arrangement or by laziness, I would not know. And once it's dark, you really miss them. No wonder the final train of the night is the *skollie* train. Watch your fellow travellers;



no better: many windows, doors and seats have gone to refurbish shebeens.

And then there's the *skollies*, whose brain-dead scribbles cover the walls and whose sharp knives shred the soft seats. But if Metrorail has many enemies, the customers aren't always that great either. For the better part, commuters are ordinary fellows on their way to work, students bent over their books and mothers going shopping.

But a good section of the working class never make it to the job without a litre or two of SAB's best to keep the spirits up. These chaps add more than the whiff of their presence to the trip.

As their empties roll around the floor, they light a stompie to stabilise the nerves. Smoking laws? Forget it!

And then Friday afternoon comes, when you step carefully between the puddles of piss on the carriage floor. Not many station toilets are open after five – no thanks to the vandals – which leaves the Castle drinkers' club with nowhere decent to go. Not that they ever complained, mind you. And to add to all these festivities, a young guy goes and opens up his "Kaapse Son" right on page three, exposing young and old alike to a shock of *kaal tiete*. In your face, mama!

you'll see the fear in their eyes. Like me, many of them can tell you what it feels like to be mugged at gunpoint. Gun laws really play into the hands of these gangsters, for law-abiding citizens are forbidden to arm themselves in transit. Luckily, all of this will change with the Soccer World Cup.

There will be no more late trains, vandalism or *skollies*. Funds allocated to the upgrading of trains will be well managed and honestly spent. Fairy tales? Pie in the sky?

Come to think of it, why would anyone want to upgrade for a bunch of soccer hooligans? **W**

REMEMBERING REAGAN



Mandela sentenced to Liberty Life

Laugh it Off special report
by Tash Joseph

Opinion was divided when plans surfaced to rename Sandton Square in honour of South Africa's first black president and greatest liberation icon: some people thought it was a fitting tribute to Madiba, while others labelled it "crass" and bemoaned the emergence of Nelson Mandela as South Africa's most powerful brand.

If you'd like to name your local school fields or family grocery store after Mandela, don't just whip out the paint and hope for the best. You'll need to get in touch with the Nelson Mandela Foundation – send them a proposal, and negotiations can begin. Madiba himself will have to lend his support to the project, of course. With a little bit of charm and rather a lot of forex to put towards The Nelson Mandela Children's Fund, or any other bank account that falls under his benevolent umbrella, your business, bridge or boat could also be Madiba-fied.

"Swedish corporate donors" (the manufacturers of Gripen fighter jets, maybe?) commissioned the Sandton statue of Madiba, and Danielle

Yankee torture of Iraqis 'too little, too late', moans Saddam

BAGHDAD – Former Iraqi dictator Saddam Hussein today blasted the mistreatment of Iraqi prisoners at Abu Ghraib prison, calling the acts of humiliation "too little, too late."

Speaking from his prison cell, the former Iraqi strongman said that although he generally applauds the mistreatment of detainees, "From what I've seen, what was done at Abu Ghraib appears to be the work of amateurs."

Saddam added that the fact that the humiliation of prisoners appears to have been isolated, and not widespread, dem-

onstrates that there was insufficient post-war planning on the part of the US military.

"If they had planned this phase properly, there would have been systematic torture in every prison in Iraq, period," an outraged Saddam said.

"Clearly, when the US invaded Iraq they didn't give a moment's thought to a comprehensive post-war torture programme."

Saddam also blasted the soldiers' use of the Abu Ghraib prison, his favourite venue for torturing prisoners, calling

their decision to torture prisoners there "a clear infringement of my trademark."

Saddam's French lawyer, Jacques Verges, said that he was seriously considering pursuing a trademark infringement case against the soldiers involved.

"The concept of torturing prisoners at Abu Ghraib prison is unquestionably the intellectual property of Monsieur Saddam Hussein!"

At a press conference in Paris, Mr. Verges told reporters: "These acts of humiliation were not just unforgivable, but unoriginal."



Charles of Liberty Properties (owners of much commercial real estate in Sandton – including Sandton Square) headed up the marketing team that turned Sandton Square into Nelson Mandela Square. “The opportunity was there, and we took it,” said Charles.

Negotiations with the Nelson Mandela Foundation went smoothly, and the statue was ready for unveiling on March 31. “The donors wanted it done quickly,” explains Charles. Why the rush? “Well, soon there will be plenty of Nelson Mandela. His name will be everywhere.”

And why a major shopping mall? Why not some other spectacular tract of South African land?

“Sandton Square is not just a shopping centre,” says Charles. “There’s a theatre ... shops and offices ... and, of course, the library! It’s very much a public space.”

Referring to Nelson Mandela Square as being part of Sandton City is just a matter of geographical clarity for now. After all, the next few years could see the Mandela brand being stamped on countless “not just” shopping centres and small-town markets across the country.

Beat the rush, we say: Just Madiba it!

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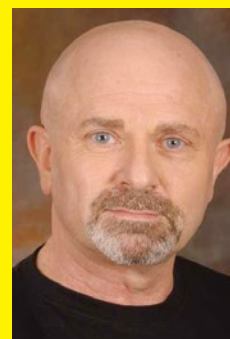
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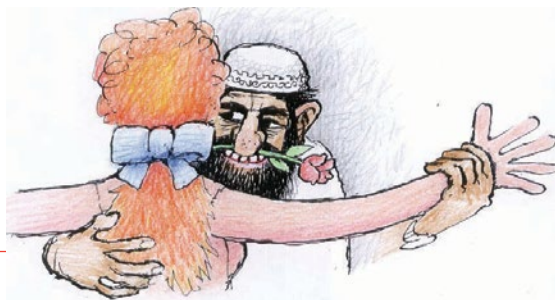
LAST NIGHT I SAW on the dish scratchy old photographs of the Impressionist painter Degas, endlessly, endlessly and alone, walking the streets of Paris, in his seventies, with the TV man saying what a strange and purposeless thing this was for an old toppie to do. Well, maybe I'm strange and purposeless too, because that's what I do around Durbs, and a bloody sight more purposeful it is than sitting like Renoir with a brush strapped to his ancient mangled arthritic fist, and somebody at hand to stick a cigarette in his mouth, painting endlessly great bulbous girls with tiny little heads and titties, pink and orange and red flesh like crustaceans dipped alive in boiling water, except these loll about thereafter on banks of soft grass or wash clothing in rivers, naked, rustic, mindless. One wonders how he made such breathtaking art about young people in the early fresh days of Impressionism.

Anyway, I'll tell you a great old way to roam your city if you're so inclined: set off in a random direction and, when you come to a random bus-stop, catch that bus to its terminus and walk home. A surprise hike, and you'd be surprised whom you meet.

AT A STOP SOMEWHERE in Umbilo I come across this forlorn-looking gent with a little crocheted thingummy on his head, lolling on the bench. Howsit, man? I say, are you all right? Why shouldn't I be all right? he replies. Well you look sort of sleepy, say I. Tired, ah, tired, says he. Exhausted. I slept not a wink last night, and now I must get through the day's work. He tells me his sorrowful tale. Geoffrey Chaucer should have met this pilgrim.

I saw on the Internet a certain e-mail order form, says he, placed there by a firm in Burbank Calif, which produces custom-designed composite aerodynamically-formed sails for ocean-racing yachts, and a whole range of hi-tech fixtures and plastic accoutrements. Amongst these was numbered also a very realistic pneumatic woman, anatomically correct in every detail, including internal stiffening of the limbs to take the place of bones, so that the arms, legs et cetera should bend naturalistically as required, and not like Vienna sausages.

Assuming these ladies to be designed for the comfort of solo round-the-world sailors, I ordered



All ten eyes fixed, appalled, on this sunken old lady, naked, with bright ginger hair and me doing unnatural things with her feet

one, out of maritime curiosity. Auburn-haired, said the catalogue. But when She arrived I found no low-pressure pump, as listed, and, eager to find what cultural purpose sailors might have for Her, started to blow Her up by mouth in my 4x4 at about eight pee em. But by ten pee em I was so exhausted as to have lost all cultural interest.

But, urgently awaking at eleven pee em, it occurred to me I might take Her to a filling-station, to make use of their free air. Donning dressing-gown and slippers, I betook myself to the Shell pumps down Berea Road. Alas, while struggling to fit nozzle to unmatched big toe, a Gauteng family pulled in behind me, making an overnight start for home after a beach holiday with the children. All ten eyes fixed, appalled, on this sunken old lady, naked, with bright ginger hair, and me doing unnatural things with her feet. In my dressing gown. And slippers.

I purchased in the Shell All-night Superette a maid's overall in green, and clad Her in this before moving the 4x4 into a convenient shadow and soldiering on with the inflation problem.

Suddenly valve and high-pressure nozzle matched and, out of control, She puffed up to the proportions of an obese middle-aged matron, – and exactly at that point the police arrived with drawn weapons.

WELL I MUST SAY these days the police are not as brutal as were the SAP, says Life's Pilgrim, but I felt there was no need for their silly giggling, nor the advice from a mere 18-year-old that I see if they also sell panties in the superette.

Maybe you should order a blow-up bloke for your missus, say I. Convex, so to speak, as for round-the-world solo lady-sailors. Then you could do inflations at home companionably with a low-pressure foot pump from a camping shop, for those inflatable mattresses.

Do not talk in that cheap manner about my wife's sexuality, says he. She is a decent Muslim woman who has never looked upon a naked living man, let alone a plastic idol. Not even you? say I. I always switch the lights off, says he, and wear some item of clothing.

Like your socks? say I. Maybe if you switch on the lights and try a bit of zizipompom without socks you won't need Her, hey?

The bus arrives. He boards with no farewell. I decide to walk a bit further, randomly. ■

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