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AP1992-2-2-5
MERCURY 5/02/92

Right gaining support, says Mandela

COPENHAGEN—Right-wing secessionists are gaining support among white voters but will not be able to halt the drive towards democracy, ANC president Nelson Mandela said yesterday.

He said the small Boer Liberation Movement (BVB) was boycotting multi-party talks on a new constitution and had threatened to start a civil war if an interim government with black representation was formed.

In Paris, President de Klerk said that South Africa would reach an accord to reconcile the aspirations and fears, the unity and diversity, of all its people, however difficult that might be.

"This accord will eliminate all forms of discrimination, domination or disadvantage based on colour, culture, sex or creed."

He was speaking after accepting the Prix du Courage Politique award — prize for

political courage — by Politique Internationale from the managing director of the publication, Mr P Wajzman.

Substantial progress had been made in that apartheid was dead, obstacles to negotiation had been removed and negotiation had begun, a new constitution was in sight and the process of nation-building had started.

Mr Mandela, who arrived in Copenhagen from Paris for a three-day visit to Denmark,

said the ANC opposed the creation of a separate, white-run, mini-state inside South Africa.

He also made clear he wanted trade sanctions against South Africa to stay, in spite of their damaging effect on the economy.

Mr Mandela told reporters he expected an interim government to be formed in six to 12 months, following constitutional negotiations. — (Sapa-Reuter)

'SADF plane flew Inkatha members for training'

DENNIS CRUYWAGEN
Political Staff

ABOUT 200 hand-picked members of Inkatha were flown in an SADF aircraft to the Caprivi strip for military training, the Goldstone Commission was told today.

This was contained in evidence by former Inkatha member Mr Mbongeni Khumalo at a public sitting in Cape Town of the commission which is inquiring into public violence and intimidation.

His evidence, contained in an 18-page document, was read into the record by advocate Mr J J du Toit.

He said the Inkatha members were trained at a base named Hippo by SADF personnel members and a Mr Guy Boardman.

They were instructed in the handling of weapons, urban guerrilla warfare, unarmed combat, winning the support of local populations, identifying ANC or UDF members and persuading residents to be hostile and aggressive towards members of the ANC.

The training and instruction

of the group was arranged and organised by Creed Consultants CC, of which Mr Boardman was a member.

Creed acted in collaboration with and on behalf of Adult Education Consultants and the SADF.

Other Creed employees included Mr Mike Davis and Mr Greg Dawson.

He said trainees were paid from a secret account held at a Durban bank.

Inkatha leader Chief Mangosuthu Buthelezi and his personal assistant, Mr M Z Khumalo, had signing powers.

Mr Khumalo said that in 1990 Inkatha was offered R11-million to start an organisation called the Christian Democratic Alliance to bring together moderate black leaders, including Ciskei military ruler Brigadier Oupa Gqozo.

The offer was allegedly made by Adult Education Consultants head Dr Louis Pasques, who said Chief Buthelezi was not to be the leader because the organisation could be seen as another Inkatha affair.

"The proposal was strongly



Mr Mbongeni Khumalo

opposed by Dr Buthelezi and was not accepted."

Mr Khumalo said Caprivi trainees and Inkatha members were still involved in arming or training members of a group known as the Black Cats, mostly youths who originally operated as vigilantes.

Mr Chris Ngwenya, head of the Inkatha Youth Brigade, became directly involved in organising and carrying out acts of violence with members of the Black Cats and became leader of the group.

In 1990 some members of the

Caprivi group went to Wesseltown, a township where the Black Cats operated, and were involved in political violence against residents aligned to the ANC.

Thirty-two young men and women were selected and 22 of them were trained in the use of AK47 rifles, handguns and shotguns.

The Black Cats were responsible for many attacks, including machine gun attacks on two funeral processions of ANC members.

Among the acts committed by the Black Cats were:

- A fire bomb attack on the house of Zini Shongwe, a member of the Civic Association and the ANC-aligned Wesseltown Action Committee. She was shot dead by Sugar, a Kwazulu policeman and Inkatha member, and a person known as China, who was also a Black Cat;

- The killing of Mr "Decem-ber", an ANC supporter.

Mr Khumalo is a former high school chairman of the Inkatha Youth Brigade from which he was expelled by Dr Buthelezi.

ARGUS

5 FEBRUARY 1992

De Klerk hailed as 'man of courage'

The Argus Correspondent 5.2.92

PARIS. — President De Klerk has been hailed here as a man of courage and conviction who will take his place in history.

He was accepting the Politique Internationale-Hachette prize for political courage, on behalf of all South Africans, from Mr Patrick Wajzman, editor of the conservative journal Politique Internationale.

"I am but one among many who have contributed to the process now under way in South Africa," Mr De Klerk said.

"Consequently I wish to accept this award on behalf of all my countrymen and women who are showing great moral and spiritual courage in a period of fundamental change."

Meanwhile, it is reported from Melbourne that African National Congress leader Mr Nelson Mandela is one of a group of world political figures who have agreed to television interviews with former Australian Prime Minister Mr Bob Hawke.

In the next few days Mr Hawke will sign a contract with the International Management Group for between 10 and 12 TV interviews.

FEBRUARY

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FEBRUARY

W

The Star

5/2/92

Fighting flares again in squatter area

DURBAN — Renewed fighting in the strife-torn Ekuthuleni squatter area of Umlazi flared again last night with five more incidents of shack-burning, constant gunfire and hundreds of refugees crowding together for safety.

Ekuthuleni residents said squatters in the area were involved in looting.

Women and children carrying all they could made their way from the strife-torn area to the local church, swelling the numbers there to well over 150.

Shack dwellers said Inkatha impis from the hostels were the aggressors, while hostel dwellers claim shack dwellers are responsible for the increased violence.

IFP sentries were seen guarding their homes while other people armed with traditional weapons mustered close by in defence units.

According to photographer John Woodroof, men and women from Inkatha were protecting their homes and had not gone to work this week. Many feared they would lose their jobs.

Woodroof also said he was fired at on several occasions by unidentified gunmen guarding their possessions against what they claimed to be Inkatha impis.

The ANC alleged at a press conference yesterday that KwaZulu Police had watched as Inkatha impis massacred five people during an attack in Umlazi.

Inkatha said in a statement that the ANC was exploiting incidents of violence, perpetrated by themselves, for political gain.

The Star 5/2/92

De Beer 'bullish' on Codesa

By Esther Waugh
Political Reporter

CAPE TOWN — Democratic Party leader Dr Zach de Beer feels "quite bullish" about progress at Codesa and thinks agreement on a transitional government should be reached "in the next several months".

Speaking yesterday at the first DP report-back on Codesa, Dr de Beer said he had concluded there was nothing in the National Party's constitutional proposals which was "offensive in principle". The NP had explained details of its plan.

"The ANC have, as it were, praised it with faint damns — no doubt they will require some changes, but I doubt whether they are unalterably opposed. I think that Government and the ANC are talking about it."

Neither Government or ANC sources would yesterday confirm the talks.

Dr de Beer said other Codesa participants would support an agreement between the ANC and the Government. A "spirit of Codesa" was emerging, he said.

The Star 5/2/92

Codesa to hear of IFP economic constitution

By Esther Wangh

CAPE TOWN — The Inkatha Freedom Party will propose an economic constitution at tomorrow's meeting of the Codesa working groups.

IFP spokesman Suzanne Vos confirmed that the proposal would be made in the working group on constitutional proposals.

The IFP considered that Codesa should endorse the following:

- The Government should pledge judicial enforcement of all contracts entered into, provided they were not discriminatory or inconsistent with public safety.
- A sovereign government should have the power to expropriate private property, but only after establishing

there was no reasonable alternative. Fair and immediate compensation should be given, and the owner should be able to challenge the expropriation and the amount.

- There should be no licensing restrictions on private business.

- Taxes should be designed to encourage business operations, capital formation, foreign investments and exports. "For example, it would be desirable to exempt saving bank interest from taxation," she said.

- A commission on privatisation should be mandated in the future constitution.

- An autonomous central bank should be constitutionally mandated.

- An independent, autonomous auditor-general should be provided for.

The Star 5/2/92

SAP's 'shield against nasty journalism' to be repealed

By Esther Waugh
Political Reporter

Parliament has signalled that it will repeal a section of the Police Act which restricts coverage of police action.

The legislation, section 27B of the Police Act, prohibits the publication of "untrue matter" about the police or police action, and places a heavy burden on journalists to prove beyond all doubt that allegations against the police are correct.

It carries a fine of R10 000 or five years' jail, or both.

Speaking yesterday in the second-reading debate on the Police Amendment Bill, Deputy Minister of Law and Order Johan Scheepers said the section had led to few court cases but much adverse criticism.

This was despite the fact that the section was seldom enforced, and where court cases resulted from prosecution, the accused were, in most cases, found not guilty.

Only 15 cases had been investigated in terms of section 27B and there had been only three prosecutions, Mr Scheepers said.

"The negative reaction these cases drew was therefore far more damaging than the original contraventions of section 27B. This section was therefore counter-productive and it was in the interests of the South African Police that it be removed," he said.

Mr Scheepers said he had always been convinced that the police did not need this section for its own protection.

It had resulted only in friction between the police and the media, "to no practical purpose and to the distinct disadvantage of the South African Police", he said.

Mr Scheepers said that since the police had taken a further step in improving relations with the media, it was hoped the media "will recognise this commitment to the free flow of information by more balanced and objective reporting".

Although the police did not object to constructive criticism, Mr Scheepers requested the media to refrain from "unreasonable, unjustified, groundless and destructive criticism for the sake of criticism".

Peter Gastrow (DP Durban Central) welcomed the lifting of the section and congratulated Mr Scheepers for realising that the police did not need "a shield against nasty journalism".

The problem with the section was not that it had soured relations between the police and the media, but that it had had serious consequences for all South Africans as they had been prevented from learning the true state of affairs in the country, Mr Gastrow said.

The section had prevented the media from publishing the truth about police action, especially in the 1980s, he added.

Intimidation

It was also no use to say the application of section 27B had resulted in only 15 investigations and three prosecutions, as it had meant a threat, danger and intimidation to every editor and journalist.

"The section intimidated the entire South African press and, as a result, the population was kept in the dark," Mr Gastrow said.

The CP opposed the Police Amendment Bill.

The Star 5/2/92

CP in new claims of NIS spying

Political Staff

The Conservative Party has intensified its charges of the Government spying on it, claiming that three National Intelligence Service agents had been caught.

Claims of political espionage emerged anew in the House of Assembly yesterday as senior Conservative MPs charged that they knew of a former MP being on the NIS payroll.

"It's worse than Watergate!" interjected Frank le Roux of Brakpan, the CP's Chief Whip.

Dr Ferdi Hartzenberg, deputy leader of the CP, said these agents received about R6 000 a month. They also received subsistence and transport allowances and were compensated for services rendered.

One of them had received R3 000 for producing the minutes of a CP constituency council meeting and a membership list.

"Did they return that stuff when they got it and saw it was pure politics? What do they do with those tapes when they realise it is politics? Do they turn it off and listen no further?" he asked.

Tom Langley (CP Soutpansberg) challenged the Minister responsible for NIS, Kobie Coetsee, to say whether the service still employed MPs, full-time or part-time.

He flatly rejected Mr Coetsee's denials that the Government was spying on the CP or Conservative MPs during sessions of Parliament.

But Mr Coetsee said in question time that security attention was given to any instance or individual aiming to destabilise South Africa or posing a security risk to the State.

The NIS had to give attention to any person busying himself with violence, sowing unrest, or war talk and threats of violence. Nobody was immune if he became involved in any of these activities.

"Here in South Africa the Government spies on its political opponents," Mr Langley said.

"This Government bugs and we know it. Certain Ministers of this Government ferret through files in the possession of their departments. We know it," he said. "It is thuggery."

Mr Langley appealed to the press not to allow this issue to be smothered.

Mr Coetsee said in November President de Klerk had made it very clear that NIS would not concentrate on a typical political activity.

He invited MPs with any substantive allegations to discuss them with him. If MPs had charges, they should hasten to the Ombudsman.

Tony Leon (DP Houghton) acknowledged the need for internal security, but said the limits of security had to be carefully defined to avoid each and every State action being justified and hidden by a reference to security.

"The NIS seems to have often by-passed this line and the extremely vague and general definition of national security in the 1972 Act which established it," he said.

Government's justifications for spying on the CP were threadbare. They were rendered even less convincing by an appalling legacy of "super snooping" through a myriad agencies.

It remained unclear whether NIS crossed the line between the national interest and the party interests of the NP, Mr Leon said.

The Star 5/2/92

SAP now probe murder charges

By Brunwyn Wilkinson
Crime Staff

Police have acknowledged that five people who died in the Witbank minibus disaster last month may have been murdered.

Eastern Transvaal police spokesman Captain Oostewald van Niekerk said today that police had changed the charges being investigated from culpable homicide to murder. No one had yet been charged or arrested.

The change in the charge — from a probe into a vehicle accident to the investigation of murder — follows intensive media coverage of the deaths of the five men.

Until allegations by survivors of the crash were made public, police were investigating only whether the men were killed as a result of negligence.

The minibus crashed in the early hours of January 19 when it either rolled or was pushed down a 30 m ravine and burst into flames.

Sanlam is still investigating the business practices of two employees, the sole beneficiaries of life insurance policies they sold to the victims two weeks before the crash.

Lucas Loubser and Isak Kruger stood to share over R1 million from the policies they sold to the eight passengers, who they had employed to sell clothing in Pietersburg.

Three survivors of the crash have charged that Mr Loubser had been driving but was not in the vehicle when it crashed.

Captain van Niekerk said police were still awaiting reports from forensic and mechanical experts who examined the site of the crash and the minibus.

The crash area was cordoned off by police only 12 days after the crash.

Sanlam chief legal adviser Ernel Linde said this morning that a top-level investigation into the business history of Mr Loubser and Mr Kruger was drawing to a close. He said a hearing would be held soon.

The Star 5/2/92

Battle of Potch a damp squib

By Carina le Grange

The 4 pm showdown under a blazing sun between the Conservative Party and National Party before hundreds of students in Potchefstroom yesterday turned out to be more of a polite clash of ideas than a bloody duel.

Brave and alone, Andries Beyers, the CP candidate in the February 19 by-election, faced NP opponent Theuns Kruger and Minister of Finance Barend du Plessis in a two-hour battle of words.

Dubbed the Battle of Potchefstroom, the debate was presented by the students' political council at Potchefstroom University.

Chairman Professor Pottie Potgieter of the department of political sciences pleaded open-mindedness before he introduced them.

Professor Potgieter need not have feared: even the CP supporters' heckling was gentle. NP supporters showed their feelings with polite applause.

An army of men with two-way radios made sure that only bona fide students, university staff and journalists entered. Armed police also kept watch.

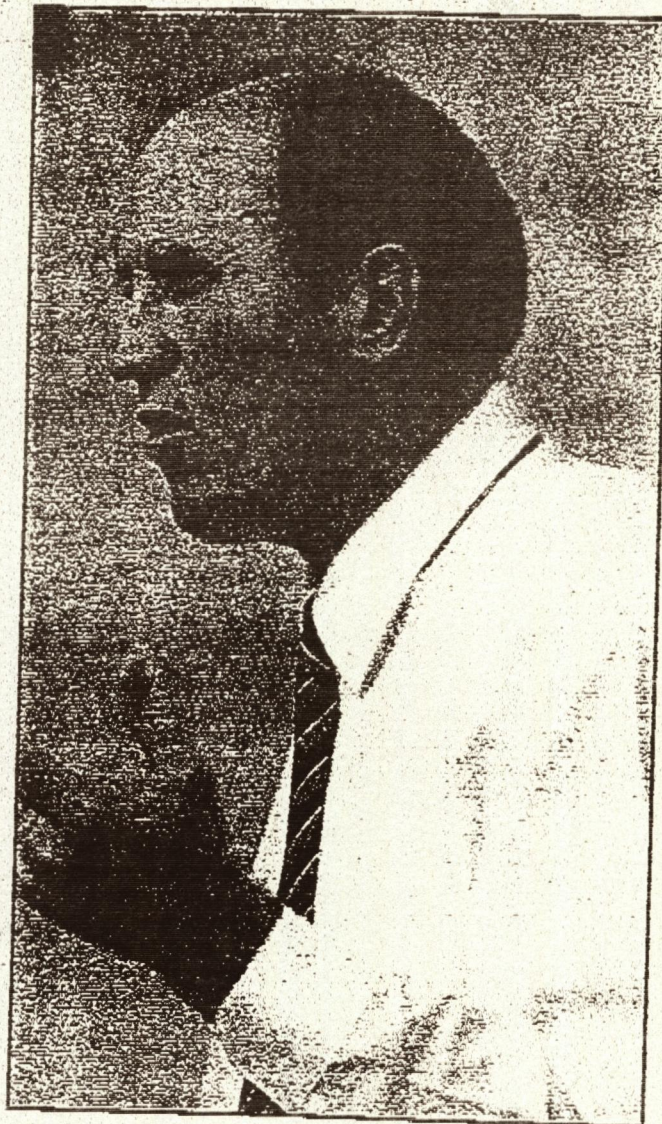
By the end of the confrontation no blood showed — indeed, hardly a rude word was said.

It is true Mr du Plessis pointed out to Mr Beyers that apartheid had never worked and self-determination would not either.

He also said not even a first year economics student would have accepted Mr Beyers's view of the economy under a CP government.

Mr Beyers, in turn, pleaded with Mr du Plessis to take hold of the hand held out by the CP on behalf of the Afrikaner, "to take the hand of the people and to let go of the hand of Mandela".

Reporters were not taking bets on who was in the lead in Potchefstroom — even though only Mr Beyers was carried off on the shoulders of students.



Ministerial backing . . . Theuns Kruger of the NP had the support of Finance Minister Barend du Plessis in what turned out to be a courteous clash.

B. Day 5/2/92

Individuals to put ideas to Codesa

CAPE TOWN — An invitation to individuals and organisations in SA to make written submissions to Codesa would be extended within 10 days, DP leader Zach de Beer said yesterday.

De Beer, co-representative on the Codesa management committee, said personal appearances by people might follow written submissions, adding that public meetings were planned to broaden Codesa's base.

Addressing the first of a series of DP public briefings on Codesa, De Beer said he was bullish about prospects for fairly rapid progress.

He suggested an interim government by the end of the year and a universal franchise election under a new constitution in the first quarter of 1994 was the likely outcome. He did not believe the extremes of left and right could derail the process.

"If things go well — and I think they are going to — then during the next several months we will agree on constitutional principles and the form of transitional government. The latter will be a broad-based, moderate government of the centre, in which I believe South Africans will feel confidence.

"The constitutional principles will include universal franchise, propor-

LINDA ENSOR

tional representation, a bill of rights, decentralised government and — I think — a form of power-sharing at the executive level."

There could, however, be lengthy negotiations on the content of a bill of rights and on property rights.

De Beer committed the DP's support to President F W de Klerk in getting majority support in a referendum on an interim constitution. He said there was nothing offensive in principle in the NP's plans and that if the NP and the ANC could reach agreement, the other parties would go along with this.

"I think government and the ANC are at present having talks about it," De Beer said.

He emphasised that economic uncertainty gave urgency to the process as it was vitally important to restore confidence by proving that the country had a stable and democratic government.

De Beer said while Parliament was illegitimate, it was necessary to legalise the decisions taken by the legitimate and representative Codesa. Both institutions were necessary until a new constitution came into being.

B. Day 5/2/92

ANC, PAC discuss forming youth forum

THE ANC Youth League (ANCYL) held discussions with the PAC youth wing Azanyu yesterday as part of its effort to form a broad youth forum.

ANCYL information secretary Parks Mankahlana said yesterday the meeting agreed on the need for such a forum. Although there were differences about who should participate in such a forum, discussions would continue, he said.

The ANCYL favoured a youth forum

TIM COHEN

cutting across political and ideological divides. But other groups had proposed a youth front or a youth parliament, he said.

Azapo's youth wing Azayo was scheduled to take part in yesterday's discussion but members did not attend the meeting.

The ANCYL had canvassed the idea of a youth forum with, among others, the Jewish Federation of Youth Organisations and the NP youth wing.

B. Day 5/2/92

Police disarm 80 men on train

MORE than 80 Zulus carrying knobkerries were disarmed by police on a train between Jeppe and Grosvenor stations last night, a police spokesman said.

The spokesman said the Zulus, who were chanting, attempted to seize the weapons back but were then escorted without incident to Nancefield hostel, where their weapons were returned.

LINDEN BIRNS reports that the SA Rail Commuter Corporation is to meet SAP Commissioner Gen Johan van der Merwe next Wednesday to discuss further security measures in a bid to stop attacks on Reef train commuters.

This was announced by corporation MD Kobus Nel in a statement of condolence to the families and friends of the victims of the most recent attacks.

DARIUS SANAI

Police spokesman Capt Burger van Rooyen confirmed yesterday that Van der Merwe would meet Nel, but could not say what form the new initiatives would take.

On January 29 police announced that they were implementing body searches and the use of metal detectors to support measures introduced last year.

These had included the erection of fencing, charge offices, improved lighting and tighter access control at Reef stations.

Sapa reports that a man was found bludgeoned to death at Kwesini station, Katlehong, yesterday.

Another man sustained head injuries after being thrown off a train near Riverlea, west of Johannesburg.

B. Day 5/2/92

NIS sponsored attacks on Katlehong teachers — PAC

THE PAC yesterday accused the National Intelligence Service of sponsoring recent attacks on teachers at Katlehong schools and of burning a Kathorus College of Education lecturer.

An NIS spokesman denied the allegations which, he said, were aimed at damaging the image of the NIS.

At a news conference yesterday, PAC student organisation Paso said those responsible for the attacks were a dissident PAC formation, the Revolutionary Watchdogs. No registered member of the PAC nor Paso was involved in the attacks.

Paso publicity secretary Eugene Motati said its investigations had established that the majority of Revolutionary Watchdogs members were "on the state's payroll".

He said the NIS had embarked on a programme of "dividing the liberation movements by using elements who pose as radicals while they are criminals."

KATHRYN STRACHAN

"These elements are engaged in a fixed programme of discrediting the PAC by making the PAC appear as a group of thugs and criminals."

In response to questions on whether the Paso Katlehong branch had been involved in the attacks in the light of their praise of the attacks, Paso general secretary Lawrence Ngandela said news reports on the Paso Katlehong branch were not accurate.

Ngandela later said they had decided to "dismantle the structure" of the Katlehong branch as it had been the base of the Revolutionary Watchdogs.

□ Sapa reports Soweto pupils went on the rampage yesterday morning causing nearly R21 000 damage to three houses.

Soweto police liaison officer Col Tienie Halgryn said pupils from Hlengiwe Secondary School threw stones and petrol bombs at three houses near the school.

B. Day 5/2/92

TIM COHEN

THE establishment of an Afrikaner state would be negotiated with the proposed interim government, which would have to take the demand seriously if it valued peace, veteran Afrikaner separatist Carel Boshoff said yesterday.

Speaking on behalf of the Afrikanervryheidstigting (Afrikaner Freedom Foundation), Boshoff said in a statement there was now no point in arguing about

whether the concept of an Afrikaner state should be presented at Codesa, given the right-wing parties' rejection of the forum.

The accepted concept of group rights had been rejected and Afrikaners had been prescribed to about how to present their case.

But an interim government would have authority over the constitution and it would be the appropriate

place to negotiate an Afrikaner state, Boshoff said.

Afrikaners could insist that their demands for nationhood should be addressed by the interim government, regardless of Codesa's restrictive thinking or its declaration of intent, he said.

Boshoff said leaders such as Mangosuthu Buthelezi and Lucas Mangope had expressed concern about the

absence of right-wing groups.

"The ANC has gone out of its way to reassure Boers," Boshoff said.

He said despite differences between Afrikaner separatist groups, they did not differ on the need for nationhood.

"An interim government, if it values peace, must appreciate this reality," he said.

Afrikaner state 'a serious demand'

B. Day 5/2/92

Violence deters foreign buyers

INDUSTRY sources do not expect the ailing residential market to be rescued by overseas buyers — at least, not in the short term.

In a Multi Listing Service (MLS) survey carried out for Business Day, Pam Golding Estates and the Seeff Property Organisation said that despite excellent foreign interest in the SA property market, there was little chance of a surge in foreign buying until the threat of political violence was removed.

The companies — the two largest estate agencies actively canvassing overseas buyers — formed part of a survey on MLS members to determine the potential number of foreign buyers.

While all of the members were optimistic that there would eventually be a strong foreign buying force, they felt this would only materialise once full political unity was achieved.

"While foreign interest in SA property is high, perceptions of SA still remain extremely negative," said Seeff Property Organisation director Rob McKee.

McKee, who has just returned from a tour of seven countries to promote SA property, said all the television coverage of SA he saw during his trip projected confrontation and ignored the strides made towards peace.

PETER GALLI

Pam Golding director Cecil Golding agreed that the "shadow of violence" was the main factor discouraging foreign buying. The group supports offices in four European countries.

"In 1990 we sold 73 properties to overseas buyers, and this rose only to 75 in 1991. Early 1992 sales have been to Nigerian, Italian, German and British buyers," Golding said.

Seeff Property also recorded a marginal improvement in offshore sales in 1991, which included three sales on the Atlantic coast in 24 hours. Two properties were sold to a German and one to a Monte Carlo resident.

Also acting against the local market were high interest rates, safer investment opportunities elsewhere and slow turnover of overseas properties.

"Last week's one percentage point interest rate cut for mortgage bonds will have little effect in stimulating foreign interest — large cuts are essential," McKee said.

About 700 Britons, all qualified for SA permanent residence, were unable to sell their homes in the UK, he said.

There were also stagnant markets in Germany and the US.

B Day 5/2/92

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Politicians pave a way for business at economic forum

BILLY PADDOCK in Davos

PRESIDENT F.W. de Klerk and ANC president Nelson Mandela's co-ordinated weekend strategy at the World Economic Forum was carefully orchestrated to lay a political foundation for SA businessmen and government officials to use to woo investors at Davos.

The industrial and trade focus of the forum was scheduled to run from Tuesday to Thursday this week.

Among the businessmen present are Premier Group CEO Peter Wrighton, Eskom CEO Johann Maree, SA Druggists executive chairman Johan van der Walt, Gencor executive director Frans Steenkamp, Sasol chairman Johannes Stegmann, Standard Bank MD Conrad Strauss and Gencor's Anton Roedel. There are also government officials from various departments including Public Enterprises.

Mandela worked hard publicly and privately to reassure potential investors. He said he had learned a great deal at Davos. He was hearing from foreign businessmen the same concerns that their SA counterparts had already voiced about the ANC's views on nationalisation and secretary-general Cyril Ramaphosa's threat that an ANC government would consider running on loans granted to the NP government.

Mandela was at the forum from the start, and Foreign Minister Pik Botha and Public Enterprises Minister Dawie de Villiers and their staff were there from at least Friday. This allowed all parties to gauge the mood of the conference and plug into it very neatly by Sunday.

Inkathla president Mangosuthu Buthe also plugged into the strategy. He is well known at the forum and the mostly conservative audience has come to respect his views on a free market economy.

Those of the 25 SA business leaders canvassed were pleased with the politicians' performances. They said the session appeared adequately to have addressed potential investors' major problems on issues such as nationalisation.

However, they said investors wanted to see tangible economic and social progress. Areas of continuing concern include:

- Social stability;

□ The liberalisation of the economy through reduced state operations in the construction, industrial and commercial sectors;

□ Deregulation and an opening up of the market through reduced protectionism, and a greater emphasis on the provision of services being farmed out to the private sector on a contractual or agency basis;

□ The peaceful transition to a democratic political system; and

□ Lower corporate taxes to make risky investment more attractive in SA than in Europe.

It is understood that the main thrust of the SA businessmen's and officials' work in Davos this week will be to urge investors to help

broaden SA's productive base. There is concern that, with industry already operating at about 50% of capacity, that capacity will be exhausted within a few years once economic growth resumes.

One official said they were attempting to explore recommendations by foreign businessmen at the forum that SA, while trimming government spending, should operate an expansionary budget geared to encouraging capital investment in industries aiming at the export market.

Botha and government officials are also seeking assurances from other governments that they, too, will liberalise their own international trade policies.

Mandela, the SA businessman believes, emerged satisfactorily from a grilling on ANC nationalisation policy. Petrus Potgieter and president Klean Schwab made a point of saying he wanted all 2 000 delegates and the public, through live television coverage, to hear the assurances Mandela had given in private groups and bilateral exchanges.

He asked: "Are you saying that now investments will never be rewarded by nationalisation?" Mandela's response, his strongest statement to date on nationalisation, was warmly welcomed. He said: "We have made this clear. We are well aware that if you cannot co-operate with business you cannot succeed in generating growth."

"We are busy discussing this with

(SA) businessmen and I have no doubt we will reach a decision that will make it easy for investors to invest in our country," he added.

"We would like to create the conditions for investors to invest without any fear of their properties being nationalised, or of not being able to repatriate their profits and getting a safe return on their investments — that is our intention," he said.

De Klerk argued that government was already applying the economic policies that had proven successful elsewhere in the world. "We are curbing state expenditure, we are fighting inflation in the ways that you all know it should be fought. We are spending money on priorities ne-

cessary for economic growth — in infrastructure and education, especially human infrastructure," he said.

In trying to convince investors of political and economic stability, he said the peace accord under the chairmanship of John Dlamini had been set up to prevent violence.

In negotiations a constitution based on the proven democratic principles would be brought into being. There was a growing consensus that the constitution would offer investors in SA and future investors a sense of security to enter into a long-term economic association.

This was capped by John Dlamini expressing confidence in the leadership of SA and saying that he believed SA had the intellectual capability to reach its goal.

SA businessmen said they were concerned that, except for the focus on SA on Sunday, Africa was becoming the forgotten continent. A growing north-south divide was leading to the further impoverishment of African countries.

They felt Africa had to force itself onto the world agenda again. They argued that SA had gone a great deal further along the road to democratisation and liberalising its political and economic systems than many of the former East European countries, and was a better investment prospect.

De Klerk emphasised this when he argued in his speech that the world ignored Africa at its peril.

Schwab commented on this issue in concluding the panel discussion: "The world needs a stable Africa and a stable Africa needs a stable SA."

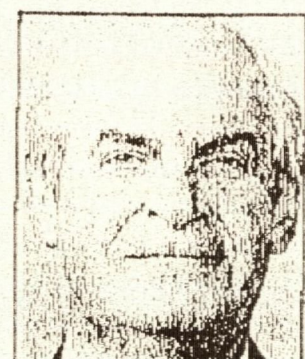
He was positive about SA's prospects. He concluded that the SA presence at the forum had shown the country was irreversibly committed to a negotiated settlement. While there were still strong differences, he believed these would be overcome.

He also said all the South Africans present had demonstrated they were committed to the fact that "it is in the end entrepreneurship, whatever framework is given to it, which creates economic and social progress."

□ The name of Paul Forster, co-author of the article "Cities will suffer if not built on a sound rural base" (February 3) was misspelled. Business Day regrets the error.



□ WRIGHTON



□ MAREE

B Day 5/2/92

'No evidence of recent SADF funding'

CAPE TOWN — There was no evidence of current or recent funding by the SADF of front organisations involved in violence or intimidation, Mr Justice Richard Goldstone said yesterday.

Mr Justice Goldstone was commenting on the contents of a joint memorandum submitted to the Goldstone commission of inquiry into public violence and intimidation by the Weekly Mail, ANC, Cosatu, SACP, Media Defence Trust and Lawyers for Human Rights. There were no witnesses to lead this evidence, Mr Justice Goldstone said.

"However, the memorandum does contain allegations concerning serious violence and intimidation committed recently by persons trained in camps set up by organisations which were formerly funded by the SADF.

"The commission considers that these allegations should be investigated by a committee of inquiry as a matter of urgency," he said.

The commission has appointed a committee to be chaired by Mr Justice Gold-

LINDA ENSOR

stone which will begin hearing evidence today on the Weekly Mail allegations about front organisations sponsoring violence in black townships.

The first witness will be former Inkatha central committee member Mbongeni Khumalo. He will be followed by two Black Cats gang members, who have alleged they were hired to perpetrate violence.

Mr Justice Goldstone has ordered that the Black Cats remain anonymous in the interests of their personal safety.

Weekly Mail legal representative David Sogget SC submitted that while there was no specific evidence implicating the SADF in current funding of front organisations, there was general evidence in the memorandum which allowed the inference that this was still an ongoing process.

"Military Intelligence, which has set out on a strategic policy of fostering violence in black townships as part of a process of contra-mobilisation, is still bent on that strategy and there is nothing to suggest that the original plan has come to an end.

"It is our case that such a strategic plan

on a national scale was devised," Sogget said.

In an interview, Weekly Mail editor Anton Harber welcomed the terms of reference of the commission but said that Mr Justice Goldstone was "plainly and simply wrong" about the lack of evidence of current SADF funding.

He said there was evidence which would emerge in the course of the inquiry and he expressed concern that the judge may have prejudged the issue. Funding of the front organisations was scheduled to continue to February 1994.

The SADF's legal representative, Carel Rabe, said the SADF denied responsibility for furthering violence in this situation and welcomed the commission's inquiry.

Mr Justice Goldstone said the committee would hear evidence on:

- The whereabouts and relevant activities of about 200 persons allegedly trained at a base named "Hippo" in the Caprivi Strip during 1986 and thereafter at the Mkuze Camp in KwaZulu.

- The joint memorandum brings up:
- That 200 Inkatha men were trained in

warfare and anti-ANC/UDF propaganda at these camps;

- The training and activities of a group in Wesselsburg, Ermelo, known as the Black Cats who are alleged in the memorandum to have been recruited for training by some of the Caprivi trainees and to have been responsible for numerous anti-ANC assassinations and attacks;

- The organisations, if any, to which these two groups of people belong and who controls them;

- The present and recent operations of eight named firms, to the extent that they might be involved in recent or current public violence and intimidation.

The memorandum alleges that a number of front organisations, acting on behalf of military intelligence and some with Inkatha links, were involved in the training and instruction of the trainees. It claims that about R105m in secret funds was channelled through them for these purposes;

- The role, if any, of the SADF in funding or assisting persons or organisations who had been found to have been involved with violence or intimidation.