

Briefing to Honourable Patricia De Lille
Member of Parliament

Introduction

On November the 18th 1999 the Cabinet approved the core - force equipment subject to the availability of funding. The Minister of finance was reportedly opposed to the programme. The Ministers approved the programme. Counter arguments was that expenditure of R29,8b on warships and aeroplane would generate foreign investment and exports worth R110b and would create 65000.000 jobs.

Actual details of the offset were denied to the public in terms of the confidentiality clause, but the reasons appears to be that it had been a fait accompli.

Mr Jayandra Naidoo was appointed as the chief negotiator of the counter trade being proposed. Mr Naidoo met Mr Malcolm Damon of the South African Council of Churches and Mr Terry Crawford Brown on the 14th June 1999 to advise them of this and that his brief from the cabinet is to investigate whether the weapons are affordable and to get the best possible offsets for South Africa. At this point the offsets were at R110b for R30b worth of armaments from the preferred bidders.

In September 1999, Jayandra Naidoo is talking about R40b in offsets. What happened ? Why is Jayendra Naidoo negotiating downwards ? Whilst Cabinet took a decision to secure R100b in offsets from the preferred bidders. Questions should therefore be asked if the preferred bidders had lied to cabinet. One should also question Jayendra Naidoo attitude to the non - preferred bidders. Were they given an opportunity to better the proposals of preferred bidders.

On examination of the " Strategic Partnership Agreement " or SPA that all bidders needed to sign with DTI prior to submitting their Best and final offers. This relates to the Industrial Participation (offsets) obligations of the bidders.

It is important to note that the 'Addendum 1 to SPA ' is a document that also needed to be signed by all bidders to qualify for the tender process.

(Annexure A) Refereed to paragraph 2.4 relating to the 5% performance guarantee on the Industrial Participation obligation. This obligation is the total amount of "credits" accrued by each offsets project. It is always amount grater than the investments, due to multiplier coefficient that the DTI applies to each offsets project. For example where a bidder offers 200% offset on a contract with a value of \$15million, the Industrial Participation credits would be \$30million. The performance guarantee is thus 5% thereof, which is \$1.5million.

Jayandra Naidoo claims that the performance guarantee in the case of the submarine purchase has been increased to 10%. However what he had not clarified was that the penalty, calculated on the Industrial Participation offer is not taken to consideration.

In the case of the submarines the Industrial Participation value offered is six times the contract value (600%). At the 5% level, the penalty will be equivalent to 29% of the contract value.

Therefore, to participate in the tender the bidders had to sign the Addendum 1 to SPA. If the submarine bidders signed the contract, why are we letting them of the hook ?

In the alternative, if the Addendum 1 to SPA was never signed prior to the submitting the offer, why was the offer considered in the first place, as this was the prerequisite to participate in the tender. The lack of consistency borders on corruption. If the preferred bidders are reneging on commitments given to South African cabinet then why are we continuing with negotiations?

Offsets

International experience has shown that the only real function that offsets performed needs to provide political legitimacy for the procurement of military equipment.

Most governments including our own claim that the offsets will boost the economy, stimulate, the manufacturing industry, create jobs and earn foreign exchange.

The armaments industry is a capital rather than labour intensive industry, and therefore relatively few jobs are created, given the money spent.

The proposed offset is to expand R30b in exchange for a R110b investment in South Africa. While South African taxpayers are expected to pay R30b, two thirds of the offset would flow to the private sector. In terms of the "confidentiality clause" the beneficiaries in South Africa private sector is withheld from general public. A provision ominously reminiscent of the obsessive secrecy and corruption of the apartheid era. Despite the confidentiality clause it is already an increasingly so that South Africans are being fleeced.

Another aspect in this diabolical conspiracy of an agreement is that the SAAB/ Grippen Fighter Aircraft which normally sells at \$32million per plane are being sold to South Africa at \$65million per plane.

The British Aerospace Hawk usually sells for \$15million. South Africa is being charged \$32million per plane.

We are purchasing for German Frigates at a cost of R6b. Cabinet had agreed to the purchasing of corvettes. The difference is at least R750million extra for each frigate. We are thus overspending by R3b in this contracts.

We have agreed to purchase 3 German submarines which will cost R5b. If we have considered the Italian proposal we could have saved R2.8b.

4 British GKN Westland Helicopters are to cost R787million or R197million each. The 40 Augusta Helicopters will cost R55million each where as a Bell Helicopter will cost R12million.

What is happening here ? Who are the beneficiaries within the South African private sector? Are government officials involved? Are the officials of the negotiations involved? Why the secrecy?

Denel

This State owner machinery was hived off from Armscor in 1992, and is presently controlled by the department of Public Enterprise. During 1998 it suffered a loss of R300 million this years loss is expected to be over R500 million. It has requested government to inject a further R1billion to prevent closure. (Mandla Msomi MP: Chairperson, parliamentary committee for public enterprise.)

They attempted to brake into the international market through the sale of the Rooivalk. Needless to say that this failed hopelessly. Government is almost desperate in it's attempts to offload Denel to British Aerospace as part of the BAE offset arrangement.

Question why would British Aerospace be interested, other than to use S.A. as a manufacturing centre for it's weapons export to politically sensitivity market such as Indonesia and Turkey! What further subsidies would S.A. tax payers have to endure to maintain a dying armaments industry.

S.A. exports armaments mainly to Algeria total R646 million in 1998. In 1997 the export of government reached a record high of R1.32b. South Africa does not even rank SIPRI' s listing of the 31 leading suppliers of major conventional weapons during 1994 to 1998.

The notion so heavily promoted by Armscor and Denel that South African export of armaments would earn foreign exchange and create jobs and thus contribute to the RDP is loaded with absurdity.

No green or white paper on the future of the defence related industry in South Africa exist. Yet we are intent on purchasing of weapons systems without any clear definition. Why the rush to procure weapons from the preferred bidders ?

Let us examine the bids.

1. Spanish bid

Three years ago, Armscor and the South African Navy wanted to spend R1.7b on four Spanish corvette. We the public of South Africa were informed that this would create some 23000.00 jobs. Unsurprisingly nobody was able to qualify the magic formula which resulted in the public opposition which caused the Minister of Defence Mr Joe Modise to suspend the project.

In essence Spain proposed to build 30 fishing trawlers for the underprivileged communities. This would have been done through low interest foreign currency loans. They would also build two massive fish processing factories on the Cape West coast and guaranteed to buy the throughput.

Fishing Industry analyst of the Spanish Proposal calculated that the annual harvest of hake required by the two factories would have to increase from the 140.000 tons to 250.000 tons. Such over fishing would have resulted in the total collapse of the Fishing Industry which employs about 85000.00 people. So much for the 23 000.00 jobs the Spanish corvettes would supposedly produce. Even Minister Joe Modise now admits this analysis to have been correct.

Allegations of Corruption.

It is alleged that Jayandra Naidoo is involved with World Wide Africa Investments Limited (WAIL), which has obtained a 20% stake in Engine Petronas. Jayandra Naidoo has been attempting to frustrate the German proposal by increasing the offset amount, so as to make a deal with the Spaniards. The Spaniards has promised WAIL three oil tankers interest free should their proposal be accepted. If one looks at the changes taking place within the Strategic Fuel Fund and the Central Energy Fund one would see the importance of the deal proposed by the Spaniards to WAIL. Further allegations are that Jayandra Naidoo, Chippy Shaik and Vanan Pillay have their own business interest. These interest are in association with the former

minister of Telecommunications Jay Naidoo, Shabir Shaik (brother of Chippy) and Jacob Zuma.

Why is Jayandra Naidoo pushing all the offsets in respect of telecommunications to companies controlled by Jay Naidoo and Cyril Ramaphosa ?

Inorder to cover all the basis Chippy Sheik, who is involved in Futuristic Business Solutions, has an agreement with Thynessen one of the preferred bidders. Annexure "B"

2. Preferred Bidder - Augusta (Italy)

Augusta is party to a major scandal in Belgium - the so - called Augusta Dassault Affair and accused of bribing former Nato Secretary General Willy Claes and of giving kickbacks of Belgium politicians.

3. Preferred Bidder - SAAB/BAe (SWEDEN / UK)

Swedish SAAB and British Aerospace JAS 39 Gripen proposal is the largest item of the R30b programme. To buy 28 Gripen Fighters it will cost us R11b, or R385million each. The Swedish proposal has been a source of major political embarrassment. Sweden is debating whether to mothball its own Gripens inorder to save operating cost, especially after two of the prototypes crash because of steerage.

The Church of Sweden has threaten to sell its stocks in companies which participate in the offset programme related to the SAAB Gripens.

The announcement that South Africa will buy 28 Gripens for R11b was accompanied by promises of Industrial Participation investments of R48.3b and 23195jobs.

In Sweden, by contrast, the major companies are falling over themselves to deny that such deals even exist; and SAAB itself has conceded on November 20 in the Newspapers ' Dagens Industry ' that no deals have been concluded.

Atlas Copco's spokesperson says that the company hasn't even looked at any project with SAAB. Ericsson, Astra and SKF all confirm that they have no concrete projects. Scania says it annually produce 400 trucks in the South African market, and its investments will be determined by the growth in its South African business. Volvo which makes the engine for the Gripen, says its involvement in the offset package depends on how much of the plane is made in South Africa. "Dagens Industria" reported on November the 26th 1998 that the furniture manufacture IKEA's plans in South Africa have nothing to do with the JAS Gripen fighter Aircraft.

So where is the R48.3b offset coming from ?

Allegation of Corruption.

It is alleged that Mr Tony Yengeni, ANC Chief Whip in the National Assembly, Mr Max Sisulu, Deputy CEO of Denel and Ntsiki Moshimbi Chairman of the Joint Standing Committee on defence, are involved with British Aerospace / SAAB. Therefore the joint Standing Committee on Defence is not playing its watchdog role on arms procurement.

Just before government confirmed British Aerospace as a preferred bidder Tony Yengeni bought a Mercedes 4x4 ML 320 Auto. It is alleged that the money came from the British Aerospace. Annexure C and D.

4. Thyssen and Ferrostaal (Germany) Preferred Bidder.

Initially this German Bid was not shortlisted in 1995. The re - entrance on to the shortlist followed a visit by the then Deputy President Tabo Mbeki to Germany. Suddenly the British and Spanish were ousted from the shortlist and the Germans were included. What caused this change of events ? From a non - preferred bidder to the winner of the bid seems suspicious. A former German Ambassador during a private visit to South Africa during 1996 advised that the German ministry of foreign affairs had informed him that Germany was determined to secure the tender to supply warships to this

country at all cost this obviously include bribery. Infact 3% commission on the total package has been set aside.

The Germans armament industry floated the United Nations arms embargo against apartheid. Blohm and Voss supplied submarine plans to the South African navy. Messerschmidt - Bolkow - Blohm supplied the helicopters used against demonstrators on the beaches of Strand and Melkbosstrand. in 1989.

The former Minister of defence Joe Modise on June the 13th 1999 signed a draft agreement whereby South Africa would buy three German type 209 submarines at a cost of R4.5b in turn German offset investments was cited at R19b, including the establishment of the high - technology stainless steel plant at Coega, near Port Elizabeth. It was estimated this would generate 3000 jobs during construction, and 1000 permanent jobs once production begins. This contradicts the announcement in November 1998 that the submarine programme would result in industrial participation worth R30.274b and create 16251 jobs.

SocGen Frankel Pollack stated that this project makes no sense as the international market for stainless steel is already suffering from an excess on production. It declares that stainless steel production is capital intensive, and requires skill manpower. The study questions government's obligation in respect of anticipated financial loss.

The Coega Scheme to build a deport harbour has been opposed by environmentalist for many years numerous reports have express concern about the air pollution. The consequences of air pollution will be the removal of the residence from the land and will have an adverse effect on the tourism industry.

The question remains why are we buying the submarines from Ferrestaal ?

Allegations of corruption.

Thynessen is the preferred bidders for the corvettes (Frigates). Ferrostaal is the preferred bidder for the submarines. Both companies is supported by Tony Georgiades who is facilitating the success of their bid. FW de Klerk is married to Elita who was married to Tony Georgiades. We know that Tony was bankrolling the Nationalist Party and its leaders. FW de Klerk former

spokesperson Richard Carter who is currently Corporate Communications Manager of BMW, is working very closely with Tony Georgiades.

Richard Carter was also the MD of Lobel Africa, a public relations company. Tony Georgiades introduced Thynessen to Lobel Africa to do all their public relations work. Richard Carter tried to bribe Mr Nyami Boo, the Chairperson of the Thabo Mbeki Crossroad Education Fund with 1million Rand. This was to secure a meeting between an unidentified sponsor and the President. (Thabo Mbeki). Mr Nyami Boo took offence to this when he discovered the identity of the sponsor who was Tony Georgiades. He phoned the MD of BMW and requested a meeting to deal with this matter as a matter of urgency. The meeting took place on the 1st of September 1999. When this matter was raised the MD of BMW South Africa indicated that Mr Tony Georgiades was somebody that often visited the President's office. Mr Nyami Boo indicated that the request as it came from Richard Carter would have compromised the President as it related to the armaments deal being pursued by the two German companies. Annexure E

It is also being alleged that Ron Heywood, the Chairperson of Armscor and Jackie Celliers of the Institute for Security Studies are working closely with Tony Georgiades to ensure that German consortium win the bid.

Don Mkhwanazi is also in the German Consortium. His relationship with Tony Georgiades stems from the time of Emmanuel Shaw and the Strategic Fuel Fund.

Other allegations of corruption.

African Defence Systems is a joint venture between Thompson CSF of France and Altech Defence Systems. Tokyo Sexwale of Global Village Technologies, Marcel Golding of "E". TV, Haskens Consolidated, Phillip Dexter of Union Alliance Holdings, Anthony Glass of Union Alliance Media, Tim Jenkins of Umnwembi an information Technology company, Grintech Electronic Systems, Kentron, Reutech Systems, LIW and Futuristic Business Solutions are all supporting the French Bid.

Tokyo Sexwale and his other company Mawenzi represents French interest in the Energy and Fuel Sector both in South Africa and Mozambique.

Conclusion.

South African companies, interested groups, senior government officials and members of parliament who are involved in the arms deal are corrupting the democratic process in South Africa.

It also appears that these companies, groups and individuals are using the arms deal to create and finance an economic and political centre within the ANC to undermine the President Thabo Mbeki.

The absence of logical explanations for the armament acquisition, total lack of transparency about the offset proposals, and the industrial's notorious corruption makes South Africa arms purchase programme a matter of enormous concern.

Accordingly we endorse suggestions of a full (public) judicial investigation into the weapons acquisition and offset process. Further we call on upon the cabinet to halt any further acquisition programme until a national consensus has been reached on these issues. We support the most reverend Njongonkulu Ndungane Anglican Archbishop of Cape Town. Annexure F

Concerned ANC MPs

ADDENDUM 1 TO SPA

AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA

(THROUGH ITS DEPARTMENT OF TRADE AND INDUSTRY)

(Herein represented by _____, duly authorised

thereto)

"DTI"

AND

_____ A company duly
incorporated in terms of the companies act 1973 (No.61 of 1973) as amended, under
registration number _____

(Herein represented by _____, duly authorised thereto)

" the SELLER/CONTRACTOR "

WHEREAS

The Seller/Contractor has submitted a tender for the supply of

_____ *(description of project and tender number)*, (hereinafter

referred to as the "Tender") to _____

(description of government department or parastatal);

WHEREAS

participation in the National Industrial Participation Programme
of the DTI is a condition to the award or partial award of the
Tender and to this end XXX has entered into a Strategic
Partnership Agreement with the DTI.

1254

IT IS AGREED AS FOLLOWS:

1. SCOPE AND PURPOSE OF THE AGREEMENT

XXX hereby recognises that it would incur an Industrial Participation Obligation should it be awarded or partially awarded the Tender and hereby commits to the fulfilment of such an Industrial Participation Obligation, within the framework of the signed Strategic Partnership Agreement (SPA).

2. DUTIES IN TERMS OF THIS AGREEMENT

2.1 It is recorded that the total contract value or the Imported Content of the Main/Purchase Agreement cannot be determined at the commencement of the Agreement and may fluctuate over the duration of the Main/Purchase Agreement.

2.2 The Seller/Contractor undertakes to submit to the Industrial Participation Secretariat of the DTI:

2.2.1 bi-annual reports containing the values of the Imported Content and the Local Content of the Main/Purchase Agreement (Tender) for that period. The Seller/Contractor undertakes to arrange for the Purchaser to endorse the abovementioned values;

2.3 The Seller/Contractor shall furnish an acceptable performance guarantee to the DTI within 30 (Thirty) days of the commencement date or signature of the Main/Purchase Agreement, whichever is the earlier.

2.4 The performance guarantee shall be for 5% (five percent) of the Industrial Participation Obligation.



2.5 The amount secured in terms hereof shall be payable to the DTI on demand, provided that the dispute resolution procedure as set out in the SPA have been adhered to, in the event of the Seller/Contractor not fulfilling its Industrial Participation Obligation and matters relating thereto.

2.6 The performance guarantee shall be valid for a period commencing on the date of issue and shall terminate when the DTI informs the Seller/Contractor in writing that it has fulfilled its Industrial Participation Obligation.

2.7 The performance guarantee shall from time to time, at the discretion of the DTI, be adjusted relative to the unfulfilled portion of the Industrial Participation Obligation of the Seller/Contractor based on the audited financial reports submitted.

3. EFFECTIVE DATE

This Agreement shall commence on the date of the last signature.



THUS DONE AND SIGNED AT _____ ON THIS _____ DAY OF
 _____ 1997

AS WITNESSES:

1. _____

2. _____

FOR AND ON BEHALF OF
 THE DEPARTMENT OF
 TRADE AND INDUSTRY:
 DIRECTORATE: INDUSTRIAL
 PARTICIPATION.

THUS DONE AND SIGNED AT _____ ON THIS _____ DAY OF
 _____ 1997

AS WITNESSES:

1. _____

2. _____

FOR AND ON BEHALF OF
 THE SELLER/CONTRACTOR

SECOND DRAFT

MEMORANDUM OF AGREEMENT

Made and entered into by and between:-

FUTURISTIC BUSINESS SOLUTIONS (PTY) LTD

(hereinafter represented by TSHEPO MOLAI,
he being duly authorised hereto by resolution
of the company annexed hereto marked "A")

and

THYSSEN

(hereinafter represented by
he being duly authorised hereto by resolution
of the company annexed hereto marked "B")

WHEREAS:

1. THYSSEN are desirous of tendering, to the Government of South Africa or any of its Departments or ancillary bodies for contracts in its field of expertise as part of the South African-German Strategic Alliance.

2. THYSSEN have been advised and are aware of the fact that the awarding of such contracts by the Government of South Africa, any of its Departments or ancillary bodies shall require THYSSEN, as one of the conditions of grant, to enter into reciprocal trade agreements between itself and the Government of South Africa, its Departments or ancillary bodies.
3. FUTURISTIC BUSINESS SOLUTIONS (PTY) LTD is in a position to lobby and market THYSSEN, its products and services to the relevant decision makers.
4. THYSSEN are, in the event that they have been awarded the contract, desirous of appointing FUTURISTIC BUSINESS SOLUTIONS (PTY) LTD to set up local representation for the said project on behalf of THYSSEN and to have FUTURISTIC BUSINESS SOLUTIONS (PTY) LTD assist and advise THYSSEN on the structuring of THYSSENS' industrial participation and counter-trade programme so as to meet the obligations that THYSSEN may acquire in this regard.
5. The parties hereto deem it expedient to reduce their reciprocal rights and obligations to writing.

NOW THEREFORE THESE PRESENTS WITNESSETH:

1. **THE PARTIES**

1.1 FUTURISTIC BUSINESS SOLUTIONS (PTY) LTD, a company duly registered and incorporated in terms of the Company Laws of South Africa under Registration Number and hereinafter referred to as FBS.

1.2 THYSSEN, a company duly registered and incorporated in terms of the Company Laws of Germany under Registration Number and hereinafter referred to as THYSSEN.

2. THE CONTRACTS

2.1 THYSSEN, a company whose principal business is in the heavy engineering and shipbuilding industries in Europe is desirous of concluding contracts with the South African Government, its Departments and ancillary bodies (hereinafter referred to as "The Authorities").

2.2 FBS takes it upon itself to use its established network to lobby and market THYSSEN, its products and services, to key decision makers within the Government of South Africa or any of its departments or ancillary bodies including but not limited to the Department of Defence, Armscor, Arms of Service of the South African National Defence Force, The Joint Standing Committee on Defence, The Department of Trade and Industry, Parliament and/or the Defence Industry as a whole with the

aim of having THYSSEN viewed in a positive light during the adjudication of the tenders for the programme.

All risk for such activities shall be borne by FBS and, in the event of THYSSEN being awarded any portion of the contract, FBS shall be entitled to a success fee as stipulated in paragraph 2.4 below which success fee shall be applied to the setting up of the local project office as stipulated in paragraph 3.3 below.

- 2.3 FBS undertake to use their best endeavours to secure for THYSSEN the desired contracts on the best terms possible and THYSSEN undertake to furnish to FBS whatever assistance and information may be required to FBS to comply with their obligations.

2.4 SUCCESS FEE

In the event of THYSSEN being awarded a contract subsequent to the date of signature hereof, it is agreed between the parties that, upon approval of THYSSENS' contract proposal, a Success Fee of R1 200 000,00 (One Million Two Hundred Thousand Rand) shall immediately become due owing and payable by THYSSEN to FBS.

3. THYSSENS' RECIPROCAL TRADE OBLIGATIONS

- 3.1 THYSSEN is aware of and accepts, as a fact, that, as a condition to the grant of any contract by the Authorities, THYSSEN will be obliged to reciprocal trade agreements with the Authorities and/or South African legal entities, as well as embark on an "Empowerment" programme as defined hereunder.

3.2 EMPOWERMENT PROGRAMME

Tshepo, please get back to me for acceptable wording for this clause. (X)

- 3.3 In order to properly fulfil its reciprocal trade obligations and implement the required empowerment programme THYSSEN undertake and agree to establish representative office in South Africa.

- 3.3.1 THYSSEN hereby appoint FBS to do all things necessary to establish the said office including, but not limited to, securing office premises, staffing and equipping the said premises to a standard reasonably acceptable to THYSSEN.

The costs of "setting up" the offices, as aforesaid, shall be for the account of FBS but the monthly running and operating costs shall be for the account of THYSSEN.

THYSSEN and FBS shall agree a budget for the monthly running costs of the representative office prior to any formal commitment being made by FBS.

3.3.2 FBS shall contribute its time, expertise and resources to the running of the THYSSEN representative office and shall, in particular, utilise its expertise and knowledge of all or any local regulations and requirements to maximise THYSSENS' return on its investment and/or to minimise THYSSENS' direct expenditure in complying with its obligations.

FBS shall be remunerated for this service by way of an agreed percentage of any savings it may secure for THYSSEN in complying with its obligations in terms of either the contract/s entered into or in complying with its reciprocal trade obligations. The aforesaid agreement shall be agreed between the parties prior to establishment of the representative office as aforesaid.

4. DOMICILIUM CITANDI ET EXECUTANDI

4.1 FBS

(X)

Thu Jul 29 12:33:29 1999

161 Motor Vehicle Query (Owner)	Date & time	1999-07-29 12:33:24 3/6	
Registration number	CA80233	WDC1631542A048577	
Vehicle register number	CVW022W	11294230203839	
Previous registration no.		Pre-prev. registration no.	
Make	Mercedes-Benz	Tare	1920 kg
Series	W163 ML320 Auto	GVM	2650 kg
Category	Light passenger mv (less than 12 persons)	Colour	Green
Engine	Self-propelled	Exemptions	Nee/No
Descript.	Station wagon	Lic. expiry	1999-10-31
Usage	Passengers	CC number	100102933123
Veh. state	Licensed	Engine displ.	3199 cc
W status	Roadworthy	Local lic fee	R270.00
SAPS mark	None	Locality of veh. record	Cape Town
SAPS clear. status	Cleared		
Current		Owner	
Ownership start date	1998-10-22		5 ST PATRICKS ROAD
TS	YENGONI		MILNERTON
RSA ID document			
Number	5403065506082		7441
Cheque acceptable	Yes/Ja		

Registrasie-owerheid
Registering authority :Cape Town

Datum en tyd
Date and time :1999-07-29 12:33:29

Gebruiker
User :capetown ttya07 G DAVIDS

Thu Jul 29 12:34:03 1999

161 Motor Vehicle Query (Owner)		Date & time	1999-07-29 12:33:33 4/6
Registration number	CA80233	Vehicle register number	CVW022W
Registration		Licensing	
Liability date		Liability date	
Regt. date	1998-10-22	Licence start date	1998-11-01
Regt. auth. of	Pretoria	Regt. authority of	Cape Town
Regt. status	Registered	Licence fees refunded	NO
		Operator referral	
		Operator suspend to	
RW status	Roadworthy		
RW status date	1998-10-22		
Test date			
Testing station			
Examiner of vehicles			
SAPS clear. status	Cleared	SAPS mark	None
SAPS clear. status date		SAPS mark date	
Vehicle ex.	None	Person ex.	None
Owner ex.	None		

Registrasie-owerheid

Registering authority :Cape Town

Datum en tyd

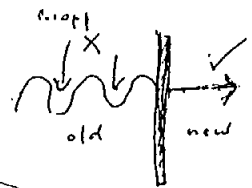
Date and time :1999-07-29 12:34:03

Gebruiker

User :capetown ttya07 G DAVIDS

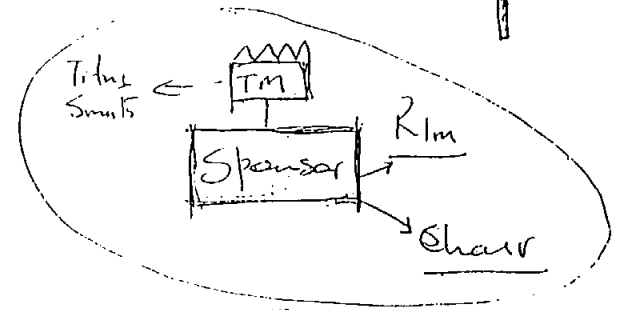
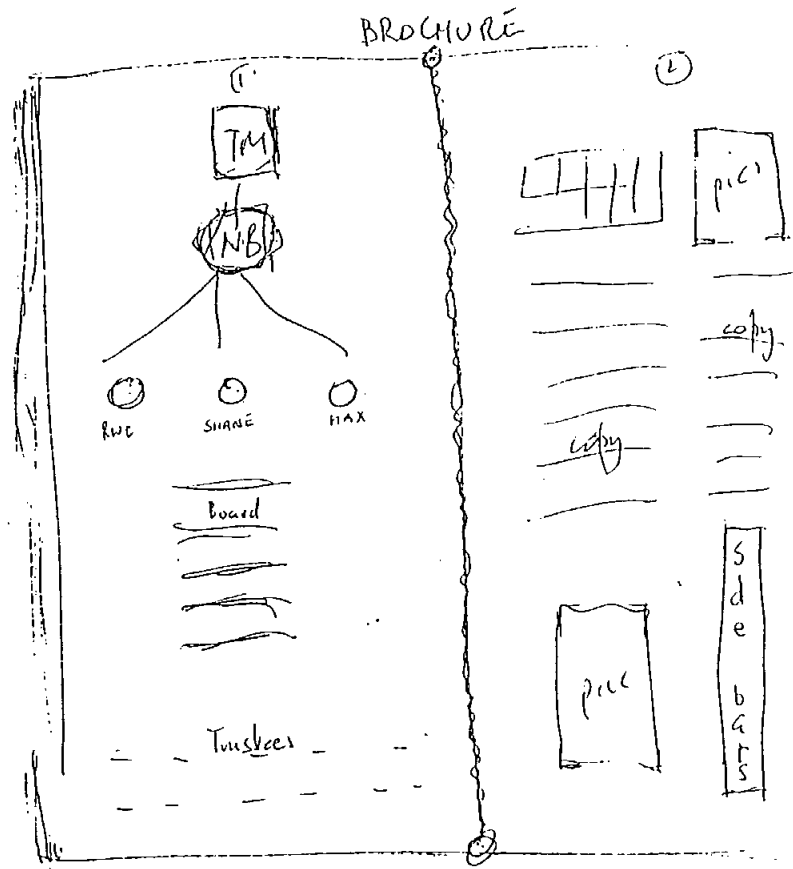
1) Board & Trustees

Times
- Summits



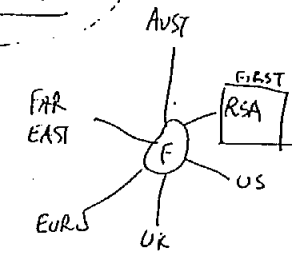
AGENDA
FIRST BOARD

- 1.30
- Meetings with TM
- Thinktank/Strategy
- Fundraising
- Yacht
- Selection Process
- Couns Strategy
- Finances



THE WAY FORWARD

1. Meeting with TM/MB
 - mandate
 - agreement Board Trustees
 - Advisory Committee
2. Letters to Board Nominees
3. 1st Board Meeting
4. Board Meeting TM



Selection

1. No advert for 2000
 - funds shortage
 - key papers → student
 - Closing date 31st Oct

2) Vision & Mission

3) Advisory Board: Bobby?

4) Fundraisers

1. Workshops with students, donors etc - tell them about the fund & encourage them to part ie a mentorship program - Vodafone working unit.
2. Strategic planning workshop for the Board (UCI)
3. TM to meet with students

2. Annual Report
 - # of students
 - staff
 - finances
 - graduations
 - donors
 - message from pati & chairperson
3. Internat'l Exchange



FROM THE ANGLICAN ARCHBISHOP OF CAPE TOWN

The Most Reverend Njongonkulu Winston Hugh Ndungane DD FKC

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SOUTH AFRICA

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e-mail: archbishop@lafrica.com

PRESS STATEMENT

During these times of severe social distress -- when the majority of South Africans earn less than twelve rands per day, when the rate of unemployment is almost 40 percent, and when the Government repeatedly cites financial constraints -- public expenditure of R30 billion on new warships and warplanes is a matter of acute concern.

The Government came to office in 1994 committed to socio-economic upliftment via the Reconstruction and Development Programme. Yet in November 1998 the Cabinet announced that it had approved-in-principle expenditure of R29,8 billion on weapons systems against claims that such expenditure would generate offsets worth R110,6 billion and create 61 165 jobs.

Church leaders at that time called for transparency and public debate. Instead, the acquisition programme and offsets have been shrouded in secrecy under claims of commercial confidentiality.

International experience has documented numerous and massive cases of corruption relating to weapons procurements. The Cameron Commission of Inquiry into Armscor in 1994/95 found that both corruption and incompetence were also widespread within South Africa's armaments industry.

Civil society therefore owes a debt of gratitude to the Sunday Times newspaper for drawing attention to a document which claims major incompetence in the acquisition procurement programme.

Church leaders have repeatedly drawn attention to the crises of poverty which afflict South Africa, including a culture of violence. We believe that these legacies of the apartheid era must be redressed as a matter of national priority. South Africa's own history has proved non-violent resolution of conflicts to be more effective than reliance upon instruments of war.

The promised benefits of acquisition programmes are not logical, and do not "add-up."

Accordingly, we endorse suggestions of a full (and public) judicial investigation into the weapons acquisition and offset processes. And we call upon the Cabinet to halt the acquisition programme until a national consensus has been reached on these issues.

23 August 1999

Arms Deal The SACP Position

In mid-November, after an extensive defence policy review process, government announced a R29-million arms purchasing package. The announcement touched off a major public debate in our country. As usual the commercial press did its best to suggest that there were serious tensions between the government and the SACP on the arms deal announcement. So what are the facts?

In the first place, the SACP position is that both the defence force and the local arms industry need to be transformed, democratised and subjected to ongoing and critical public scrutiny and oversight. Any complacency about either the SANDF or the arms industry must be vigilantly avoided.

It was for this reason that the SACP publicly associated itself with the Ceasefire Campaign and other progressive NGOs in their condemnation of the November Dexsa Exposition in Pretoria. This international arms exhibition, hosted by Armscor and Denel, was organised under the slogan: "Excellence through Experience".

It is simply unacceptable that arms procurers and manufacturers from the apartheid era - which is what both Armscor and Denel are - should boast about "experience". This experience is

- the mass destabilisation of our Southern African region over some 20 years, resulting in millions of deaths;
- the military suppression of the majority of South Africans and the overall militarisation of our society; and
- a whole pattern of international sanctions busting, that resulted in money-laundering, the breaking of laws in foreign countries, theft and bribery to acquire technology, and a general ethos of corruption. Much of the corruption afflicting our society in the present can be traced back to this "experience".

The SACP has, and will in the future, speak out very quickly when we detect the slightest hint of forgetfulness about this past from those that were active components of the apartheid machinery. However anxious Armscor or Denel might be to sell weapons, we cannot allow them to do this at the price of drawing a veil over decades of the most brutal oppression.

But do we need an arms industry, and why are we purchasing R29 billion of weapons?

There are not easy answers to these questions. When it comes to budgetary expenses we must not, for instance, think that matters are always a simple question of addition or subtraction. In one sense, R29 billion on arms could be spent on schools or health-care. But if our society is completely destabilised by counter-revolutionary forces, or by regional wars, then there will be little effective schooling or health-care in any case.

We should not lose sight of the important role the SANDF has played this year in Richmond. If it were not for a significant deployment of SANDF forces into Richmond, the very dangerous cycle of deliberate destabilisation may have continued and spilled over into larger parts of KwaZulu-Natal. The danger has not passed.

Nor can we lose sight of the fact that our region has become considerably more unstable, just in the last 18 months. There are troubles in northern Namibia. There is ongoing UNITA destabilisation of Angola and a military offensive against UNITA is mounting in that country. In the DRC we have the most serious armed conflict in a decade in our continent. It involves troops from half a dozen foreign

countries, pitted against each other. Political instability in other countries of the region is also endemic and possibly growing - Zimbabwe, Zambia, Swaziland. We have also had the recent experience of a serious melt-down in Lesotho. Hopefully that situation has now been reversed.

In short, we live in a country where counter-revolutionary forces with an armed capacity have been marginalised but not eliminated. We live in a region in which there are serious uncertainties. There is a need for an effective defensive capacity within our country, and for a peace-keeping capacity beyond our borders. These are sad facts, but facts.

What of the arms industry? We inherited a substantial arms industry from the apartheid past. It was an industry that was built up with massive subsidies from the regime. Clearly, we no longer need or can afford such a large industry whose strategic purpose was the defence of the minority regime, and the destabilisation of our region, in the context of an international arms boycott.

The industry needs to be transformed and scaled-down. As much as possible, the skills, technology and capacity need to be converted to civilian and infrastructural development capacity.

● However, insofar as we need armed forces, we also need some arms manufacturing and servicing capacity. It is also not easy simply to convert an arms industry to civilian purposes. There are tens of thousands of jobs involved.

For all of these reasons, the SACP accepts that there is an arms industry in South Africa, and that there will be one for many years to come. However, in dealing with this reality it is crucial not to uncritically accept the arguments that this industry likes to put forward:

- We are told that the arms industry, and the counter-trade agreements built into the R29 billion arms package, "create jobs". These claims may be partly true, but they must be subjected to close scrutiny. Generally, the arms industry is not an effective mass creator of jobs. It is a high-tech industry, typically employing a few highly skilled technicians. International studies show that rand for invested rand, arms manufacturing is usually not a high job creator.
- We are told that arms manufacturing can be an important foreign currency earner. It is true that South Africa needs foreign currency, and that we have been able to sell G5 and G6 artillery to states in the Gulf, earning dollars in the process. However, again we should not exaggerate. In the post-Cold War era, the world is awash with weaponry, and it is very hard to make sales. The Rooivalk attack helicopter, for instance, built at vast expense to South African taxpayers, has yet to find a foreign buyer. We also need to be very careful about how much foreign currency our local arms industry actually spends, long before it sells anything. Much of the technology is not locally produced, and has to be bought with foreign currency.
- We are also told that an arms industry can have many important civilian spin-offs. That technologies developed for weapons can be used for civilian purposes. This may be the case, the development of computer technology was partly driven (in the developed economies) by military research. However, this applies much less to a technology weak country like South Africa, and it seems to be a long detour. The civilian needs in our country are clear - housing, public transport, water, etc. They hardly need an Armscor for their redress.

Yes, we need armed forces, and yes we have an arms industry that will be with us for years to come. Both need to be constantly transformed, democratised and subject to ongoing political and public scrutiny. Above all, they need to be justified in terms of the actual strategic challenges facing our country, and not on the immoral basis of their apartheid "experience", or on the basis of spurious claims about job creation and export-led economic growth potential.



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SPEECH TO THE COALITION FOR DEFENCE ALTERNATIVES - 30 NOVEMBER
1998,

The main function of my presence here today is not to just trudge along the weary road of empty political rhetoric, but to impress upon those of you present here, my sincere belief in our Constitution and specifically, Section 28 (1) [c] of the Bill of Rights. The Section in question deals with the rights of children and sub-section 1[c] reads as follows: " Every child has the right to basic nutrition, shelter, basic health care services and social services."

The question that arises is: " How does this government serve the rights of South African children by spending R30 billion on arms ?". Let me hasten to add that I accept that rights need resources for effective enjoyment.

I need to pose certain pertinent questions regarding this matter because if I don't understand the logic, how much more are ordinary South Africans out there expected to understand the logic behind these armaments acquisitions ?.

This government must however explain to us where they are getting the money from to pay for these arms. Is it a loan ? , If so, then it goes against the tenets of GEAR because the Government should be reducing the already high national debt, not increase it by a further R30 billion. In any event, the Government has not met any of its GEAR targets, are we now expected to believe that through this arms deal some of the GEAR targets will be easier attainable?!. Why set down yet another unattainable target?. Can somebody please explain to us here, how one creates R110 billion worth of investments from R30 billion weapons order ! Is this another pyramid scheme?

I furthermore would like to see the national defence budget in which these arms had been provided for. Efforts to grow developing economies via defence expenditure have failed disastrously and Indonesia is a good example of this.

Then of course there is the Government's all time favourite,.... job creation. R110 billion worth of investment will result in 65 000 jobs. My mathematics tells me that the cost of creating a job will be roughly R1,7 million per job !. Why doesn't the Government just hand out the cash to 65 000 poor and unemployed South Africans? I am sure they will teach the Government a number of basics in economics, trade, empowerment, etc., etc. The armaments industry is a highly skilled sector with very little if any space for unskilled labour which this country has a large pool of. Do we have all the required technological expertise for these projects ?. Who is the Government trying to fool because we know that a large portion of these 65000 jobs will have to go to foreigners who possess the required skills. Who will the Government empower through this exercise, which brings me to the question no one in Government seems willing to answer.

According to a report in the Mail & Gaurdian this week, it is alleged that there were pay-offs from one of the preferred bidders, Augusta Helicopters. Augusta and another arms manufacturer are alleged to have paid more than R30 million in kickbacks to Belgian political parties in return for massive defence contracts. Is something happening that the whole of South Africa should know of ?

These arms purchases will start an arms race in the region. Botswana and Namibia are already arming themselves whilst teetering on the brink of open war. At the same time, Lesotho and Zimbabwe view South Africa with suspicion. The Government is tightening its legislation on guns and other weaponry held by private citizens yet it is arming itself to the teeth. Against who are we protecting ourselves in any event? South Africa implores upon its neighbours to follow the route of dialogue to resolve conflicts and to find peaceful solutions yet we are not practising what we are preaching. The build-up of destructive potential in the region is infinite as each state buys more and more weapons and the eventual result is what defence experts call the security paradox. It is a cumulative process in which the amount and sophistication of a national arsenal relates directly to the level of security a nation enjoys. Do we really need to be the regional policeman ?. Why not the regional economic model country with respect to human and socio-economic rights delivery ?.

The voices of health, housing, education, welfare and the rural poor are not found in the debates of so-called expert opinions. It is ordinary South Africans who are being asked, no ..., told to make fiscal sacrifices for the common national good. This confirms how the debate on our strategic and socio-economic choices have been cornered by intellectual and moral poverty.

I want to today cite two examples of how Section 27 is being totally ignored if not flouted by government policy here in the Western Cape - right under our noses and on the front stoep of the seat of Parliament.

How serious are we about Section 27 that I mentioned at the beginning of this speech when health services have to suffer cut-backs in favour of arms. Red Cross Children's Hospital is the only hospital of its kind on the continent, yet it staggers on the brink of closure and management and staff have had to jump in themselves to save it. How does the Government balance the rights to security with the rights enshrined in Sect. 27 ?.

The cost of one fighter plane could ensure the continued existence of Red Cross Hospital for years to come. I can only conclude that the Government has had a serious rethink of its 1994 elections mandate in which it promised that health care and education would be the two priority areas. The Government promptly promised free health care to pregnant women and children under six years. It is the same Government who has refused HIV-positive mothers the drug AZT at less than a R1000,00 a mother. This Government would rather have babies born with Aids, then have them suffer the effects of the disease before dying as young children.. This subsequently costs the country millions of Rands in health care. It is the same Government that introduced rationalisation measures in basic health services that sees highly qualified pediatricians jobless whilst dragging young inexperienced graduates to remote hospitals against their own free will.

Section 27 further establishes social services for children as a right. Allow me to touch on just one aspect of these social services. The Government intends closing sixteen places of safety cum industrial schools in the Western Cape. These problem children will be integrated at normal public schools. Question is ; Was the general public consulted in this decision ? How do parents view the fact that their children will now be integrated with problem children and delinquents ? We, conveniently, don't know because nobody, conveniently, bothered to ask them.

The socio-economic climate that these children are being sent back to is inadequate and cannot appropriately deal with the demands and special needs of these children. It is inconceivable that South African jails are bursting at the seams with youths when places of safety and industrial schools are operated at a 30 percent occupancy rate. Obviously the politicians and the bureaucrats are not thinking. Government is so obsessed with rationalisation measures that it would much rather create more hardened criminals than give these youngsters a second chance in life through maintaining these social services. These children should revert back to social services and should not resort under the education department. Since 1995 the Government has reduced its spending on school text books by 80 percent. Education under this Government has only experienced rationalisation in infrastructure and teaching personnel. As we all know, the consequences to the education system have been disastrous. How can we ever hope to educate these children under the mentioned conditions ?

The Government is compelled to state whether it is applying the provisions of Section 36 of the Bill of Rights as we will then be able to test, in the Constitutional Court the delinquency of its actions. To date it has been silent on the application of Section 36 and I can only assume that the Government knows the detriments of such a test. However, this does not complete our duties as civil society - it only marks the beginning of our duties as citizens of this new dispensation.

It clearly leaves civil society in the position of having to challenge Government in the Constitutional Court on the gravity of the Bill of Rights versus other constitutional obligations.

I thank you

P de Lille

PATRICIA DE LILLE - MEMBER OF PARLIAMENT
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