

THE CITIZEN
COMMENT

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he Ballâ\200\231s out

THERE is speculation about the reason for
Mr Chris Ballâ\200\231s resignation as Managing Di-
rector of First National Bank, formerly Bar-

clays.
Some people think that it is a delayed-actnon

result of the controversy in which he was at- .

tacked by the State President, Mr P W Bo-
tha, over the funding of â\200\234Unban the ANCâ\200\235
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 Par-
liament in 1987 that in â\200\234radical circles it is
said that Mr Chris Ball of Barclays Bank ad-
vanced the moneyâ\200\235 for the advertisements.

After some controversy, the State President
appointed Mr Justice Munnik, Judge-Presi-
dent 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 bor-
rowed money was intended for the United
DemocrtnctncFronttopaymadvanceforthe
advertisements.

Stood by him
ThebnnkstoodhyMrBall saying that it was

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deeply
~ 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,
y on the platteland.
However, Mr Ballâ\200\231s departure, it is claimed,
has nothing to do with the row.
Another theory is that his resignation has
something to do with his â\200\234personal frustra-
tionsâ\200\235 and the fact that the bank has fared

badly mstock mukctrannpoompared mth
other financial institutions, having shown
a low growth pre-tax earnings and profits in 2011
in spite of growth in sales and advances.

The bank, however, believes that it is doing well.

Mr. Ball does not believe that it is doing well.

and societal reasons for going, and the bank
is similarly reticent, then.

Although he kept a lower 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 current

economic status quo, saying that continued
adherence to the myths and ideology of the

present system would take the country very

down a very slippery slope.

, however, in 2011

Bardbat o liRY

attending talks in London in 1986 be-
tween a former major in the military

After

nesses with interests in South Africa and six
- members of the ANC, Mr Ball wrote: 'I do
not myself have any doubt that the political
- itical 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.

V. 'I have a new thought that it is not merely pro-

ductive but essential to extend the communi-
cation 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 on terms which he could make any further contribution.

I led the union the 200/234 which was ;" but
it is what you will, he is going South Africa

We find it difficult to get people to see that
Ball and Tony Bloom do not have the cour-

age of their
5 men in the 201/200/231

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tense at Nankingâ\200\231s Hehai
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Christmas Eve clashes be-
Black gg red mass anti-
F rotests last month.

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will not agree
to it. The situ e
delicate,â\200\235 said a Hehai

student from Cameroun

Whoâ\200\230&edmmbe

' pamed.

He said Black students
still did not dare leave
their g
mâ\200\234fâ\200\234"oâ\200\230malat.

staying at African embas-
sies in Peking until they
are flown home.

At Pekingâ\200\231s languages
msntute, up to 90 pem'
of more than m Amn.
students it
training in Chinese before
thiax Joap aassignments M.

' other colleges now want

to leave China, one said.
The students have it
port of fellow Afri <
Nanking for the last two
weeks. â\200\224 Sapa-Reuter.

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THE DAILY NEWS, WEDNESDAY, JANUARY 18, 1989
: | ~ NEWS

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 Kerzner 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 â\200\224 (companies largely owned by Sun International) â\200\224 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.

â\200\234Matanzima, 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.

â\200\234In 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.â\200\235

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

payment to a foreign official.

â\200\234This 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.â\200\235

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

B 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 re-

port 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.

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Sun Â»In;;ternational
advert slated
suggestions of
improper payments

Daily News Correspondent
JOHANNESBURG: A year ago Sun International
â\200\230placed a full page advertisement in national newspa-
pers slating suggestions that Sun International had
been party to improper payments as â\200\234without foun-
dationâ\200\235. :

And they went on to say their conduct regard-
ing the transaction and that of Transkei Sun In-
ternational Limited (Transun) was beyond criticism.

The advertisement stated that a Business Day re-
port, claiming Sun International transferred R2 mil-
lion to the trust account of lawyer Mr David Bloom-
berg, 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 in-
structions of Chief George Matanzima, was mislead-
ing.

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

The advertisement further stated that if Mr Bloom-
berg dealt with R3 million remitted for business
transactions in the Transkei â\200\224 transactions publicly
disclosed in Transunâ\200\231s prospectus â\200\224 Sun Internation-
al 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 de-
clined comment. !

Â«] am aware of the advertisement. We made our
statement today. We have no further comment.â\200\235

AT the Wild Coast â\200\224 tycoon Sol Kerzner and Chief George Matanzima

RIY; SN
AND

CAPE TOWN: Nelson Man-
dela, South Africa's longest
serving political prisoner,
some of his fel-
low Rivonia trialists at his
prison home in Paarl before
Christmas.

Mr Dullah Omarno, the
Western Cape president of the
National Association of Dem-
ocratic 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
Mhlangeni and Raymond
Mhlaba, who are all being
held at Pollsmoor Prison.

The other two Rivonia tria-

NLEAIS

y News
Correspondent

lists still in prison, Wilton
Mkwayi and Motsoale-
di, who are being held on
Robben Island, were not
taken.

Mr Omar said he under-
stood that the four prisoners
were not told beforehand of
their visit to Mandela. i

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

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[TIA TRIALISTS MEET

ELA N H()MÂ\$ŕ

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 Man-
dela. ;

His wife, Mrs Winnie Man-
dela, said after her last visit
to the prison house that her
husband was being held

_ â\200\234practically in solitary con-

finementâ\200\235. :
The South African Prisons

. Service refused to confirm or

deny the visit, saying it was
not policy to comment on in-
dividual prisoners.

night.

M;eting held to
end row betwee
warring factions

Daily News

A MARATHON meeting to megotiate peace between
the two warring factions of Siyanda squatter settle-
ment and KwaMashu, near Durban, took place last

Attended by police officers, members of the Kwa-

AN 1989

Zulu Legislative Assembly and community leaders of
Siyanda, KwaMashu and Richmond Farm, the meet-
ing 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 the trouble, which
they were now going to address. He would not say
what the cause was or how it was going to be ap-
proached 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 sim-

mering since November last year.

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Holomisa challenges SA to act on deal .

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reju iced its gam- head Bantu Holomisa said yesterday.

glmg rights in Trans- Commenting on the statement by Sol ! LETTE R s

kei by withholding for ~ Kerzner yesterday that he had paid R2m
so long the informa- to secure SI's gambling rights in Trans-
tion that R2m had kei, Holomisa also cal ed on SA to take
l';â\200\230c;en id to former action on the matter.

ive the
ei Prime Min- The rights issue was raised at the â\200\230

| A (J7}3
ister George Matan- Alexander Commission early last year. e , ;
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set up to look igto Alexander Commis- gfq (Â\$3
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| ining the question of exclusive gambling tion by SI subsidiary Transun of an addi-| daba w
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rights in Tramkei and Kerznerâ\200\231s admis- tional 55% shareholding in Transgames | seem
s, giving the matter no thought.

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sion would mike its work easier. the company that was held to have ex-| He sti
However, lad the admission been clusive gambling rights in Transkei. mzsct;gam;; &â\200\231
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made earlier, it could have saved the Referring to SI's statement that the| Jogical conclus
ion. b :

Transkei govenment large amounts in payment to Matanzima was not illegal i
legal fees anc hastened the process of under SA law, Holomisa challenged tghe togg;ï~\201;e
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dealing with the gambling rights issue. SA government to look at amending 2 | worsening with the battle between the

Holomisa said military council member-law he said could allow South Africans | UDF and Inkatha drawing more income-
Rfrr:u\li-\202i-\201gldf agi-\201 bt;e pletaslzd to tl;lear fhe . IO PERSONS corruption in neighbouring | cent and helpless people S sho: tram

. s findlly been toldâ\200\235 as the ques- states. t X
tion of 13 alleged bribes concernin He added that SA was responsible for :t fi-\201;d:g:b:%
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gambling was one reason the council taking action on the matter as docu- | su r%ers, ovely
New Year helicopters
had staged the cmâ\200\231}p. ments before the Alexander Commis- wepr%ostoned on the beaches
s: at S? Mi-

Last year Cape Town attorney David ~Sion showed the transaction had taken | chaelâ\200\231s
apparently Tight-wi
Bloomberg to} the Alexander Commis- place in SA. t Bpareavy lgod :il:ig .sm
sion the R2m Was paid to eastern Cape While he did not want to pre-empt the p;; ersâ\200
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Posttelwiy J G Gouws on Kerznerâ\200\231s galrms.ComnÃ@issionâ\200\231s recommendations, :,
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nstructions. | . Holomisa said if the SA government di +

Kerzner had earlier testified the R2m Dot take action, it would be seen tt)dtl)g gaas. Dayl
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was part of the payment for the acquisi- assisting in corruption. wf&l: ::vzl::rl:tgappâ
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N Rl i 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
P at. I would suggest that Stoffel Botha |
' look again at the â\200\234Indabaâ\200\235. 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 gr theiconcept. |

I would urge The Daily News to
hound Stoffel Botha day and night till
he gives usÂ¥the public, who pay his sal-
ary â\200\224 â\200\2304 fact that I think he and his
colleagues have long since forgotten â\200\224
a clear and concise answer as to what
he proposes to do to make Natal a bet-
ter 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, whatâ\200\231s more, I want
it quickly. . â\200\230

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â\200\230Undue pressureâ\200\231 from Matanzima

Kerzner p

R2m

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 â\200\234official and autocraticâ\200\235 position to threaten and extort R2m from Sun International.

In the affidavits, Kerzner and Bloomberg said â\200\234undue pressureâ\200\235 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: â\200\234I accept responsibility for this jointly with Bloomberg.â\200\235

The two are not expected to be called to give further testimony before the commission. 4

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 â\200\234which rendered it acceptable to receive gifts

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1.: MANDY JEAN WOODS

and distribute favours among their

followers. .

â\200\234The 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.â\200\235

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
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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

- CS:
OMATANZIMA - â\200\234In. the circumstances â\200\224 and in the face of a threat that the government would not respect its rights â\200\224 WCS was forced, as a defen-

@ To Page 2 :>

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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 Hold-

_ings (Safren), Kersaf Investments and

Sun International (SI) had been informed of Kerznerâ\200\231s affidavit submitted to the commission on November 28 at an in camera hearing in which Kerzner and

his business associate, Cape Town attor-

ney David Bloomberg, admitted they had made a bribe of R2m to former

"Transkei Prime Minister Georggn

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 .ToPir\201cz E>

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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 these 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.