

THE CITIZEN COMMENT

18 JAN. 1989

The Ball's out

THERE is speculation about the reason for Mr Chris Ball's resignation as Managing Director of First National Bank, formerly Barclays.

Some people think that it is a delayed-action result of the controversy in which he was attacked by the State President, Mr P W Botha, over the funding of "Unban the ANC" newspaper advertisements inserted by the United Democratic Front and its affiliates to mark the 75th anniversary of the ANC.

It will be recalled the State President told Parliament in 1987 that in "radical circles it is said that Mr Chris Ball of Barclays Bank advanced the money" for the advertisements.

After some controversy, the State President appointed Mr Justice Munnik, Judge-President of the Cape, as a one-man commission to inquire into the matter.

His main finding was that at the time Mr Ball authorised the overdraft facility of R100 000 to Mr Yusuf Surtee, he knew that the borrowed money was intended for the United Democratic Front to pay in advance for the advertisements.

Stood by him

The bank stood by Mr Ball, saying that it was deeply distressed at what appeared to be a finding by the commission fundamentally in conflict with the clear evidence of Mr Ball.

The incident gave the bank most unfavourable publicity and it lost a number of its clients, particularly on the platteland.

However, Mr Ball's departure, it is claimed, has nothing to do with the row.

Another theory is that his resignation has something to do with his "personal frustrations" and the fact that the bank has fared badly in stock market ratings compared with other financial institutions, having shown slow growth in pre-tax earnings and in profits in spite of growth in its balance sheet and advances.

The bank, however, believes its results prove that it is doing well.

Since Mr Ball does not spell out his "personal and societal" reasons for going, and the bank is similarly reticent, the speculation his resignation has aroused was inevitable.

Although he kept a lower political profile in the wake of the advertisements controversy, he was the kind of business leader who had very decided views on what should be done, how it should be done, and who should be involved in determining what should be done.

For example, he is on record as having delivered a scathing attack on the political and economic status quo, saying that continued adherence to the myths and ideology of the present system would take the country very quickly down a very slippery slope.

After attending talks in London in 1986 between chief executives of major British businesses with interests in South Africa and six members of the ANC, Mr Ball wrote: "I do not myself have any doubt at all that the political leaders detained in South Africa should be released immediately and that the ANC should be unbanned, so that they can all be participants in the South African political process, accountable to their constituents and to the law."

"I also have the view that it is not merely productive but essential to extend the communication with the ANC at this time, externally as well as internally."

Should stay

Like Mr Tony Bloom before him, one would have thought that he would stay to help bring about the kind of South Africa which he favoured.

To leave would suggest that he had no confidence that the South Africa he desired would come about; alternatively, that the battle was no longer one in which he could make any further contribution.

He denies that he is on the "chicken run," but call it what you will, he is quitting South Africa.

We find it distressing that people like Chris Ball and Tony Bloom do not have the courage of their convictions and do not remain, however traumatic the transition may be, to be part of the new South Africa that is evolving.

Tension still high as Black students make demands

BEIJING. — The stalemate between African students and Chinese authorities dragged on with Black undergraduates yesterday refusing to attend classes and with many demanding to be sent home.

African students said the atmosphere was still

tense at Nanking's Hehai university, where violent Christmas Eve clashes between Africans and Chinese triggered mass anti-Black protests last month.

"We are not going to classes, and most of us want to leave China. Our diplomats will not agree to it. The situation is very delicate," said a Hehai student from Cameroun

who asked not to be named.

He said Black students still did not dare leave their campus alone because of fear of racial attacks. Many had temporarily moved to friends' dormitories at other colleges in Nankin, he said.

Others said by telephone the city's railway station was refusing to sell them train tickets out of the city, thwarting attempts by several of the more than 130 Black students in Nanking to travel to Peking.

Among the few African students known to have left Nanking since the unrest are two from Gambia and Benin, earlier detained for 14 days by police for allegedly inciting violence and now

staying at African embassies in Peking until they are flown home.

At Peking's languages institute, up to 90 percent of more than 300 African students undergoing training in Chinese before their long assignments at other colleges now want to leave China, one said. The students have been boycotting classes in support of fellow Africans in Nanking for the last two weeks. — Sapa-Reuter.

Sol Kerzner admits paying R2 million

**Daily News
Correspondent**

PRETORIA: Casino tycoon Sol Kerzner yesterday admitted paying deposed Transkei prime minister George Matanzima R2 million in return for exclusive gambling rights in the territory.

In an affidavit submitted to the Harms Commission of Inquiry into alleged cross-border irregularities, the Kersaf boss said: "Under undue pressure from the then Prime Minister George Matanzima, R2 million of the funds available were paid into the account of Mr C.J. Gouws for the ultimate benefit of Prime Minister G. Matanzima.

"I accept responsibility for this jointly with Mr Bloomberg," Mr Kerzner added, referring to former Cape Town mayor Mr David Bloomberg.

South African Supreme Court Judge Louis Harms ordered Mr Kerzner to testify before his

Inquiry told of Matanzima's demand for gambling rights

commission, but Mr Kerzner instead submitted a written statement by his lawyers arguing that the payment to Chief Matanzima was not illegal.

Mr Kerzner said: "In the last quarter of 1986 Matanzima let it be known that he was considering the grant of casino rights in Umtata to a group headed by Lexi Ceza and supported by South African financiers.

"The grant of such rights would have been in breach of the rights held by Wild Coast Suns (WCS) and Transgames — (companies largely owned by Sun International) — and would have led to the fragmentation of the market. In the face of a threat that government would not respect its rights, WCS was forced, as a defensive measure to protect its investment, to put forward a competing application

for casino rights in Umtata.

"Matanzima, requiring money to purchase a farm for himself, abused his official and autocratic position by threatening to override the legitimate rights and interests of WCS. He thereby managed to extort (if not legally, then certainly commercially) an undue payment to himself.

"In these circumstances, it is submitted, that the payment to Matanzima may properly be regarded as having been made not for the improper obtaining of a benefit, but rather under undue pressure to protect rights which both WCS and Transgames already held, and to ensure that sound commercial policy was not overridden by the private ambitions of Matanzima."

Mr Kerzner said South African law did not render it an offence for a South African to make a

payment to a foreign official.

"This is not merely a legal technicality, but indicates that it is not the policy of our law to seek to regulate the affairs of a foreign state over whose administration it has no control and where it offers its nationals no protection."

He said that making payments in order to protect business interests was common practice in Third World countries.

■ The Daily News Financial Editor writes that the high profitability of the quoted Transkei Sun group, in which Kersaf holds 43 percent, is reflected in latest published figures.

The 1988 Transun annual report shows that on turnover of R117 million (43 percent up on 1987), operating profit was R50 million (39 percent up). After deduction for tax, earnings attributable to shareholders was R38 million.

The ratio of Transun operating profit to turnover therefore was a massive 42,7 percent.

18 JAN 1989



AT the Wild Coast — tycoon Sol Kerzner and Chief George Matanzima

Sun International advert slated suggestions of improper payments

Daily News Correspondent

JOHANNESBURG: A year ago Sun International placed a full page advertisement in national newspapers slating suggestions that Sun International had been party to improper payments as "without foundation".

And they went on to say their conduct regarding the transaction and that of Transkei Sun International Limited (Transun) was beyond criticism.

The advertisement stated that a Business Day report, claiming Sun International transferred R2 million to the trust account of lawyer Mr David Bloomberg, who transferred this amount to Mr J.G. Gouws and that Mr Gouws had distributed the money to various parties in accordance with the verbal instructions of Chief George Matanzima, was misleading.

This was because it suggested Sun International had been party to improper payments.

The advertisement further stated that if Mr Bloomberg dealt with R3 million remitted for business transactions in the Transkei — transactions publicly disclosed in Transun's prospectus — Sun International and Transun were totally unaware of this.

Mr G.A. MacMillan, chairman and chief executive of Safren, holding company of Kersaf which is the holding company of Sun International, last night declined comment.

"I am aware of the advertisement. We made our statement today. We have no further comment."

RIVONIA TRIALISTS MEET MANDELA AT PRISON HOME

18 JAN. 1989
Daily News
Correspondent

CAPE TOWN: Nelson Mandela, South Africa's longest serving political prisoner, "entertained" some of his fellow Rivonia trialists at his prison home in Paarl before Christmas.

Mr Dullah Omarno, the Western Cape president of the National Association of Democratic Lawyers, said four of Mandela's co-prisoners were taken to Victor Verster prison in the back of an ambulance on December 23.

They are Walter Sisulu, Ahmed Kathrada, Andrew Mhlange and Raymond Mhlaba, who are all being held at Pollsmoor Prison.

The other two Rivonia tria-

lists still in prison, Wilton Mkwayi and Elias Motsoaledi, who are being held on Robben Island, were not taken.

Mr Omar said he understood that the four prisoners were not told beforehand of their visit to Mandela.

"They were taken early in the morning and spent about six hours with him," he said.

"All of them — except Mr Sisulu — had not seen Nelson since 1986 and they were very excited at being able to spend time with him."

Mandela was moved to a

prison house in the grounds of Victor Verster prison early in December, after receiving treatment for tuberculosis at the luxury Constantiaberg Clinic in Plumstead.

It is not clear whether the visit was requested by Mandela.

His wife, Mrs Winnie Mandela, said after her last visit to the prison house that her husband was being held "practically in solitary confinement".

The South African Prisons Service refused to confirm or deny the visit, saying it was not policy to comment on individual prisoners.

Meeting held to end row between warring factions

18 JAN. 1989
Daily News Reporter

A MARATHON meeting to negotiate peace between the two warring factions of Siyanda squatter settlement and KwaMashu, near Durban, took place last night.

Attended by police officers, members of the KwaZulu Legislative Assembly and community leaders of Siyanda, KwaMashu and Richmond Farm, the meeting lasted from 6pm yesterday until the early hours of today.

KwaZulu police said there was peace in the area yesterday as they were keeping a close watch on the situation. They would not confirm reports that 22 houses had been petrol-bombed.

A member of the KwaZulu Legislative Assembly, Mr Samuel Jamile, said headway had been made as they had identified the cause of the trouble, which they were now going to address. He would not say what the cause was or how it was going to be approached as this would prejudice the peace talks.

Apart from the problem of the shortage of water in Siyanda, trouble is believed to have been perpetrated by youths on either side of the border.

The chairman of Greater Inanda, Mr Roger Ngcobo, said it would be improper of him to comment on what had transpired at the meeting. He would prefer to issue a joint statement with his colleagues.

KwaZulu police sent more reinforcements to the area yesterday after two factions had reportedly been seen mobilising on either side of the border.

Trouble between the two factions has been simmering since November last year.

BUSINESS DAY 18/01/89

Holomisa challenges SA to act on deal



● HOLOMISA

SUN International (SI) had further prejudiced its gambling rights in Transkei by withholding for so long the information that R2m had been paid to former Transkei Prime Minister George Matanzima, Transkei's ruling military council

DIANNA GAMES

head Bantu Holomisa said yesterday. Commenting on the statement by Sol Kerzner yesterday that he had paid R2m to secure SI's gambling rights in Transkei, Holomisa also called on SA to take action on the matter.

The rights issue was raised at the Alexander Commission early last year.

● To Page 2 ➔

Holomisa challenges SA to act on deal

Holomisa said a special committee, set up to look into Alexander Commission recommendations, was still examining the question of exclusive gambling rights in Transkei and Kerzner's admission would make its work easier.

However, had the admission been made earlier, it could have saved the Transkei government large amounts in legal fees and hastened the process of dealing with the gambling rights issue.

Holomisa said military council members would also be pleased to hear the "truth has finally been told" as the question of 13 alleged bribes concerning gambling was one reason the council had staged the coup.

Last year Cape Town attorney David Bloomberg told the Alexander Commission the R2m was paid to eastern Cape hotelier J G Gouws on Kerzner's instructions.

Kerzner had earlier testified the R2m was part of the payment for the acquisi-

tion by SI subsidiary Transun of an additional 55% shareholding in Transgames, the company that was held to have exclusive gambling rights in Transkei.

Referring to SI's statement that the payment to Matanzima was not illegal under SA law, Holomisa challenged the SA government to look at amending a law he said could allow South Africans to encourage corruption in neighbouring states.

He added that SA was responsible for taking action on the matter as documents before the Alexander Commission showed the transaction had taken place in SA.

While he did not want to pre-empt the Harms Commission's recommendations, Holomisa said if the SA government did not take action, it would be seen to be assisting in corruption.

LETTERS

Give the Indaba another chance

21/01/89

SIR — Stoffel Botha shot down the Indaba with almost indecent haste, it seems, giving the matter no thought. He still has to prove that he indeed has the capability to think anything out to a logical conclusion.

However it now appears that the township unrest in Natal is in fact worsening with the battle between the UDF and Inkatha drawing more innocent and helpless people into the fray. A few days ago motorists were stoned at Umgababa by mobs said to be UDF supporters; over New Year helicopters were stoned on the beaches; at St Michael's apparently right-wing supporters were given a good hiding and seen off the beach. To crown all this a Transvaal Mayor was seen on Christmas Day at a caravan park at Park Rynie celebrating the birth of Christ with a revolver strapped to his waist.

It should be apparent by now, even to Stoffel Botha and his colleagues, that their policies are not working, and that other alternatives have to be looked at. I would suggest that Stoffel Botha look again at the "Indaba". If it is too difficult for him to grasp I am sure he will find people more than willing to give of their time and go over the whole thing slowly, step by step, so that he may eventually grasp the concept.

I would urge The Daily News to hound Stoffel Botha day and night till he gives us, the public, who pay his salary — a fact that I think he and his colleagues have long since forgotten — a clear and concise answer as to what he proposes to do to make Natal a better place to live in and generally ease the tension building up.

I do not want Government rhetoric from Stoffel Botha, as spouted by his colleague Chris Heunis, whom nobody can understand, I want his alternative to the Indaba, and, what's more, I want it quickly.

LES KAY
Umzumbi

'Undue pressure' from Matanzima

Business Day
18/01/89

Kerzner paid R2m bribe



● KERZNER

MANDY JEAN WOODS

HOTEL tycoon Sol Kerzner yesterday admitted to the Harms Commission that he and his business associate, Cape Town attorney David Bloomberg, had knowingly made a R2m bribe to former Transkei Prime Minister George Matanzima.

In a statement submitted with affidavits by Kerzner and Bloomberg, Matanzima is accused of abusing his "official and autocratic" position to threaten and extort R2m from Sun International.

In the affidavits, Kerzner and Bloomberg said "undue pressure" from Matanzima resulted in the payment being made.

Kerzner's affidavit: Page 2
How SI denied the bribe: Page 2
Comment: Page 8

Kerzner said: "I accept responsibility for this jointly with Bloomberg."

The two are not expected to be called to give further testimony before the commission.

The statement noted that at the time the bribe took place (late 1986, beginning 1987), Transkei was governed by politicians with a strong tribal influence in a traditional system "which rendered it acceptable to receive gifts

and distribute favours among their followers.

"The circumstances under which the payment was exacted by Chief George amounted to at least commercial extortion on the part of the then corrupt regime in the Transkei."

The statement said in the last quarter of 1986, Matanzima let it be known he was considering the grant of casino rights in Umtata to a group headed by Lexi Ceza and supported by SA financiers.



● MATANZIMA

"In the circumstances — and in the face of a threat that the government would not respect its rights — WCS was forced, as a defen-

● To Page 2 ➡

The grant of such rights would have been in breach of the rights held by Wild Coast Sun (WCS) and Transgames and would have led to the fragmentation of the market to the detriment of Transkei and WCS.

Boards unanimously resolve to back Sol

MANDY JEAN WOODS

THE boards of three companies in which Sol Kerzner held executive positions had all unanimously resolved to continue to support him fully, the Harms Commission was told yesterday.

It was told Safmarine/Rennies Holdings (Safren), Kersaf Investments and Sun International (SI) had been informed of Kerzner's affidavit submitted to the commission on November 28 at an in camera hearing in which Kerzner and his business associate, Cape Town attorney David Bloomberg, admitted they had made a bribe of R2m to former Transkei Prime Minister George Matanzima.

Kerzner is on the board of SI, vice-chairman of Kersaf and an executive director of Safren.

Counsel for Kerzner said during the period of the commission's adjournment the boards were given copies of the affidavits and informed of all relevant matters and circumstances. "They all resolved that Kerzner would continue to enjoy their confident support."

Shortly before the commission adjourned for two days, Mr Justice Harms said it was necessary to explain the

● To Page 2 ➡

Business Day 18/01/89

Kerzner admits to paying R2m bribe

sive measure to protect its investment, to put forward a competing application for casino rights in Umtata.

"In truth, if anyone were to obtain casino rights in Umtata, WCS was the only party lawfully entitled thereto. The award of the rights to WCS would also have been the only commercially sound decision in the interests of Transkei and WCS."

The statement said Matanzima, requiring money to purchase a farm for himself, abused his official and autocratic position by threatening to override the legitimate rights and interests of WCS.

➡ ● From Page 1

He thereby managed to extort — if not legally then certainly commercially — undue payment to himself.

In these circumstances, the payment may properly be regarded as having been made, not for obtaining benefits improperly, but rather — because of undue pressure — to protect rights which WCS and Transgames already held.

The payment was also to ensure that sound commercial policy was not over-ridden by the private ambitions of Matanzima, said the statement.