

HOMELANDS

CISKEI

GENERAL

1988

AUG — DEC.

17645 5/8/88  
Kei states all set to screen Cry Freedom

The Argus Correspondent  
EAST LONDON. — Cinemagoers in the independent homelands will see *Cry Freedom* in spite the film being banned in South Africa.

Distributors UIP Warner said today it would be shown in Umtata in September. And the manager for the Um-tatarama Cinema in Transkei's capital confirmed that it would be shown from August 29 to September 3. It had already been advertised, he said.

The film is about the relationship between black-consciousness leader Steve Biko and former editor of the Daily Dispatch Donald Woods.

A UIP Warner spokesman said attempts had been made for six months to contact the management of eMpolweni Cinema in Mdantsane, just outside East London but in Ciskei, with a view to having it screened there. But all attempts had failed.

It is believed the eMpolweni, the

only known cinema in Ciskei, has closed. If the film was shown in Mdantsane, it would attract many people from East London, only 20km away, and King William's Town, 40km away and the home of Biko.

When South Africa banned the film Ciskei's deputy director-general of foreign affairs and information, Mr Headman Somtunzi, said the homeland decided to clear it to avoid confusion. It would have a 2-19 age restriction.

1988

AUG - DEC

# Lawyers want retrial for four in Ciskei jail

CP Correspondent

LAWYERS for former UDF leader Arnold Makhensi Stofile, jailed for 11 years, applied to the Ciskei Supreme Court this week for special entry to be made in his trial record.

The lawyers asked that the court record be changed to indicate that an interpreter at Stofile's trial had not been sworn in properly and was therefore incompetent.

The application was brought before Chief Judge Pickard, who convicted Stofile and three others.

The hearing has been postponed.

The four activists were convicted in May last year on charges of terrorism and possession of arms.

They are currently serving sentences ranging from eight to 15 years in the Ciskei Central prison in Middledrift.

The three others are Stofile's younger brother Linda, Mveleni Gqibithole and an ANC guerrilla Mzwakhe Ndlela.

It had emerged in the perjury trial of Tamsanqa Magelana, a State witness in the Stofile trial, that the court interpreter of the Supreme Court had not been sworn in properly.

The interpreter, Sikhumbuzo Matole, told the Zwelitsha Regional Court in the Magelana trial that he had not been sworn in.

This emerged during the cross examination of Matole, who had interpreted for Magelana in the Supreme Court at Bisho during the Stofile case.

Advocate Shakenovsky, acting for Stofile and others in the Ciskei Supreme Court, argued that the fact that the interpreter had not been properly sworn in was borne out by the Magistrate's Court record.

Shakenovsky asked Judge Pickard to call for the court record and the evidence of Matole and a former Ciskei magistrate, S. Maritz, to clarify what they had said in their affidavits.

He further suggested that Matole be called to give evidence, to allow the court to find exactly what had happened.

In reply, the Judge said he had difficulties in that Matole could not say more than he had said before.

"Why should I call for evidence when in terms of the section I'm supposed to determine?" he asked.

The Ciskei Attorney General, WF Jurgens, said the court should establish facts by way of evidence.

The fate of the four men will be decided in the Appeal Court on August 17 and 18. They have appealed against conviction and sentence. Veritas

# Ciskei Defence Force, police in 'reign of terror'

## CP Correspondent

A SUDDEN curfew accompanied by a reign of terror engulfed Ciskei's Mdantsane township last week when the Ciskei Defence Force allegedly went on the rampage.

One victim claimed he was assaulted while on his way home at about 8pm. He said a police vehicle stopped next to him and the driver, who was not in uniform, asked him to come closer.

A second police vehicle then arrived and plainclothes policemen carrying sjamboks jumped out of the two cars. He heard one say, "You are the one that does not listen," before they assaulted him.

In another incident, a man claimed he was harassed by the Ciskei Defence Force. He said he was with his girlfriend when members of the CDF ordered them out of his vehicle.

The man protested about the way they ordered

him about and they argued until their commander intervened

The commander apparently became angry and ordered them to keep away from the man. They ignored him and one soldier pulled the woman out of the car. The commander suddenly assaulted his juniors, took the CDF vehicle and drove off, forcing the others to run after him.

In another incident a man was placed on top of a police truck while police drove through the central shopping complex at high speed. When the truck turned, the man fell off. He was returned to where he was picked up and the police then drove off.

The police public relations officer, Col Avery Ngaki, said he could not comment on what he termed unfounded reports. He said he had not heard any reports concerning the incidents and advised people to report complaints to the nearest police station. - E!news

~~7/25~~  
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**Murder of Idasa  
man a mystery**  
CAPT. TREVES 8/8/88  
EAST LONDON. — It is  
more than a year that the  
murder of the co-ordina-  
tor of Idasa, Mr Eric  
Mntonga, has not been  
solved by the Ciskei  
police.

Mr Mntonga's body  
was found in his car on  
the outskirts of Zwelit-  
sha near King William's  
Town on July 25 last  
year.

A police spokesman  
said on Thursday that no  
arrests had been made.  
— Sapa

... southern port of Sidon.

*CAPE TIMES 10/8/88*  
**Lovedale to be reopened**

**KING WILLIAM'S TOWN.** — Lovedale Teachers Training College near Alice is to be reopened next year with funding from the Development Bank of Southern Africa, to renovate the existing buildings, according to Ciskei's Director-General for Education, Mr K B Tabata.

14/8/88 (jos)

# Ciskei resort for SI

**By Ian Smith**

SOL Kerzner's Sun International (Ciskei) has taken over the popular Mpekweni Marine Resort on the Ciskeian coast on a 20-year lease.

The resort, 12 kilometres north of the Fish River on the R72 road linking East London and Port Elizabeth, will complement the Fish River Sun hotel being built by the company at the river mouth.

A Sun International spokesman says: "The two will give us a total of 220 rooms and additional facilities. They will be marketed jointly, and our national and international infrastructure will help us boost tourism in Ciskei."

The company takes over the lease on October 1 from the Ciskei People's Development Bank, the owners of Mpekweni.

The resort has one luxury suite, 37 family and 62 double rooms. It also has conference rooms

There are canoes and pedaloes on the lagoon, and facilities for squash, tennis and bowls. The Fish River Sun's golf course is only a few minutes' drive away.

Transport will be provided between the hotel and the resort.

## Growth slows

WORLD container traffic is likely to grow at less than 5% for the rest of the 1980s, compared with 8% a year since 1985, according to a report by Ocean Shipping Consultants of the United Kingdom.



**CISKEI'S venture into international aviation is a multi-million rand flop with its aircraft grounded and a plush R50-million airport virtually unused.**

It was built on the whim of Ciskei's President Lennox Sebe who believed the venture was vital if jumbo jets with overseas tourists were to be lured to a grandiose casino at Hamburg.

The R200-million casino plan has been scrapped and the make-believe international airport at Bisho, built to take Boeing 747s, is an empty shell.

The day the Sunday Times was there it was fully manned — even the lawns were being manicured — but only one light aircraft from Lan-seria, near Johannesburg, was listed on the arrival and departure boards

"When an aircraft lands the staff run out to look at it," said one official, only half joking.

A woman at the information desk in the immaculate and empty reception area was asleep from boredom and could not be roused

Ciskei International Airways (CIA), funded by the Ciskei Government and intended to fill a schedule gap in SAA's service from nearby East London, exists in name only

Parked on the airport's apron are the two Convair aircraft rescued from American aircraft graveyards, refitted and painted in Ciskei's striking Blue Crane emblem.

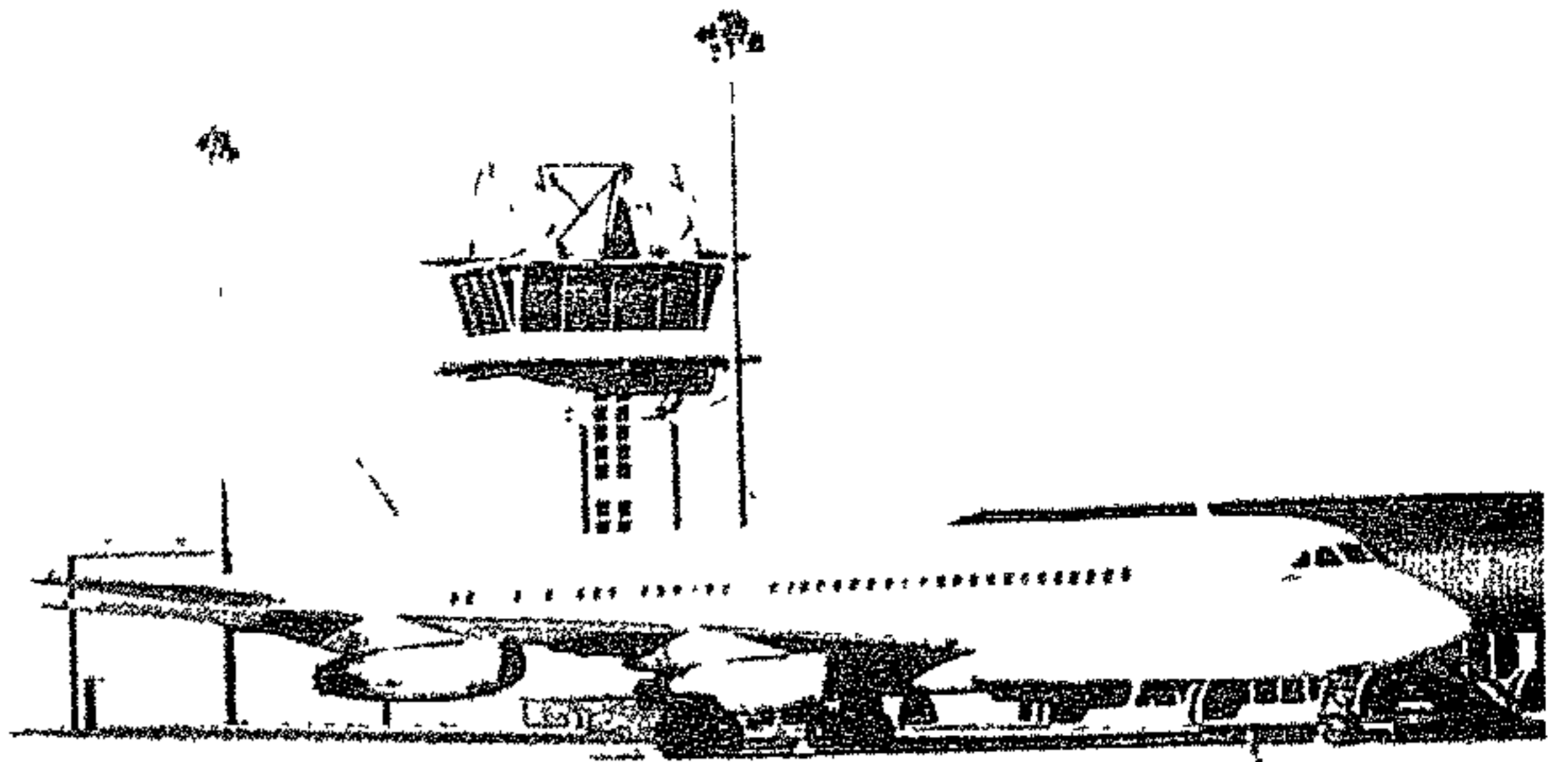
### Sheiks

One, a Convair 880, is fitted to cater to the extravagant tastes of oil sheiks and pop stars, and has been grounded for more than a year. The other has been parked for about six months.

They were meant to fly between Bisho and Johannesburg and to undertake international charters using an American registration to circumvent sanctions.

But the highly trained US staff — pilots, managers and groundcrew — have all gone, and no one is saying if they were axed or just got fed up and left.

The man who vowed to get CIA airborne Mr Mike Pot-



**A PLANE IN THE FARCE . . . a grounded multi-million rand jet gathers dust at Bisho**

## At the R50-million Ciskei airport where staff rush to watch when anything lands

ter, who has immense aviation experience both as a Trans World Airlines international pilot and as an airport and airline administrator left at the end of June

and has not been replaced. Auditors are going through CIA's books. The airline's chairman, Ciskei's Secretary of Finance Mr Patrick Buwa, refused to

answer questions about the airline.

Last week Ciskei's Department of Aviation was taken over by a new broom — Miss Cynthia van der Mescht, retired director of publicity for the Port Elizabeth municipality.

### Deadline

She follows Mr L Ntshinga, appointed and relieved of the post in the same arbitrary way as Miss van der Mescht's elevation. He is the son of another top Ciskei civil servant.

Miss van der Mescht's staff numbers about 180 — and the sum of their work is close to

zero, according to systems experts in Ciskei

Few have any aptitude for the job, being foisted on the department by the CPA — the Ciskei Personnel Administration — which allocates staff.

The Sunday Times was told earlier this year that the CIA was grounded when it failed by one day to beat a change in rules by the US Federal Aviation Authority

The CIA would have beaten the deadline had approval for R3 000 worth of documentation been obtained. But authority to spend this sum was held up by Ciskei's muddled bureaucracy

105  
**planer!**

SUNDAY TIMES, August 14 1988

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BY BILL KRIGE

**There's a**



**CISKEI'S** venture into international aviation is a multi-million rand flop with its aircraft grounded and a plush R50-million airport virtually unused.

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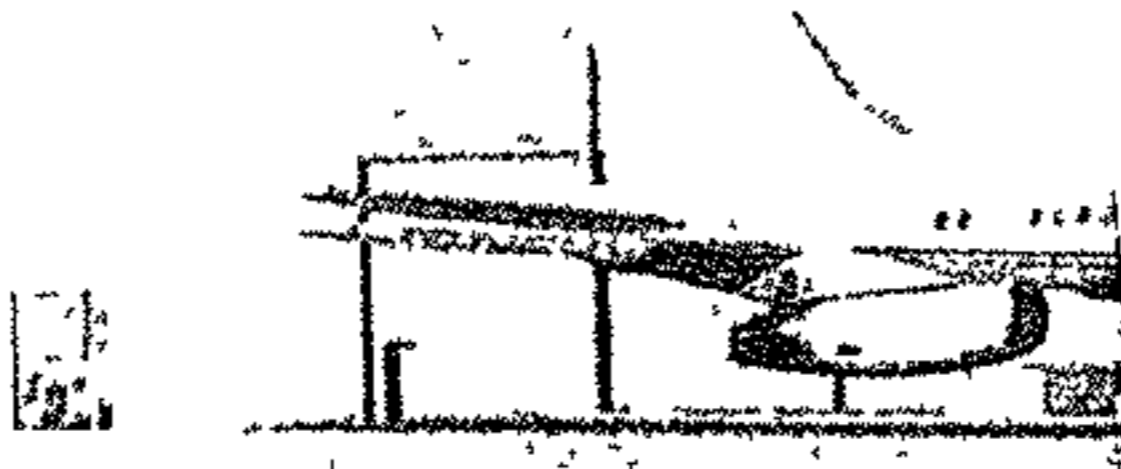
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A PLANE IN THE FARCE ... a ground



## GEELKAT PREFERS HIS OLD ADDRESS

By JANINE LAZARUS

HENNIE MAARTENS'S beloved tom, Geelkat, has refused to accept his master's new home — four years after the "traumatic" move

"It's unbelievable," said M Maartens, a 38-year-old Bronkhorstspruit lan-  
surveyor

"I have to fetch Geelkat from my old house every evening. I simply open the door, shout 'Geelkat' and in he jumps."

Bachelor Hennie says he is "cat freak".

"In fact, the first word I ever uttered was 'kat' — much to my mother's horror."

### Adopted

The Porsche-driving bachelor said the first cat he owned "adopted" him when he lived in Kempton Park.

"This pregnant cat simply walked into my home and went to my bedroom cupboard and promptly gave birth to five kittens. I got two away, a third one was killed by a car, and I was

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BY BILL KRIGE

SUNDAY TIMES, August 14 1988

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Open 100k, there's a



# Airways boss brought to earth

148/100/1000

## Sebe acts as Ciskei Airways fails to start scheduled flights

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### CP Correspondent

CISKEI's director-general of aviation and tourism, M Ntshinga, was recently dismissed by President Lennox Sebe for failing to get Ciskei International Airways off the ground.

The Ciskei Government also decided to close down CIA after its two out-dated four-engined Convair jet planes remained idle for months. The government has approached private aviation companies in South Africa to provide a service between Bisho and Jan Smuts Airport.

The new director-general of aviation and tourism is Cynthia van der Mescht, who has no experience in aviation. She was formerly employed by the Port Elizabeth Publicity Bureau.

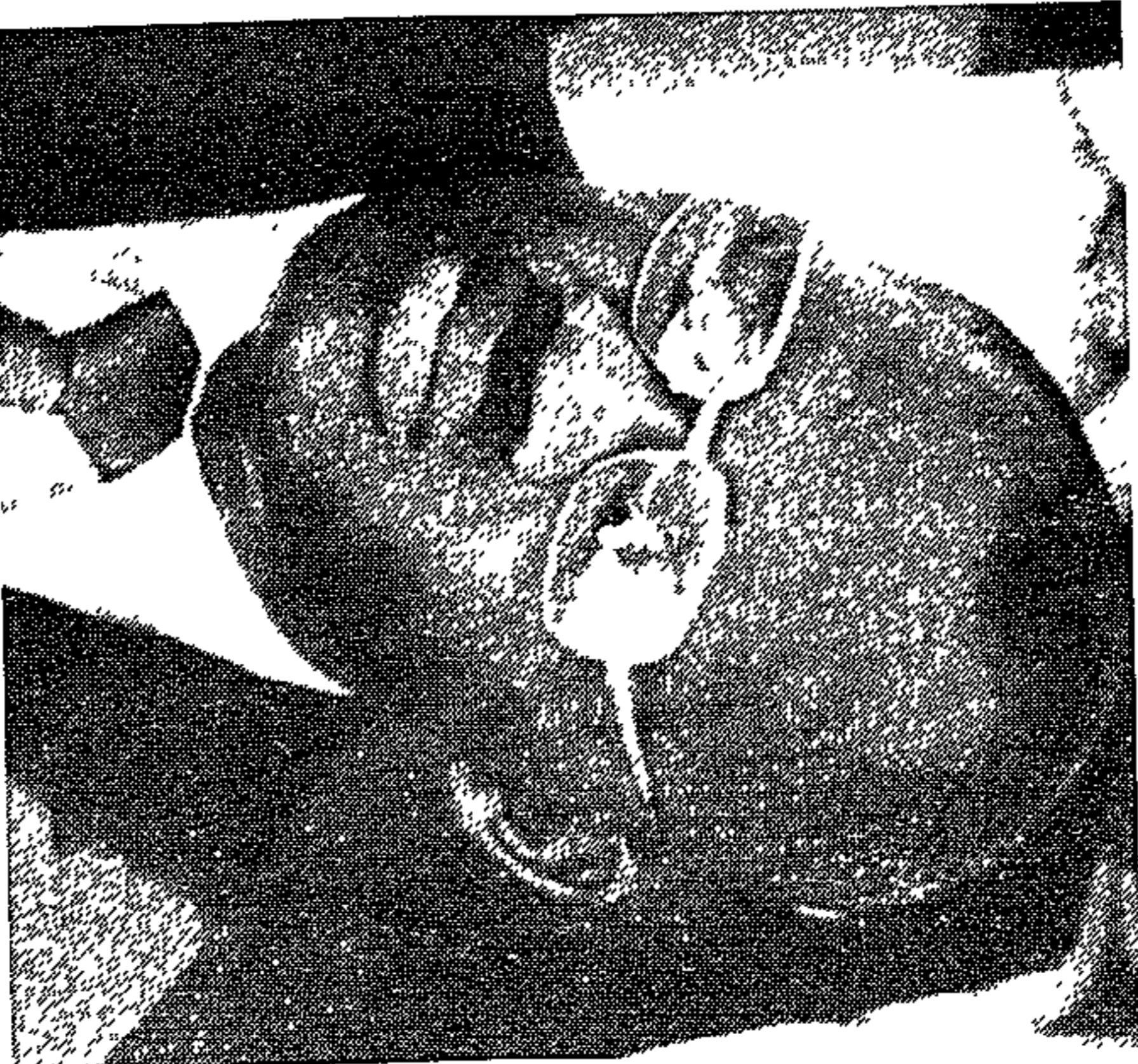
Before it was decided to close the CIA, Sebe approached the SA Minister of Transport Services, Eli Louw, about the possibility of renting a Boeing 737 from South African Airways.

The request was refused because SAA was experiencing a shortage of aeroplanes. Advisers also said that the Boeing 737, which seats more than 100 passengers, would be too big for the route.

CIA was jointly owned by the Ciskei Government and a company known as Revikam, which was represented by an American, John Robinson.

Despite warnings that it would be irregular, the Ciskei's Department of Aviation and Tourism paid at least R789 000 from its own budget for expenses incurred by CIA - R500 000 for expenses incurred by Revikam because Revikam could not meet its commitment with respect to capital investment, and the balance to pay for equipment for the aeroplanes.

One item, an auxiliary power unit which was bought overseas by Robinson, was found to be defective after a few months.



**Lennox Sebe ... has appointed new boss who has no aviation experience.**

The remainder of the equipment, which included an auxiliary power unit, a compressor, a tractor and steps, were bought second-hand from SAA.

Apparently Ntshinga, who is also director of CIA, was in favour of using money from the Treasury because he did not want to disappoint Sebe by

not getting the air service off the ground.

The equipment which was bought from SAA was transported at great cost by air to Bisho to ensure that it would be available before the inaugural demonstration flight of one of the Convairs in January this year. However, the equipment arrived late, and CIA had to borrow equipment from the Ben Schoeman Airport in East London.

The two Convair planes and the equipment bought from SAA have now become redundant, and the Ciskei Government is taking steps to have them removed.

Another problem developed when South African aviation authorities found one of the planes not airworthy. Furthermore, no pilot in South Africa has been trained to fly these planes.

Both planes are registered in the United States

and they are, therefore, subject to the regulations of the US Federal Aviation Authority. These regulations determine, among other things, that an aeroplane carrying passengers may not fly unless the operator has specific spare parts at his disposal.

Earlier, the managing director of Ciskei International Airways, American Martin Potter, allegedly tried to persuade Ntshinga to sign documents authorising the CIA to operate the planes, even though they did not meet FAA regulations.

After consulting with aviation experts, Ntshinga refused the request and insisted that the planes be operated in accordance with FAA regulations, which are also recognised by the SA aviation authorities.

Robinson and other American plane and maintenance crew members were dismissed a few weeks ago.

# Ciskei resort for SI

14/8/88 JOS  
5 Times

By Ian Smith

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# Bloomberg to testify at new probe?

CAPE TIMES 16/8/88  
By CHRIS STEYN



Mr Kerzner



Mr Bloomberg

CITY attorney Mr David Bloomberg and Mr Sol Kerzner will be asked to appear before the new South African commission of inquiry into allegations of cross-border irregularities following the recent inquiries in Transkei and Ciskei.

Legal sources last night disclosed that Mr Kerzner, Mr Bloomberg and Mr Chris van Rensburg, chairman of construction company JALC, are among those who will be subpoenaed.

Others — "who ignored requests" to appear before the Transkei commission of inquiry — will also be subpoenaed, the sources said.

The JALC company featured prominently in the Transkei inquiry. The Minister of Justice, Mr Kobie Coetsee, announced yesterday that the commission would inquire into the involvement of people, organi-

zations or institutions in South Africa in irregularities which were exposed in the reports of the Van Reenen and the Alexander commissions, which sat in Transkei

Although the exact venue for the new commission has not yet been announced, the Cape Times learnt last night that it would probably start sitting in Cape Town towards the end of next month.

## Leading evidence

Deputy Attorney-General Mr Frank Kahn last night appealed to "high-profile" people to come forward with information that would help the commission in its inquiry.

Mr Kahn, who will be leading evidence at the inquiry, invited people to submit information to the Secretary, Commission of Inquiry into Certain Alleged Cross-

border Irregularities, Private Bag X81, Pretoria, 0001

Mr Petrus Marais, of the office of the Cape Attorney-General, will assist Mr Kahn at the inquiry

"This inquiry will be far reaching," said Mr Kahn.

Mr Coetsee said yesterday that the commission would also investigate whether the alleged irregularities constituted offences under South African law and would be considering ways to stop such action.

He said the investigation would in no way inhibit investigations into possible criminal offences and prosecutions.

The commission will be chaired by Mr Justice LTC Harms of the Transvaal Division of the Supreme Court.

● Ciskei 'surprised' at SA probe —  
Page 3

# Ciskei 'surprised' at SA probe <sup>ca. 6</sup>

BISHO. — The Ciskei government said yesterday it was "surprised" by reports that President P W Botha had appointed a commission to inquire into alleged cross-border irregularities involving Transkei and Ciskei. <sup>1/1/88</sup>

"We should have been approached through diplomatic channels about any alleged irregularities involving SA citizens in Ciskei," it said. — Sapa <sup>105</sup>



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# Leading NZ barrister is in Ciskei for Stofile appeal

*B. J. O'Connell*

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**BISHO** — Leading New Zealand barrister Ted Edmund Walter Thomas, QC, is in Ciskei to attend the hearing of Border UDF regional president Arnold Stofile's appeal against his conviction and sentence under the Ciskei National Security Act.

The appeal by Stofile and three others serving prison sentences ranging between eight and 15 years started in the Bisho Supreme Court yesterday.

In May last year Thomas raised about NZ\$18 000, mainly from lawyers, to assist Stofile.

He said Stofile had struck those who met him in New Zealand in 1985 as "a thoroughly likeable, pleasant and gentle person".

Thomas said he had been advised that someone who was arrested and tried on a political charge in Ciskei did "not have much of a chance".

The appeal will be heard by three retired South African judges.

Thomas said the court of appeal was usually of a higher calibre than the trial court. An appeal was therefore worthwhile.

Thomas said he was officially recognised as an international observer at the appeal by the New Zealand Law Society, the New Zealand section of the International Commission of Jurists and the Commonwealth Lawyers Association in London.

The purpose of attending the hearing was to focus international attention on the proceedings.

Stofile's lawyers and Sydney Kentridge, QC, had advised him that it would be "extremely helpful" to have an international observer at the appeal, he said.

Thomas, 64, was appointed QC in 1981 and has been vice-president of the New Zealand Law Society and President of the Auckland District Law Society. — Sapa.

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**CISKEI STAYS  
SILENT ON ITS  
PAIR OF IDLE  
JETLINERS**

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**EAST LONDON —** The Ciskei government yesterday remained tight-lipped on the future of Ciskei International Airways.

It said only that "the timing was against" issuing a statement.

The government was asked to comment on criticism of the airline which included an allegation that bureaucratic bungling had led to its missing a deadline to register with the US Federal Aviation Authority.

A Sunday newspaper reported that the airline had failed to register because it could not complete the necessary documentation in time.

Ciskei's deputy director-general for Foreign Affairs and Information, Headman Somtunzi, said a committee had been appointed to investigate and co-ordinate the airline's affairs.

It had been given the task to check on ways of putting the airline back on to a sound footing.

The committee will report back to the directors.

Somtunzi said it would be premature to make a statement before the committee had undertaken its investigations.

News reports criticising the airline were calculated to "drag the government and the project into the mud".

Somtunzi said it was clear the reports projected the writer's attitudes, and lacked objectivity, so the Ciskei government was not prepared to respond.

The airline's two Convair passenger jet aircraft, leased from a US businessman last year, have still to fly commercially.

American personnel who had been manning the aircraft have since left Ciskei. — Sapa.

18/8/81  
Swefer

## 'Stofile should be acquitted'

THE Border United Democratic Front president, the Reverend Arnold Stofile, should be acquitted of terrorism, the Bisho Supreme Court heard yesterday.

The submission was made by Mr David Gordon before three Ciskei appeal judges, Mr Justice L van Winsen, Mr Justice O Galgut and Mr Justice L A Damont, who are hearing the appeal of Stofile, his younger brother, Linda, Nelson Ndlela and Mveleli Gqibitole.

The men are appealing against conviction and sentences imposed by the Ciskei Chief Justice, Mr Justice Benjamin Pickard, in May last year.

They are currently serving sentences from eight to 15 years. Yesterday's hearing was attended by Mr Ted Thomas, QC, an international observer who is a leading barrister in New Zealand.

Mr Gordon submitted that, on the state's case there was insufficient evidence to justify a conviction.

# Free yesterday in 'Kei, held today in SA

POLICE refuse to explain how a man allegedly released by Ciskei police is now in custody in South Africa.

In a telexed response to inquiries this week, the South African police public relations division confirmed that Mxolisi Leslie Michael Jayiya, also known as Sodayisi, was being held in terms of Section 29 of the Internal Security Act.

Ciskei police had earlier said they had released him — just hours before an application by his family for an interdict protecting him against police assaults was to have been heard.

The day before the hearing was to have taken place last week, state lawyers offered to settle with the family. The police would give an undertaking that Jayiya would not be assaulted, without making any admissions, and would pay the family's legal costs.

Though both Jayiya's cousin, Pulu Twaku, and his nephew, Daluxolo Jayiya, had seen him on two different occasions at the police station in Mdantsane, this amounted to the first official confirmation that Jayiya was being held.

The family refused to accept the offer and were informed he had been freed.

Jayiya did not appear, however, and while lawyers were preparing further court action to force Ciskei police to say where and how he had been released, the SAP confirmed they were holding him.

An SAP representative would not comment when asked whether Jayiya had been handed over and said it was not practice to release any further details about a detention.

There have been numerous allegations that detainees are passed backwards and forwards between South Africa and the "homelands", without the benefit of formal extradition proceedings. — Elnews

105/12-78/8/88 W/Mail  
(105/12-78/8/88)  
(105/12-78/8/88)



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CAP 714/88 23/8/88

# Weak rand boosts Swimline earnings

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JOHANNESBURG. — Swimline, the Ciskei-based manufacturer and distributor of swimming pool chemicals, pumps, filters and pool accessories, has raised attributable income by R673 000 to R2,65m following exchange rate gains on the group's foreign loan.

This represents a 154,2% increase which allowed the group to raise earnings a share by 92,8% to 13,3c (6,9c).

After-tax income was raised by 89,8% to R1,98m for the year ended June 30. This was achieved off a modest 9,6% increase in turnover to R20,4m (R18,6m) after floods affected a large part of the group's market.

John Puttergill, chairman of Swimline Holdings Limited, in his chairman's review to shareholders, said it was only at the sliding rand exchange rate that sufficient investment would take place in both import replacement and export orientated projects for the economy to show real growth. — Sapa



# Idasa death inquest findings

*CAP 7/15 26/1/88*  
BISHO. — Zwelitsha Magistrate's Court has found that the death of an Idasa official, Mr Eric Mntonga, was caused by an unknown act by unknown persons.

The court found that Mr Mntonga died of head injuries.

No oral evidence was led in the inquest, and the court relied on affidavits submitted by the police.

At the time of his death on July 24 last year, Mr Mntonga was co-director of Idasa's Border branch.

His body was found alongside the road near Tamara village, in Ciskei, after he had been summoned to report to a police station the previous day.

The Ciskei Police have not yet made any arrests in connection with his death.

In an affidavit, the district surgeon,

*105*  
Dr Basil Wingreen, who conducted the post-mortem, said that Mr Mntonga had received head injuries and was strangled. He also found that Mr Mntonga had stab wounds to his chest and abdomen, and that his ankles and legs had ligature markings from ropes.

Mr Mntonga's wife Fikiswa and his father, Mr Norman Mntonga, said in statements that they had last seen him alive and healthy two days before his death.

Both said they did not know who had killed him.

Mr Mntonga's parents and lawyer said they had not been informed that the inquest would take place.

A Ciskei spokesman said yesterday that it was usual practice to inform the next-of-kin in advance when an inquest was to be held.

# Boraine protest over Mntonga inquest

CAC  
10/12/80  
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EAST LONDON. — The executive director of the Institute for a Democratic Alternative for South Africa (Idasa), Dr Alex Boraine, has written a letter of protest to Ciskei's President Sebe over the handling of the inquest into the death of Mr Eric Mntonga, the Border co-director of Idasa.

Dr Boraine told Mr Sebe that those who knew Mr Mntonga best and could have been able to help bringing his murderers to justice were not called to give evidence in the inquest.

Mr Mntonga's body was found near Tamara village in Ciskei the day after he had been summoned to report to

the Tamara police station.

Zwelitsha Magistrate's Court found that he died of head injuries brought about by unknown persons, and a district surgeon said he had also been strangled, stabbed, given abdominal injuries and tied up with rope.

Dr Boraine said the inquest had taken place without Mr Mntonga's family or his former employers being notified. "It is disquietening that the inquest took place without prior knowledge by those who knew him best and who may have been able to contribute to the possibility of his killers being brought to justice," he wrote to Mr Sebe. — Sapa

# Ciskei cops raid Peelton village

## Siambokkings and harassment mar beginning of Nkqonkqweni's incorporation

CP Correspondent

SCORES of residents from Nkqonkqweni village at Peelton were injured last week when Ciskei police allegedly invaded the village and sjamboked people.

The incident apparently occurred only days after the village, situated on the SA-Ciskei border, was formally incorporated into Ciskei.

Residents said that uniformed and plain-clothes policemen arrived at the village at midday and began assaulting young and old in the streets.

Residents also said police raided a house where a meeting was being held to inform residents about the incorporation.

Twenty-eight people were arrested and later appeared in a Ciskei court on charges of holding an illegal gathering.

Residents claim the meeting was legal and had been called to inform others who were at

work when incorporation had been announced.

Many Nkqonkqweni residents, who believe the police attacked them because of their opposition to the incorporation, fear for their lives.

Some alleged the police threatened to return this week to evict them from their houses.

Lawyers in nearby King William's Town are preparing to interdict the Ciskei police from further assaulting or threatening residents.

Nomqupepe Makela said she watched in horror as Ciskei police assaulted old men and women and loaded them into vans.

Xhokolosho Lawana said four policemen stormed into his house at midday and thrashed him with their sjamboks.

"I asked them why I was being assaulted and one said they wanted to show us who the bosses in Peelton were," he said, displaying sjambok wounds on his head and body.

"They said the people of Peelton were radical and that they wanted to tame us and make us

governable," he continued.

Friction started last Wednesday when residents were called to a meeting where they were told by a Ciskei magistrate that their village had been incorporated into Ciskei in terms of the Borders of Particular States Extension Amendment Act.

The meeting ended on an angry note after some residents had a heated exchange with the magistrate and voiced their opposition to the incorporation.

Nkqonkqweni residents have resisted incorporation since 1981 when South Africa dumped the village in preparation for the Ciskei takeover.

They said they saw the first signs of neglect when South Africa stopped services in the village. Schools, roads and other amenities were not maintained and Ciskei police started patrolling the area instead of the SA Police.

Residents started to resist homeland rule as they feared that they might lose their South

African citizenship

The plight of the people of Peelton was highlighted again in 1984 when Steve Tshwete, former president of the UDF border region and now a member of the ANC National Executive Council, was effectively banished to Peelton.

However, Tshwete's home was on the South African side of the border and he contested the banishment.

After a court battle lasting several years the Bloemfontein Appeal Court finally granted Tshwete the right to live in South Africa in December last year. However, the court ruled that he still needed a visa to cross the border.

Peelton residents have written a letter to the Minister of Education and Development Aid in an attempt to get the South African government to give them land in South Africa.

They had previously sent him a petition signed by some 2 000 people who objected to the incorporation. — Ethnews



Chief Lennox Sebe



# Top police generals charged with murder

105  
MK645 13/9/88

Staff Reporter and Sapa

SIX senior Ciskeian police officers, including the chief of the security branch, appeared in court today charged with the murder of Mr Eric Mntonga, a co-director of the Institute for a Democratic Alternative for South Africa.

They are the second-in-command of the Ciskeian Elite Police Unit, Major-General Zandisile Ngwanya, 42, security branch head Brigadier Pakamili MOUNTAIN Ngcanga, 50, and security policemen Major Mabandla Mbe-jeni, 47, Major Mpakisile Potwana, 42, Warrant Officer Tamsangwa Hlulani, 31, and Warrant Officer Kayalethu Ncandana, 34.

They were not asked to plead when they appeared in Zweilwitsha Magistrates Court before Mr Ayanda Djozela and the hearing was postponed to September 26.

Mr Mntonga, Border co-director of Idasa and former chairman of Mdantsane-East London Committee of Ten was found dead near his car on a remote road between King William's Town and Peddie on July 25 last year.

He was last seen alive in Mdantsane the previous day by his friend and lawyer, Mr Hinta Siwisa. He was to call on another friend but did not arrive.

The six were refused bail pending the decision of the Ciskeian Attorney-General.

## Owns property

General Ngwanya said he would not abscond if he were granted bail as he wanted to look after his property in Ciskei.

He owned a house valued at R100 000 in Bisho and a R250 000 bottle store at Keiskammahoek in which he took an active interest.

He said he joined the South African Police in 1970 and 1977 and was transferred as a constable to the Ciskeian police.

He progressed to major-general in 11 years.

He was a Ciskeian and supported his 70-year-old mother and an elder brother, who was unemployed.

Describing the arrests as a "dramatic turn in the Eric Mntonga incident" the deputy director-general for foreign affairs and information, Mr Headman Somtunzi, said a team of senior Ciskeian officers, monitored by generals, non-stop to make the arrests.

Mr Mntonga, a former organiser of the South African Allied Workers' Union, was killed days after delegates returned from the controversial Idasa-organised talks in Dakar between the African National Congress and Afrikaner academics.

An Idasa spokesman said today a "highly placed Ciskeian source" had provided the information that led to the arrests.

Mr Wayne Mitchell, national co-ordinator of Idasa, said the source had provided vital information relating to "names and activities" on the day of Mr Mntonga's death.

## Within week

Mr Mitchell said the arrests were made within a week of Idasa's letter containing this information being sent to President Lennox Sebe and high-ranking Ciskeian officials.

Dr Alex Boraine, executive director of Idasa, had originally sent a letter of protest to President Sebe following the inquest on Mr Mntonga. No reply was received.

However, following the information received, another letter was sent about a week ago to President Sebe and other officials and there had been a "fast reaction".

"Idasa is very encouraged that action has finally been taken a year after Eric's death. We hope justice will go its full course so the true events on that day will be made known," Mr Mitchell said.

*cut*  
*Times*  
*13/9/88*

# Ciskei cops held for Idasa murder

*105*

ZWELITSHA. Six Ciskei policemen are expected to appear today in the Magistrate's Court here in connection with the death of East London trade unionist Mr Eric Mntonga.

Mr Mntonga, 35, a co-director of the Institute for a Democratic Alternative for SA (Idasa) and a former chairman of the Mdantsane Committee of Ten, was found dead in his car near Zwelitsha on July 25 last year.

An inquest magistrate found he had been murdered by unknown persons.

Mr Headman Somthunzi, deputy director-general for foreign affairs and information, declined to name those held, but said they included two senior Ciskei Security Police officers and a number of junior officers. — Sapa



# Top Ciskei cops in court

105  
~~105~~



Mr Eric Mntonga

## Boraine 'pleased' with trial of six Ciskei cops

Political Correspondent

IDASA executive director Dr Alex Boraine yesterday said he was "extremely pleased" at the action taken by President Lennox Sebe in ensuring the trial of six senior Ciskei police officers for the murder of Idasa co-director Mr Eric Mntonga. "Too many mysterious deaths are taking place in South Africa," said Dr Boraine.

The six, who appeared in Zwelitsha Magistrate's Court yesterday, are the second-in-command of the Ciskeian Elite Police Unit, Major-General Zandisile Witness Ngwanya, 42, security branch head Major-General Pakamili Moutain Ngcanga, 50, and security policeman Lieutenant-Colonel Mabandla Mbenjeni, 47, Major Mpakisile Potwana, 42, Warrant Officer Tamsangua Hlulani, 31, and Warrant Officer Kayalethu Ncandana, 34.

The six were not asked to plead and the hearing was postponed to September 26.

ZWELITSHA. — Six senior Ciskei police officers appeared in the Magistrate's Court here yesterday on a charge of murder.

Before the court were the second-in-command of the Ciskei Elite Police Unit, Major-General Zandisile Witness Ngwanya, 42, the head of the Security branch, Brigadier Pakamili Moutain Ngcanga, 50, Major Mabandla Mbenjeni, 47, Major Mpakisile Potwana, 42, Warrant officer Tamsangua Hlulani, 31, and Warrant Officer Kayalethu Ncandana, 34.

The accused were not asked to plead when they appeared before Mr Ayanda Djozela, and the case was postponed to September 26. Bail was refused, pending the decision of the Ciskei Attorney-General, and they are to be held at Tamara police station.

The appearance of the six policeman follows the killing of a co-director of Idasa (Institute for a Democratic Alternative for South Africa) and for-

mer chairman of the Mdantsane-East London Committee of Ten, Mr Eric Mntonga, whose body was found near King William's Town on July 25 last year

While applying for bail, General Ngwanya told the court he would not abscond as he wanted to look after his property in Ciskei.

### Constable

He owned a house valued at R100 000 in Bisho and a R250 000 bottle store at Keiskammahoek, in which he took an active interest

He said he joined the SAP in 1970, and in 1977 he was transferred while a constable to Ciskei police.

General Ngwanya said that in 11 years he had moved from the rank of a constable to major-general

He said he was a Ciskeian and supported his mother, Alice, who was 70 years old, and an elder brother who was not working. — Sapa

# Student gets off terror charges

*CAP-Topics 14/9/88*  
*105*

ZWELITSHA. — A University of Fort Hare BA student was acquitted on a charge of terrorism, and other related charges, when he appeared in Zwelitsha Magistrate's Court, Ciskei, yesterday.

Mr Sicelo Hela, 23, of Alice had pleaded not guilty to the charges.

The court ruled at the end of a trial within a trial that the statement made by Mr Hela to a Middledrift magistrate was inadmissible as evidence against him.

Mr Hela had claimed that he made a confession after he was arrested on April 25 last year.

He said he had been assaulted by 10 policemen at Alice police station after being arrested by the police on the Fort Hare campus.

Mr Hela said the assault lasted for about an hour. He said he had been taken on a "helicopter ride" and was threatened he would be "thrown from the sky" by a black police brigadier, a white man and two Ciskei soldiers.

He said he made the statement under duress.

An alleged accomplice, Mr Lungekhaya Carrie, who is being held in terms of the Ciskei National Security Act, said he knew Mr Hela.

On April 17 last year he was at home but did not remember seeing Mr Hela.

He had been arrested in Port Elizabeth after surrendering to the police on April 27.

He had not witnessed a shooting at Gqumashe in April last year. — Sapa

ZWELITSHA —  
Six senior Ciskei  
police officers ap-  
peared in the Zwe-  
litsha Magistrate's  
Court yesterday on  
a murder charge.

# Six policemen in Ciskei court

14/9/88  
105 B/deuy

Before the court  
were Ciskei Elite Police Unit second  
in command Maj-Gen Zandisile Wit-  
ness Ngwanya, 42, Security Branch  
chief Brig Pakamili Mountain  
Ngcanga, 50, Maj Mabandla Mbejeni,  
47, Maj Mpakisile Potwana, 42, WO  
Tamsanqwa Hlulani, 31, and WO  
Kayaletu Ncandana, 34.

The men were not asked to plead  
when they appeared before Mr  
Ayanda Djozela and the case was  
postponed to September 26. Bail was  
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kei. He owned a house valued at  
R100 000 in Bisho and a R250 000 bot-  
tle store at Keiskammahoek, in which  
he took an active interest — Sapa.



**TOP Ciskei bank officials were allegedly fired for "racism" this week shortly after a Taiwanese businesswoman, whose clothing factory had run up losses of R9,3-million, spoke to President Lennox Sebe.**

On Tuesday, Ciskei People's Development Bank general manager Barry Poulson and five key subordinates were given hours to clear their desks.

Publicly, the axe fell on the South Africans as the result of a banking "reshuffle".

But privately they were told the president deemed them racists — a claim made after the managing director of China Garments Ltd, Mrs Eugenia Chang, complained about alleged bias at the bank against foreigners.

Mrs Chang was seen in the president's office on Monday.

The six left days after a confidential report was made available to the Ciskei President which indicated that the firm run by the petite former Taiwanese embassy official, and in which the bank has a 40 percent stake, was a disaster.

It had accumulated losses of R9,3-million — R6,2-million of this being subsidised through concessions.

Mrs Chang has admitted to the Sunday Times that the firm has been guilty of irregular currency dealings in the past but insists it was two former directors of the company who were involved and that she knew nothing about it.

It has been alleged that imported goods were paid for twice by the loss-making company in order to swell bank accounts in Taiwan. Mrs Chang has denied this.

### Axing

The firings have precipitated an unparalleled crisis of confidence in the homeland's ramshackle administration which is likely to call on South Africa before the end of the year for money to bail it out of its dire financial mess.

They have almost certainly scuttled plans for three major development projects, including a chemical plant at Dimbaza with a joint investment of more than R100-million.

And although Mrs Chang strenuously denied responsibility for the axing of the six, she has admitted she complained — to the bank, not the president — about alleged bias against foreigners.

She also admitted she had helped arrange a visit planned by President Sebe to Taiwan next month.

Renowned for the ease with which she gets to see the President while others battle for an audience, Mrs Chang also admitted to being a confidante of Finance director-general Mr Patrick Buwa, a part-time butcher facing a charge of stock theft.

## Ciskei bank men sacked after she tells Sebe of 'bias'

The axing of the bankers marks the second time this year the People's Bank has lost a general manager. Six months ago Mr Dave Hart, who had also had problems with China Garments, resigned.

Confidence in the homeland's stability and standing plunged to a new low this week when six top policemen — including the deputy head of the Elite Unit, Major-General Zandisile Ngwanje, and the head of the security police, Major-General Phakamile Ngcanga — were charged with murder.

### Distress

They are alleged to have strangled and shot Mr Eric Mtonga, a co-director of the Institute for a Democratic Alternative (Idasa).

None of the axed officials could be reached for comment, but their distress over Ciskei's involvement with China Garments is well documented. The bank had recommended that the money taps be turned off.

More than R4,7-million of the R6,2-million pumped into China Garments by way of concessions since the end of 1983 is to meet a wage bill currently calculated at R110 a worker a month. China Garments pays many of its 850 black staff well below that.

The confidential memorandum, written for Presi-

By BILL KRIGE

dent Sebe last week, showed that loans of R250 000 and R500 000 advanced to China Garments by First National Bank and guaranteed by the People's Bank will expire on November 16.

First National has indicated that it will call in the guarantees.

The People's Bank was forced by "political pressure" to buy shares in China Garments at grossly inflated prices. At the end of 1985, after twice rejecting partnership overtures by Mrs Chang, it bought in at R5,95 a share.

### Probe

At the time, the bank valued the shares at minus 48 cents each. It invested R500 000 for a 24 percent shareholding and subsequently R600 000 more was pumped in to secure a further 14 percent.

Evidence of irregularities was uncovered, including:

- Apparent widespread double-invoicing for goods shipped out, resulting in double payments to Taiwan for fabric;

- Foreign exchange regulation infringements;

- Smuggling in of machine parts via clients to avoid customs duty.

Bank probes found a double-invoicing system which allegedly worked like this: Fabric was ordered in Hong Kong and sent to East London with a letter of credit for payment. This was lodged at a commercial bank.

Garments were then manufactured and exported and two invoices issued — the higher-valued invoice being correct. The lower value invoice was lodged with the bank and the higher value one mailed directly to the buyer.

The cash difference between the two invoices — between 33 and 45 percent — was sent to the Far East, to pay for the fabric. But that had allegedly already been paid for.

But Mrs Chang denied that double-invoicing had occurred — although she admitted that money was sent to Hong Kong banks from places overseas where her firm had clients.

### Racial

She admitted that large amounts of money had been sent to Taiwan illegally but said this had been done by two former directors.

Asked if she had raised the alleged racial bias with the President, she replied: "Not exactly". Later she said she had brought it up only with People's Bank managing director Grey Mbau.

Asked if she had arranged President Sebe's Taiwan trip, she said "Not exactly. Yes, I am going to Taiwan but not with him (President Sebe)".

President Sebe could not be reached for comment.

# CHANG

# PROBES RACIAL CRITICISMS OF MRS

102/5/18/19/88

# Potsdam vigilante assaults continue

CP Correspondent

AT least one Potsdam resident was injured in the wake of renewed vigilante action in the village this week.

The latest attacks followed a few weeks after the Ciskei Supreme Court turned down the application aimed at restraining vigilantes from assaulting residents.

The application was turned down after the first applicant, Velile Dasi, had failed to arrive in court.

Nyanisile Pamama, 20, a Potsdam activist, was assaulted on Monday night while trying to visit relatives

Pamama said he met a group of vigilantes at about 8pm just after he had entered the section where he had lived.

"I was immediately surrounded when a vigilante said 'here he is'," said Pamama.

"I was then assaulted with sticks and managed to escape when they disagreed on whether they should stab me or not."

He said he went to the hospital where his head wounds were treated. Pamama later told journalists: "It feels like something heavy was put on my head."

Vigilantes are believed to be on patrol during the night.

Victims of these attacks said the vigilantes used pangas, knives and swords in their attacks.

Despite the rejection of their earlier application, residents are still hoping to become South African citizens in the near future.

In their second application, Potsdam residents are challenging the South African State in the Grahamstown Supreme Court for their right to live in South Africa.

This move comes after the community was twice turned away from South African soil more than a year ago

In their application, residents allege that they were born and lived in South Africa before they were forcibly removed to Ciskei in 1983.



Santa 15-2/1/08 (105)

# Mntonga — No bail for cops

KING WILLIAMS TOWN. — The Ciskei Magistrates Court has refused bail to six high-ranking security policemen who appeared this week on a murder charge.

The six, allegedly responsible for the death of Idasa's Border co-director Eric Mntonga in July last year, are: the chief of the security police in Ciskei Major General Phakamile Ngcanga, 50; second-in-command of the elite Unite Squad Major General Zandisile Ngwanya 42; Colonel Mabandla Mabandla Mbejeni 47; Major Mpekisile Potwana 42; Warrant officer Tamsanqa Hlulani, 31; and Warrant Officer Khayaletu Ncandana, 34. All were attached to the Mdantsane Security Police.

Mntonga's semi-naked body was found alongside his car near Tamara. The Zwelitsha Magistrates Court recently held a secret inquest into Mntonga's death. The district surgeon who conducted his post mortem, Dr Basil Wingreen, said Mntonga had sustained head injuries, strangulation and abdominal injuries before his death. After his death he sustained stab wounds to his chest and abdomen. His body also bore rope marks on the ankles and legs.

## Rapid rise

The six were not asked to plead and no evidence was led. The case was postponed until September 26 and the accused were remanded in custody. Bail was refused pending the decision of the Ciskei Attorney-General, Mr W F Jurgens.

Earlier an application for bail by Ngwanya was refused. In support of his application Ngwanya told the court about his rapid rise in the Ciskei police force from a constable to a rank of Major-General within eleven years.

He asked the court to release him on bail as he had business interests in Ciskei.

Ngwanya first made headlines when he and General Kwane were allegedly abducted from an East London beachfront hotel two years ago and appeared in a Transkei court accused of attempting to abduct a former Ciskei cabinet minister Namba Sebe.

It was alleged during the trials of the Rev Arnold Stofile and Mzwandile Mampunye, a former chairman of committee of ten, that Hlulani and Ncandana assaulted the accused. — VERITAS.

# Ciskei boycott: 4 schools closed

15-2/19/68

South 105

EAST LONDON. — The three week class boycott at Kuyasa High School near King William's Town has led to the closure of four schools in the Ciskei.

The Ciskei government last week suspended classes at Kuyasa until "circumstances permit the re-opening of the school".

An education department spokesman, Headman Somtunzi, said: "The academic programme has been severely disrupted and indications are that the pupils' action will affect the quality of the final result".

### Re-admitted

He said pupils wishing to be re-admitted are advised to apply not later than September 14. Unsuccessful pupils "have the right to appeal to the director-general".

Other schools reported to have joined the boycott include Amabele High in Alice, Thembalabantu High in Zwelitsha and Lennox Sebe Training College near Zwelitsha.

The principal of Thembalabantu refused to comment. He referred all queries to Somtunzi who said he did not know why students boycotted classes.

CPF T... 27/9/88 (105)  
Killers

## known but not arrested' — claim

ZWELITSHA. — The bail application hearing of six Ciskei policemen took a dramatic turn yesterday when an accused claimed that the killer of Border Idasa co-director and Mdantsane trade union activist Mr Eric Mntonga, 35, was known to the investigating officer, but had not been arrested.

Major-General Witness Zandisile Ngwanya, 42, second in command of the Ciskei Elite Squad, was giving evidence in his bail application in the Magistrate's Court here.

Maj-Gen Ngwanya and his co-accused, Maj-Gen Pakamile Mountain Ngcanga, 50, Colonel Mpekesile Potwana, 42, Maj Mabandla Nbejeni, 47, Warrant Officer Tamsanqa Hlulani, 31, and WO Khayaletu Ncandana, 34, were appearing following the death of Mr Mntonga, whose body was found on the outskirts of King William's Town on July 25 last year. His throat had been slit after he had died of suffocation.

No charges were put to the accused.

Maj-Gen Ngwanya told the court Mr Mntonga's killers were mentioned in a letter from Idasa director Dr Alex Boraine to Ciskei's President Lennox Sebe.

Maj-Gen Ngwanya said Maj-Gen Ngcanga, the head of the security police, was arrested, but Gen Kwane Sebe, head of the Elite Squad, was not arrested and he (Maj-Gen Ngwanya) had been arrested on Gen Sebe's behalf.

He said the investigating officer, a Brigadier Zibi, had stopped him when he wanted to make a statement at Tamara police station.

A Lieutenant Funani had bribed WO Ncandana and WO Hlulani with five rand and cigarettes to make statements incriminating him, Maj-Gen Ngwanya said.

He said Col Potwana knew who the killers were. — Sapa

# Killers still free

## — Ciskei trialist

ZWELITSHA — The bail application of six Ciskei policemen took a dramatic turn yesterday when one of them claimed the killer of Border Idasa co-director and Mdan-tsane trade union activist Eric Mntonga, 35, was known to the investigating officer but had not been arrested.

Maj-Gen Witness Zandisile Ngwanya, 42, second in command of the Ciskei Elite Squad, was giving evidence in his bail application at Zwelitsha Magistrate's Court.

He and Maj-Gen Pakamile Mountain Ngcanga, 50, Col Mpekesile Potwana, 42, Maj Mabandla Nbejeni, 47, WO Tamsanqa Hlulani, 31, and WO Khayaletu Ncandana, 34, were appearing in connection with the death of Mntonga, whose body was found on the outskirts of King William's Town on July 25 last year. His throat had been slit after he had died of suffocation.

No charges were put to the six.

Ngwanya said Mntonga's killers were mentioned in a letter from Idasa director Alex Boraine to Ciskei's President Lennox Sebe.

He said he had been arrested on behalf of Gen Kwane Sebe, head of the Elite Squad.

He said all the killers were free and innocent people had been accused of murder.

He said the investigating officer, a Brig Zibi, had stopped him when he wanted to make a statement at Tamara police station. A Lt Funani had bribed Ncandana and Hlulani with R5 and cigarettes to make statements incriminating him, Ngwanya said. — Sapa.



# Mntonga trial drama

105

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**KING WILLIAMS TOWN.** — The murder trial of six high-ranking security police officers in Ciskei took a dramatic turn when a security policeman at the back of the courtroom was pointed out as one of the 15 policemen present when Idasa director Eric Mntonga was killed.

Giving evidence in a bail application, Major-General Witness Ngwanya gave the Zwellitsha magistrate's court an account of how Mntonga, 35, the former Border director of the Institute for a Democratic South Africa (Idasa), was killed.

People whispered among themselves as Ngwanya gave evidence. As the noise grew louder Ngwanya called on them to keep quiet.

Ngwanya, once a powerful policeman in the homeland and right-hand man of General Kwane Sebe in Ciskei's Elite Squad, told the court he had no friends and did not mix freely with the public.

Justice was not done, Ngwanya said, and the "killers" themselves were part of the investigating team in his case.

Ngwanya said he was innocent. The investigating officers were defeating the ends of justice by not arresting the culprits. Instead his three co-accused were asked to make statements to incriminate him.

He told the court his co-accused were bribed and promised tobacco and R5 if they agreed to implicate him in the murder.

Ciskei security police chief Major-General Phakakile Ngcanga, Colonel Mabantla Mbejenti, Major Mphokiseli Potwana, W/O Tamsanga Hlulani and W/O Khayalethu Ncandana, all attached to Mdantsane security branch, are alleged to have killed Mntonga.

They were not asked to plead and no evidence was led.

Ngwanya said he was surprised the killers were not arrested. The first he heard about it was when, as second-in-command of the Elite Squad, he received a copy of a letter from President Lennox Sebe.

The letter was from Idasa director Dr Alex Boraine. It alleged that Mntonga was killed by members of the Elite Squad.

The letter said Botana



Mntonga

Ngwanya said he confronted Warrant Officer Bojana, who denied knowledge of the murder. Bojana worked under him in the Elite Squad.

The second time he was told about the details of the murder was in prison when Potwana told him about 15 security policemen who had interrogated Mntonga with his hands tied behind his back and his head covered with plastic.

Potwana said a Captain Hlela was the only senior policeman in the team. He was called and told by Bojana that Mntonga was dying.

He went to the office where Mntonga was and found Bojana trying to mouth to mouth respiration with Mntonga lying down.

Potwana removed the plastic covering from Mntonga's face. Mntonga, who was alive at the time, said: "Pot it's me." He was referring to Potwana.

Potwana told Ngwanya that Bojana suffocated Mntonga during interrogation.

The court heard that Potwana reported this to his senior, Nhonhonho, who wanted to find out whether Mntonga was booked in at the police

station.

Nhonhonho checked whether Mntonga was booked in when he was detained — Potwana did not know what happened after that.

Ngwanya said Potwana told him he could not prevent the murder — he was previously reported to security police head office for interfering with an interrogation.

Ngwanya said the killers he referred to were Bojana, Soci Mncoco, Captain Hlela and a Gola who was reported to have driven Mntonga's car to the police station.

Ngwanya pointed out Gola at the back of the courtroom.

He was surprised to see Soci Mncoco as a member of the investigating team in his case as he was present when Mntonga was killed.

He regarded Gola as a killer as he had common purpose in killing Mntonga.

He agreed with the state prosecutor that from Mntonga's death until Boraine's letter the cause of the death was not known to the authorities.

A bail application was postponed until Thursday September 29. — **VERI-TAS NEWS**



# Accused general names '15 killers'

A Ciskei police general charged with the murder of an Eastern Cape activist claimed this week he was framed and pointed out a member of the investigating team sitting in the Zwelitsha Magistrate's Court as one of the killers.

The mystery of the murder of Eric Mntonga began to unravel with the surprise arrest of Ciskei's top security men. The second in command of the Ciskei Police Elite Unit, Major-General Zandisile Ngwanya, is facing murder charges along with head of Ciskei security police Major-General Phakamle Ngcanga, Major Mpekiseli Potwana, Colonel Mabandla Mbejeni and warrant officers Thamsanqa Hlulani and Khayaletu Ncandana, of Mdantsane police station.

Mntonga, former Border co-director of the Institute for a Democratic Alternative for South Africa, was found dead last year on a lonely dirt road near King William's Town a day after he had been summoned to Ciskei's Tamara police station. His ankles bore rope marks and he had been repeatedly stabbed through the heart after he was already dead.

Pandemonium broke out in court when Ngwanya named "the real killers" during a bail application on Monday.

Seized with emotion, he called out some of the names of the 15 who allegedly killed Mntonga — Warrant Officer Soci, Colonel Nonono, Colonel Bojana, Sergeant Hlela. He suddenly pointed to a man at the back of the gallery and shouted, "There is one of them. (Sergeant) Gola is the killer. He is now one of the members of the investigating team."

Ngwanya said the leader of the investigating team, Brigadier Fikile Zibi, was trying to cover up the tracks of the killers. Zibi was from the same town as Bojana and was protecting him. He said Hlela was also being protected as he was the younger brother of Major Hlela, of

**A Ciskei general accused of murder names 15 'real killers' — including one of the investigating officers. SI NGOMANE reports**

Mdantsane security branch, who is on the investigating team.

"Now I am suffering for the deeds of others," he continued as murmurs from the gallery grew louder.

Ngwanya said that co-accused Potwana had told him that he had seen Mntonga being interrogated by about 15 policemen from Mdantsane and Zwelitsha.

Potwana said he saw Mntonga, who was handcuffed, being suffocated by Bojana with a piece of plastic.

Potwana told Ngwanya that he had left the office but returned later and had removed the plastic. Mntonga allegedly said to him, "It is me, Bra Poti," calling him by the shortened form of his name.

Potwana told Ngwanya that he had left the office but was later phoned by Bojana, who told him that Mntonga was dying. Ngwanya said Potwana went back to the office to find Bojana trying to resuscitate Mntonga.

Potwana told Ngwanya that Brigadier Nhonhoho, who was worried about whether Mntonga was booked in at the police station or not, ordered that the office door where the body was lying be closed until it was dark.

Ngwanya admitted under cross-examination by Deputy Attorney General Viwe Notsha that Potwana suppressed important information by not reporting what he had seen. Ngwanya added that the investigating officers were suppressing information as they knew the killers.

A letter written by Idasa founder member Dr Alex Boraine to Ciskei President LL Sebe and the Ciskei commissioner of police featured in the hearing. Ngwanya said Boraine had mentioned the killers in his letter



**Eric Mntonga ... murdered**

but he (Boraine) was never approached for help.

"If the investigating officer wanted to arrest the culprits he would have begun with the people mentioned in the letter."

Ngwanya repeatedly pleaded his innocence, saying the investigating officer, Brigadier Zibi, had refused to let him make a statement to the attorney general.

Ngwanya said Mbejeni, Hlulani, Potwana and Ncandana were approached by Zibi to make statements against him (Ngwanya) and co-accused Ngcanga.

Ngwanya assured the court that he would not jump bail as he had business interests in Ciskei to look after. He said he did not have a valid South African passport as he had sent it to Pretoria for renewal.

He told the court that he was a second year police science student with Umsa and pleaded to be granted bail. The case continues. — Elnews

209-6/10/88

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W/voire 105

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# Sebe snaps up property

From Page 1  
fferred to him in 1986 at a cost of R29 452. Another 10 hectares at Braunschweig were transferred to the President last year. The value of the land and what he paid for it is not known.

Last year, the Ciskei Parliament validated the expenditure of almost R4,4-million misappropriated over several years to furnish and upgrade Mr Sebe's properties. In doing so, it short-circuited a Supreme Court bid by a former Cabinet Minister, Chief Lent Magoma, to have the expenditure probed. Copies of official Ciskei files lodged with the Supreme Court in Bisho alleged that Mr Sebe had embarked on costly extensions at five properties, building new bedrooms, saunas, garages, swimming pools, installing electricity,

Since then there have been other major land purchases by the President in the Braunschweig area. More small-holdings — totalling 335 hectares — were transferred to him in 1986 at a cost of R29 452. Another 10 hectares at Braunschweig were transferred to the President last year. The value of the land and what he paid for it is not known.

security fencing, water pumps and much more — all at public expense. They were furnished with new carpets, curtains, televisions, videos, fridges and stoves and a host of other items.

The documents also showed the properties were serviced free. Neither Mr Sebe nor the Ciskei's official spokesman could be reached for comment yesterday.

Neither Mr Sebe nor the Ciskei's official spokesman could be reached for comment yesterday.

# Sebe snaps up empire worth millions

By BILL KRIGE

CISKEI'S President Lennox Sebe has accumulated a property empire at a fraction of its worth.

His example has been followed by family and friends in high places.

In one of the poorest countries on the African continent, the President and his men have, over a period of six years, acquired wealth on a staggering scale.

Farms, once owned by whites, have been bought for a song — in one case six in the Stockenstrom district totalling 569 hectares were bought for R15 000 by Mr D D Tabata, Mr Sebe's son-in-law.

Mr Tabata is a top official, as is Mr Otto Delihlazo MD, of the Ciskei's agricultural corporation, Ulimocor, who managed to acquire about 143 hectares of prime farmland in the Balfour district for R6 250.

Agriculture director-general Bomle Jack took transfer of three prime farms in the same area totalling 419,94 hectares — and paid R12 500.

## Guarded

On being bought for consolidation into Ciskei, the land the three men own was valued at up to R1 000 a hectare. They took transfer in mid-1987.

But the bargains do not end there.

Mr Sebe paid R1 000 for a 5 670 square metre property at President's Park Township in his capital, Bisho. He built a R1-million mansion on it, financed at least partly through levies.

Surrounded by five-metre-high barbed wire and heavily guarded, it is situated about one kilometre from an equally sumptuous official residence. His private palace has been furnished almost entirely at state expense.

The same applies to the President's beach cottage at Hamburg, picked up in 1983 for R3 000. It was renovated twice at a cost of R123 474 — paid for by the taxpayer.

Finance Minister Mosa Mafane, who paid R5 000 in August 1987, and Defence Minister David Mavuso who

To Page 2

At Hamburg, Mr Sebe is surrounded by friendly faces — including that of Public Works Minister Doyle Jongilanga, who acquired his property in February this year for R5 000. Agriculture Minister Luyanda Ngoma paid the same for his in June 1987.

Others in power owning a property a stone's throw from their leader include Finance Minister Mosa Mafane, who paid R5 000 in August 1987, and Defence Minister David Mavuso who

To Page 2

# Idasa official 'died' after torture'

105  
2/10/88

By BILL KRIGE

A CISKEI police chief charged with murder claimed in court that a top Idasa official died in custody after being tortured.

Major-General Zandisile Ngwanya, second in command of the Elite Unit, said he was told how Mr Eric Mtonga was handcuffed and suffocated with a plastic bag at the Mdantsane police station.

The body of Mr Mtonga, a co-director of Dr Van Zyl Slabbert's Institute for a Democratic Alternative for SA (Idasa), was found on a remote country road near King William's Town in July last year.

General Ngwanya, one of six policemen charged with the murder, said he was told by one of his co-accused, Major Mphikeleli Potwana, after his arrest how Mr Mtonga died.

## Cover-up

The general claimed an elaborate cover-up was arranged and that a police conspiracy was subsequently launched to implicate him.

Speaking during a bail application, the general said the wrong people had been arrested and that many of the real killers formed part of the police investigating team.

He told Zwelitsha magistrate Mr Ayanda Njozela that Major Potwana had come across Mr Mtonga being suffocated with a plastic bag during an interrogation conducted by 15 policemen.

The major told him he had removed the plastic, but was later phoned and told Mr Mtonga was dying. He returned immediately to find Mr Mtonga dead and a policeman trying to resuscitate him.

The security police chief in Mdantsane, Brigadier L Nhonho, then ordered the police station closed until dark, he claimed.

Bail was refused and the case postponed to October 14.



## Ciskei hospital open - again <sup>105</sup> <sub>Chen</sub>

CP Correspondent

CISKEI has officially opened a three-year-old hospital - for the second time

The 250-bed Hewu Hospital was built by the Israeli Gur Corporation in 1985 in a R16-million deal that included both construction and equipment. On completion, Ciskei discovered it not only did not have enough money to run the hospital, but also not

enough staff

2/10/88  
The homeland alleged that the construction was faulty and sued Gur. The corporation subsequently left both the homeland and South Africa.

The hospital, the sixth in the homeland, stood empty until an outpatient department was opened.

On the day the hospital was officially opened by presidential decree there was only one permanent

doctor and 13 available posts

Although the hospital was well equipped, much equipment stayed in wrapping because nobody was qualified to use it.

Now Ciskei has announced that Hewu was privatised three months ago.

At the time of the handover, the hospital was still believed to be understaffed.

# Mntonga killing: <sup>105</sup> Six refused bail <sup>South</sup>

6-12/10/88

From PHILA NGQUMBA  
KING WILLIAM'S TOWN. — THE Ciskei magistrate's court this week refused bail to six high-ranking security police officers charged with murdering Idasa co-director Eric Mntonga.

The presiding magistrate, Mr Ayanda Njozela, said he could not impose conditions that would prevent them from interfering with their case.

The court also said one of the accused, Major-General Witness Zandisile Ngwanya, had knowledge concerning the case which he demonstrated by mentioning people involved in Mntonga's murder.

Appearing with Ngwanya were the chief of Ciskei security police, Major-General Phakamile Ngcanga, Colonel Mabandla Mbejeni, Major Mphokiseli Potwana, WO Tamsanqa Hlulani and WO Khayaletu Ncandana.

The six are alleged to have conspired with others in the murder of Mntonga in July last year. Their case was postponed until October 14 for the attorney-general's decision.

They were not asked to plead and no evidence was led. — VERITAS NEWS AGENCY.



# Jailbreak JWP

APR 14 12/10 88

## De Pontes offered copter to spring drug dealer — claim

By CHRIS CAIRNCROSS  
**CONVICED**  
 Roberto Palazolo has claimed that East London Nationalist MP Mr. Peet de Pontes offered to help him with a helicopter-backed escape from a Swiss jail.



Mr Roberto Palazolo  
 Justice Department

It was one of many affidavits read into the commission's record by WO Andre Fouche of the SAP Vice Squad. He has been leading a comprehensive investigation into corruption and theft charges levelled against Mr. De Pontes, East London mayor Mr Robert de Lange, Home Affairs official Mr Johan Scheffer and former Ciskean ro-

Mr Peet de Pontes  
 Douw Sleyh

ing ambassador Mr Palazolo, expected to leave jail on parole next Monday, may be returned to South Africa to give further evidence to support his affidavit and to expand on the dealings he is alleged to have had with Mr De Pontes.

Palazolo's statement maintains that he paid in 1986 for Mr De Pontes.

Mr de Lange and Mr Sleyh to visit him in Lugano jail to canvass their help in getting a South African residence permit. He said Mr De Pontes visited him six to eight times.

He said he told Mr De Pontes that if the South African authorities wished, he would sell all the properties he held throughout the world and bring his liquidated assets — which he estimated to be about R6,8m — with him.

In subsequent evidence — an affidavit and bank statements handed in to the commission by Boland Bank — it appears that Palazolo actually brought in more than R15m in several transactions involving financial funds.

Palazolo said Mr De Pontes told him during one prison visit that he and Mr Sleyh were travelling in Europe on be-

To page 2

## Paisley punched in Pope ruckus



ANTI-POPE ... Hardline Protestant leader the Rev Ian Paisley of Northern Ireland holds up a sign as he denounces the Pope's speech. Picture: REUTER

**Pope accused of being the Anti-Christ**

STRASBOURG, France — Northern Ireland Protestant leader the Rev Ian Paisley was dragged from the European Parliament yesterday as he yelled "Anti-Christ!" during a speech by Pope John Paul II.

Waving a banner reading "John Paul II Anti-Christ", Mr Paisley, a member of the 518-seat parliament, stood up and started shouting as soon as the Pope began his address.

The hard-line Protestant politician was warned twice by Lord Henry Plumb, president of the parliament, to stop the disturbance and then ordered to leave the debating chamber. Fighting broke out as he was dragged out. Mr Paisley later told reporters that members had "punched and hammered" him.

"I renounce you and all your cults and creeds," Mr Paisley shouted to the Pope.

He told reporters he had been quoting the words of Archbishop Thomas Cranmer — the first Protestant Archbishop of Canterbury who was executed as a heretic in the 16th Century — that the Pope was the enemy of Christ and the Anti-Christ.

During Mr Paisley's 45-second outburst, the Pope stood at the lectern, looking bemused and smiling faintly. Other members of parliament sitting close to Mr Paisley threw their order papers at him — Sapa-Reuter.

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**From page 1**

half of the Ciskei government to secure a R1bn loan from a financier in Vienna

He said Mr De Pontes asked for \$25 000 for a "raising fee" demanded by the unnamed financier to secure the loan. After arranging this, Palazzolo states, he asked that the money be paid in full to Ciskei president Mr Lennox Sebe. Later he heard that Mr De Pontes had paid over only R20 000 of this amount.

In subsequent evidence submitted to the commission it was disclosed that Mr De Pontes had placed R42 000 of the money he received from Palazzolo in a National Party campaign fund held with Volkskas Bank in East London.

**'Smuggle'**

Palazzolo said that during discussions over the manner in which Mr De Pontes would help him settle in South Africa the latter had offered to help "smuggle" him out of jail.

"I repeat and I declare that he (De Pontes) offered me the possibility of sending a helicopter to get me out of the penitentiary."

Palazzolo said he refused the offer because he did not believe he was a criminal and wanted his case reviewed so he could leave Switzerland legally. He even refused a second offer by Mr De Pontes to spirit him out of Switzerland by car and on to an SA-bound jet because he did not want to break Swiss law or "sell my soul to any devil".

**Passport**

Palazzolo said he gave Mr De Pontes his passport to get his hoped-for permanent resident status sorted out and had to use a passport belonging to a fellow inmate, Stelio Frapoli, to enter South Africa illegally in December 1988 — after he had escaped from Switzerland while on a 36-hour pass to visit his family for Christmas.

Palazzolo's affidavit spelt out details of a company, Papillon International, which he established in Ciskei with himself and Mr De Pontes as sole directors. He said Mr De Pontes placed no share capital into the company but had tried to have him released from Papillon to buy property. This transaction was blocked by Boland Bank on Palazzolo's instructions.

Palazzolo maintains that from that time on he was blackmailed by Mr De Pontes.

**'Assistance'**

Evidence was also given to the commission about the "assistance" Mr De Pontes obtained from Home Affairs official Mr Johan Scheffer to enable Palazzolo and his two sons enter South Africa.

Mr Scheffer, in a sworn statement, said he removed in January two files dealing with the Palazzolo issue from the Home Affairs office in Pretoria on the express request of Mr De Pontes. WO Fouche said they were given to Mr De Pontes in East London the same month and have not been recovered.

WO Fouche will give evidence again today.





Mr de Pontes

# Gold chain, wine for clerk who helped Palazzolo

Staff Reporter

NATIONAL Party MP Mr Peet de Pontes promised that if he became a Cabinet Minister he would make an immigration clerk his private secretary for processing a fraudulent residence permit application for Vito Palazzolo, the Harms Commission was told.

Mr Johan Scheffer, a clerk in the Department of Home Affairs, was also given a gold chain, a case of wine and an all-expenses-paid holiday in Cape Town after helping Palazzolo and his two sons fill in their application forms.

Mr Scheffer said yesterday he knew some of the information he had entered was false and that he had committed fraud.

## JEWELLERS

Mr Scheffer said he was telephoned in July 1987 by Mr de Pontes, who said he had a good friend who wished to immigrate but who needed help in filling in forms.

Mr de Pontes, MP for East London City, asked him to come to Cape Town and paid for his ticket.

He met Vito Palazzolo, his two sons and others at Ben Smit Jewellers (partially owned by Palazzolo) and helped them to complete the forms.

Mr de Pontes told him Palazzolo was an influential man who could help South Africa and had been instrumental in the deal involving the release of Captain Wynand du Toit from Angola.

All the forms were filled in accurately except those of Palazzolo.

## CRIMINAL RECORD

No mention was made of his criminal record and the form was made out in the name of Roberto Van Palace Kolbatschenko.

Mr de Pontes said he wanted only Mr Scheffer to process the forms and take them before the Immigration Board.

His holiday was paid for and he was promised by Mr de Pontes that when he became a minister or deputy-minister he would appoint Mr Scheffer his private secretary.

The forms were processed in Pretoria and the residence permits approved and passed on to Mr de Pontes.

Mr de Pontes asked him to come to East London and to bring two files — Palazzolo's file in the name of Van Palace Kolbatschenko and that of the investigation by Home Affairs into Palazzolo when he initially applied for a residence permit from Switzerland which was refused because of his criminal record.

## NEW CLOTHES

Mr Scheffer accompanied Mr de Pontes to Cape Town, where he spent 10 days at Palazzolo's Clifton beach-house and on his luxury farm at Franschoek. He was given new clothes.

After his return to Pretoria he was told someone was looking for the files. Mr de Pontes' secretary brought them to Pretoria, where he entered a date of arrival for Palazzolo (Kolbatschenko).

She took the files away again, saying "Mr de Pontes will sleep better if he knows the files are in his possession," Mr Scheffer said.

Mr Scheffer said that in September 1988 he was convicted of fraud, perjury and possession of pornography.

● MP explains link with Palazzolo, page 6.



# CLERK 'stole' files for NMP

APR 10 1988  
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A DEPARTMENT of Home Affairs official, Mr Johan Scheffer, was so deep in trouble that when the National Party MP for East London, Mr Peet de Pontes, asked him to give him two department files in January this year, he could not turn back, he told the Harms Commission yesterday.

Mr Scheffer, who was arrested in February, said he stole the two files on Vito Roberto Palazzolo, of which one was under an alias, Robert Kolbatschenko, and flew to East London to give them to Mr De Pontes.

In the file marked Palazzolo was a residence application which had been refused by the Minister of Home Affairs, Mr Stoffel Botha.

He said Mr De Pontes had paid for the flight. Mr Scheffer was met at the airport by Mr De Pontes's secretary, a Mrs Scholtz, who took him to the Kennaway Hotel where he was booked under the name of Scheepers.

Mrs Scholtz told him that Mr De Pontes, who acted as Palazzolo's attorney, would "sleep better" once the files were in his possession.

Palazzolo, an escapee, convicted with drug and organised-crime links, was arrested in Franschoek soon afterwards for illegal entry into South Africa.

Denied in affidavit



## Ack-ack guns at trial of 'SA agents'

From MICHAEL HARTNACK

HARARE. — A military column of armoured cars, troop carriers, mobile anti-aircraft guns and police cars with sirens blaring yesterday escorted three former members of the Rhodesian security forces to the High Court here to stand trial for a murder said to have been committed on behalf of the South African intel-



Palazzolo was a residence application which had been refused by the Minister of Home Affairs, Mr Stoffel Botha

He said Mr De Pontes had paid for the flight. Mr Scheffer was met at the airport by Mr De Pontes's secretary, a Mrs Scholtz, who took him to the Kennaway Hotel where he was booked under the name of Scheepers

Mrs Scholtz told him that Mr De Pontes, who acted as Palazzolo's attorney, would "sleep better" once the files were in his possession.

Palazzolo, an escapee convict with drug and organised-crime links, was arrested in Franschhoek soon afterwards for illegal entry into South Africa.

### Denied in affidavit

Mr Scheffer was arrested in February, 1988, after a police investigation into the missing files and Palazzolo's illegal entry into the country.

Much of this is denied by Mr De Pontes in an affidavit read into the commission record earlier yesterday, although he admits being instrumental in introducing Mr Scheffer to Palazzolo in Cape Town during September last year and sketching the latter's particular difficulties to him.

Mr Scheffer said he first met Mr De Pontes in 1983 in East London where he worked as a clerk in the regional office of the Department of Home Affairs. Mr De Pontes visited the office often as a member of Parliament.

In 1987 when Mr Scheffer was working in the Pretoria section of the department, Mr De Pontes telephoned him from Cape Town and asked if he could assist in filling out permanent residence application forms for a group of his friends.

Mr Scheffer agreed because of his friendship with Mr De Pontes and took a week's leave to go to Cape Town. The air ticket was paid for by Mr De Pontes.

Mr De Pontes met him at the airport and a meeting was arranged for the next day at Ben Smit Jewellers in Thibault Square.

Mr Scheffer said he found out only later that Palazzolo had an interest in the business.

At the meeting with Mr De Pontes, Palazzolo, his two sons and several other people, the forms were filled out. Mr De Pontes told him that Palazzolo had been in a Swiss jail for offences which did not apply in South Africa, and that an appeal was pending against his conviction for laundering money from, and for, drug transactions.

He said Mr De Pontes had told him that Palazzolo could be very useful to South Africa because of the powerful contacts he had in Europe.

De Pontes had told him that some of these contacts included President Francois Mitterrand and Prime Minister Jacques Chirac of France.

Questioned by Mr Justice Louis Harms on why Mr De Pontes, with all his government connections, needed the services of a clerk, Mr Scheffer admitted that it had been explained to him that certain information which had to be entered on the form, was not completely legal.

For instance, Palazzolo's criminal record was not included and the application was in the name of Kolbatschenko. He said he knew that a

### crack of dawn



PW Botha appears to be trying to strike an alms deal with the Swiss bankers.

Syfrets Cape Times

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From page 1

previous application by Palazzolo had been dismissed by the minister.

He admitted that he and Mr De Pontes were committing fraud.

He had expected nothing from Mr De Pontes. The air ticket was paid for and Mr De Pontes and Palazzolo took him out to dinner at a Sea Point club, Charlie Parkers.

He was shown a gold chain at Ben Smit Jewellers which Mr De Pontes and Palazzolo had said was a present for President Lennox Sebe of Ciskei for his help in getting permanent residence for Palazzolo in Ciskei.

Mr De Pontes had made much of Palazzolo's talents and connections with foreign heads of state. He said Palazzolo had played a role in the prisoner swop involving Captain Wynand du Toit.

Questioned by Mr Justice Harms on why he had not asked Mr De Pontes why all this information had not been passed on to the minister, Mr Scheffer said he believed that he was told all those things to influence him and to convince him that he was doing "the right thing".

Mr De Pontes flew to East London with all the application forms. He then posted Palazzolo's

(under the name of Kolbatschenko) to Mr Scheffer in Pretoria and submitted the others to the regional Home Affairs office after it had been decided that it was safer for Palazzolo's application to be handled personally by Mr Scheffer.

The applications were processed normally and submitted to the immigration board.

Mr Scheffer was invited by Palazzolo to Cape Town.

When he contacted Mr De Pontes to let him know of the trip, Mr De Pontes asked him to meet him in East London first and to bring with him the two department files on Palazzolo.

Admitting that he stole the files, Mr Scheffer said that by that stage he could not turn back on what he had done throughout the whole affair.

He spent the weekend in East London and on the Monday certain information was put into the computer at the Home Affairs regional office to show Palazzolo's legal entry into South Africa.

Both men flew on to Cape Town where Mr Scheffer told Palazzolo that he had had a burglary at his Pretoria flat. Palazzolo paid R1 300

for new clothing for Mr Scheffer.

He was visited by police at his flat in February and arrested for the theft of the files.

In an affidavit submitted by police to the inquiry yesterday, Mr De Pontes said he was approached to act as Palazzolo's attorney at the end of 1985 by Mr Robert de Lange, the then mayor of East London.

He and Mr De Lange went to Switzerland to see Palazzolo.

"I was under the impression that Mr Palazzolo had exchange problems but at no stage was it disclosed that he was in prison serving a sentence," Mr De Pontes said in the affidavit which was read out by Detective Warrant-Officer Andre Fouche.

It was explained that

Palazzolo had been convicted and sentenced for handling money channelled from a bank in the United States by clients. The suspicion, although never proved, was that the funds possibly had been from illegal business — Sapa.

Mr De Pontes said he discussed with Palazzolo the possibilities of residence and investments in both South Africa and Ciskei.

He followed this up on his return to South Africa and the Department of Home Affairs said they needed more information.

After negotiations in the Ciskei, President Sebe personally agreed to allow Palazzolo into the Ciskei if he wanted permanent residence.

During the National Party federal congress

in Durban in August 1986, Mr Botha confirmed to him that Palazzolo's application would be considered and that he should have full details.

When Mr De Pontes told him of the Ciskei decision, he said that was their affair and he had no objection. He added that Palazzolo should make a full application if he wanted to stay permanently in South Africa.

Mr De Pontes said he visited Palazzolo in September accompanied by Mr Douw Steyn, a roving ambassador for Ciskei, and again in October.

# MP explains Palazzolo link

ARG 3  
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105

## Staff Reporter

AFTER hearing rumours from "far-left and far-right" political opponents that his client, Vito Palazzolo, had entered the country "illegally", East London National Party MP Mr Peet de Pontes asked a Home Affairs clerk to bring him the Italian's file so he could see everything was in order.

The clerk, Mr Johan Scheffer, was booked into an East London hotel under a false name at Mr de Pontes' suggestion.

However, he did not bring the file because he was not allowed to remove it from the Department's Pretoria offices, Mr de Pontes said in an affidavit handed in to the Harms Commission yesterday.

Mr de Pontes, suspended from the National Party, made a detailed statement to Detective-Warrant Officer André Fouche this year about his association with Palazzolo, in a Swiss jail for organised crime and Mafia drug activities.

Mr de Pontes said he did not know Palazzolo when he was approached by the Mayor of East London, Mr Robert de Lange, to act for the Italian and advise him about investments and residence in South Africa.

"I thought he had foreign exchange problems and was at no stage before my arrival in Switzerland told he was in prison," Mr de Pontes said.

It was later explained to him that Palazzolo had been jailed for handling funds which had been channeled to him from America.

On Palazzolo's instructions he applied for a visa for him at the South African Embassy in Bern and in Ciskei when he returned home.

He personally discussed the matter with President Lennox Sebe, who said he would let Palazzolo into Ciskei on condition he settled and invested.

He also discussed the matter with Mr Stoffel Botha, who said the application was being considered.

On December 26 1986 he received a call from Mr de Lange to say Palazzolo had arrived.

Palazzolo's permanent residence in the Ciskei was completed on March 4 1987. He said his application for permanent residence in South Africa should be processed.

Palazzolo changed his name to Von Palace Kolbatschenko, his old family name.

Mr de Pontes enlisted the help of Mr Scheffer, who he knew from the Department of Home Affairs, to help Palazzolo in his residence application.

In January 1988 he heard rumours spread by "far-left and far-right political opponents" that Palazzolo had entered South Africa illegally.

"I wanted to be sure and asked Mr Palazzolo to send me his passport. There was no entry stamp and he told me he showed officials at Jan Smuts a letter from President Sebe and was let in to the country."



M 14/10/88

HOMELAND DEALS (105)

Dealing with a Don

The Harms commission, investigating cross-border corruption, shifted its focus this week on to the extraordinary activities of Vita Palazzolo, an Italian national with alleged Mafia connections. Those involved with Palazzolo include Nat Party MP for East London City Peet de Pontes and East London mayor Robert de Lange.

These facts emerged from the testimony of Warrant Officer André Fouche of the Cape Narcotics Bureau. The idea that Palazzolo should come to SA in the first place came from a relation of his with contacts in SA — namely the De Lange family in East London. De Pontes became involved in matters when De Lange asked him, as an attorney, to accompany him on a trip to Switzerland to discuss with Palazzolo the subject of his settling in SA. This was in June 1986.

Palazzolo, at the time, was in jail in Switzerland, convicted of illegally transferring money from the US to Italy. The money was apparently Mafia cash made through the sale of drugs in the US. Palazzolo, however, denied knowledge of its origins, satisfying De Pontes and De Lange that he was "clean".

He also intimated that a pending appeal would soon see him released. De Pontes persuaded Palazzolo that it would be a good idea for him — and his considerable wealth — to come to SA. According to an affidavit of Palazzolo, De Pontes claimed to have the support of the National Party, including President P W Botha, in saying he would be welcome here.

According to Palazzolo, De Pontes suggested he should escape from jail — even offering a helicopter to assist him. Eventually Palazzolo escaped less dramatically by failing to return from a Christmas pass granted in December 1986. According to evidence before the commission, De Pontes made the necessary arrangements for Palazzolo to settle in SA. These included looking after Palazzolo's furniture, which arrived in East London two weeks before he escaped from jail and making various hotel and air bookings. All this was done in the knowledge that Home Affairs Minister Stoffel Botha had refused an application for a visa from Palazzolo.

De Pontes had, however, organised a letter

from Ciskei's President Lennox Sebe offering Palazzolo permanent residence and citizenship in that country. Palazzolo's evidence speaks mysteriously of doing sensitive work on behalf of the SA government which, according to De Pontes, made his entry to the country through the Ciskei desirable.

After Palazzolo's arrival in SA, he and De Pontes became business partners in a company called Papillon. The company was apparently aimed at furthering various developments in Ciskei. A bank and a radio station were mentioned. A group manager of Boland Bank's international services testified that approximately R18,5m came into the Papillon account through the financial rand.

Palazzolo was picked up in February this year and returned to Switzerland to complete his sentence. Various documents were signed purporting to give De Pontes sole control of Papillon. Palazzolo's signature appears on these documents, but he denies ever having signed them.

□ Since this evidence emerged, De Pontes has requested that he be suspended from the NP. It emerges that he, De Lange and two others are currently being investigated by the police in connection with incidents of corruption and theft. De Pontes is expected to testify before the commission. ■



# Palazzolo set to sue De Pontes

CME Times 14/10/88

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By CHRIS CAIRNCROSS

CONVICTED narcotics dealer Vito Roberto Palazzolo has instituted legal proceedings in Ciskei against his erstwhile attorney and business partner, East London National Party MP Mr Peet de Pontes.

This was confirmed in Cape Town yesterday by advocate P J "Dup" de Bruyn, who has been representing Palazzolo's interests during this week's Harms commission hearings into corruption and cross-border irregularities between SA, Ciskei and Transkei.

According to Mr De Bruyn, a summons has been issued in the Ciskei capital Bisho, instructing Mr De Pontes to return to Palazzolo all the shares and assets owned by Papillon International, a company registered jointly in Ciskei and SA by the two when Palazzolo arrived in the country illegally at the beginning of last year.

The summons has yet to be served on Mr De Pontes.

Palazzolo told the commission in an affidavit Papillon was established with an initial capital base of R1 million which he had brought into the company.

He and Mr De Pontes had been appointed sole directors, though the latter had contributed not "one cent as share capital".

He also said Mr De Pontes had dissolved the business relationship after Palazzolo had been arrested early this year.

Mr De Pontes's account to the commission of the Papillon venture was in sharp contrast.

He claimed his stake in the business was 13%, with a nominal value of R130 000 in payment for his services and costs.

Mr De Pontes also said that in terms of the original arrangement Palazzolo's participation would be in the form of a cash injection of R1m, while his would be in the form of fixed properties which he and unidentified persons owned in East London.

To page 2

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# Probe told Mats got Swiss trip and loan

Weekend Argus Reporter

EVIDENCE of an all-expenses paid visit to Switzerland for two top East London National Party members and a R42 000 loan to the National Party were the two items that dominated the Harms Commission this week.

The man who picked up the tab for the 14-day visit by suspended East London City MP Mr Peet de Pontes and the city's Mayor, Mr Robert de Lange, was jailed Mafia drug trafficker Vito Palazzolo, says Mr de Lange.

And the R42 000 loan was made to the National Party by Papillon International, of which both Mr de Pontes and Palazzolo were directors, according to police evidence.

The cheque was signed by Mr de Pontes and made out in favour of the overdrawn East London City National Party's election fund account.

It was cashed on June 10 1987, a month after the general election.

And, yesterday, Palazzolo's legal representatives confirmed their client is suing Mr de Pontes in Ciskei for the return of all shares and assets of Papillon International.

## Corruption

The Harms Commission, sitting in Cape Town, is inquiring into alleged cross-border irregularities by South Africans following the findings of two commissions in Transkei which probed corruption in the homeland.

Palazzolo is currently in jail in Lugano, Switzerland, serving the remainder of a



East London Mayor Mr Robert de Lange leaves after giving evidence before the Harms Commission.

five-year sentence for financing a R6-million heroin deal and his involvement in a R70-million drug deal.

He was arrested in February on a R3-million farm near Franschoek, for illegally entering the country in December 1986, and was deported.

He is also wanted by American drug authorities for questioning.

Yesterday Mr Robert de Lange, who said he was a National Party member, told the commission he asked Mr de Pontes to help Palazzolo obtain permanent residence in South Africa after he was asked by a family friend to assist



Pictures: LEON MULLER Weekend Argus

Mrs Tirtza Centner, the girlfriend of jailed drug trafficker Vito Palazzolo and daughter of South African businessman Mr Marcel Grunfeld.

Before they left South Africa to visit Palazzolo he learnt that Palazzolo was in jail for illegal currency exchange.

He asked Mr de Pontes to help with the application as he was a lawyer and an MP. He believed that as an MP Mr de Pontes would be able to "speed things up because he had contacts

In Switzerland he and Mr de Pontes visited Palazzolo in jail. Mr de Lange denied that Palazzolo had told them he was in jail for drug-related offences.

Mr de Pontes undertook to make the necessary application and Mr de Lange said he did not hear of Palazzolo

again until he called him from Jan Smuts Airport on December 26 1986 looking for Mr de Pontes.

Their expenses and air tickets were paid for by Palazzolo.

Mr de Lange said he saw nothing wrong with the free visit and was not ashamed to say he had been a friend of Palazzolo.

Earlier in the week the commission heard Mr de Pontes promised to make an immigration clerk at the Department of Home Affairs his private secretary if he became a cabinet minister.

The clerk, Mr Johan Scheffer, helped fill in forms for Palazzolo after he had already been refused a permit by Minister Stoffel Botha because of his criminal record.

In the application, six months after Palazzolo had entered South Africa illegally on a false passport and had changed his name to Von Palace Colbatschenko, no mention was made of his criminal record.

This was "fifty-fifty" the suggestion of Palazzolo and Mr de Pontes, the clerk said.

Mr Scheffer said he removed two files illegally from the Department of Home Affairs and gave them to Mr de Pontes at his request. The files were tampered with by a secretary in Mr de Pontes' presence, but were never returned to him.

Mr de Pontes said he did not want anybody to make a connection between the file of Palazzolo and the file of Colbatschenko.

The hearing resumes on October 24.

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CMT Tuit 17/10/88 (105) (305)

# Nat quits over MP's links with Palazzolo

Harms: 'No knowledge of second mafioso'

## Own Correspondent

EAST LONDON. — The former chairman of the National Party in East London, Mr Michael Nel, resigned his position after learning that the MP for the constituency, Mr Peet de Pontes, was involved with convicted drug dealer Vito Palazzolo.

Mr Nel, who is running for the city council, confirmed yesterday that his resignation in June this year was directly caused by disclosures of Mr De Pontes's connections with Palazzolo.

"I was not prepared to stay on as divisional chairman with everything that was going on," he said, adding that he also feared that his business could suffer as a result of the disclosures.

"I try to walk the straight and narrow."

He said there were more reasons for his decision to stand down as chairman, but he could not disclose them at this stage.

Meanwhile, the Sunday Star reported yesterday that Mafia money helped the NP to run an extravagant general election campaign in East London City in May last year.

The paper quotes Mr De Pontes's PFP opponent in the election, Mr Gwyn Bassingthwaite, as saying that the campaign was "a razzmatazz of the highest order".

According to evidence before the Harms Commission, a cheque for R42 000 which was paid into the East London City NP's overdrawn election account had been

drawn on a company of which Mr De Pontes and Palazzolo were directors.

Mr Bassingthwaite said Mr De Pontes had run an extravagant campaign which included lavish parties, a large number of posters, a vast number of newspaper advertisements — including comic-strip cartoons — and many pamphlet drops.

Mr Bassingthwaite claimed that Nationalist supporters were abandoning the party in East London in the wake of mounting evidence against Mr De Pontes, and other Nationalists like the Mayor of East London, Mr Robert de Lange.

The MP for East London North, Mr Calle Badenhorst, last night said it was "not true" that the NP was losing support over the Palazzolo affair.

## Own Correspondent

EAST LONDON. — A Ciskei government spokesman said yesterday that he had no knowledge of a second Mafia businessman who had plans in the homeland to launder money obtained from international drug sales.

According to statements submitted to the Harms commission, the man, a Singapore magnate named Mr Howe Kwong Kok, had been the guest of the MP for East London City, Mr Peet de Pontes, on several occasions.

It is claimed that Mr De Pontes had helped Mr Kok, who was said to be the main link between the Italian Mafia and the Chinese Mafia, to apply for a permanent resident's permit in South Africa for one of his daughters.

Details of Mr Kok's alleged dealings in Ciskei were published in Rapport yesterday.

Ciskei's deputy director-general of Foreign Affairs and Information, Mr Headman Somtunzi, said a proposal to establish a Ciskei-Swiss bank had been on the table in 1985 "but it never got off the ground".

He said he had never heard of Mr Kok, and he was not certain if Mr De Pontes had been involved in negotiations for the proposed bank.

Mr Somtunzi said he also had no knowledge of another allegation made in a statement by Palazzolo that Mr De Pontes had earned R450 000 in overseas commission for a deal to dump nuclear waste from abroad in Ciskei.

"To my knowledge Douw Steyn (Ciskei's former ambassador plenipotentiary) was the contact man in that proposal and the project was rejected by experts called in by Ciskei," he said.

Mr De Pontes could not be reached for comment yesterday.



Palazzolo  
link mayor  
rejected

OWN Correspondent

EAST LONDON. — The National Party had rejected the mayor of East London, Mr Robert de Lange, as a candidate in the municipal elections because of his involvement in the Palazzolo affair, the MP for East London North, Mr Callie Badenhorst, said last night.

He said Mr De Lange was "trying all sorts of things" to link himself to the NP's candidate in Ward 6 (Vincent), Mr Chris Winterbach, and secure election in that way.

He said when Mr De Lange found himself rejected by the NP in his old ward, Ward 1 (West Bank), he "came running" to Ward 6.

He said he could only conclude that Mr De Lange was trying to get on to the council "on our backs".

● Nat quits over Palazzolo — Page 5

# Mystery tip fingered cops

Oct  
20-26/1988

A MYSTERIOUS tip-off from a "highly-placed" source in the Ciskei led to the arrest of six senior police officers for the murder of Eric Mntonga, Border co-director of the Institute for a Democratic Alternative in South Africa.

Idasa's national co-ordinator Wayne Mitchell said the arrests were made a few days after Idasa had sent a letter to

President Lennox Sebe; his son Kwane Sebe, who is head of the police elite unit; the Ciskei attorney-general and the minister of justice.

Mitchell said the letter by Idasa's executive director Dr Alex Boraine was based on information from a highly-placed source in the Ciskei.

"We have to protect his identity otherwise his life will be in danger," said Mitchell.

Mntonga, a former trade unionist and UDF activist, was found dead on July 24 near King Williamstown.

Mitchell said Idasa had appointed a private pathologist who confirmed that Mntonga had been dead hours before he was stabbed. The pathologist found there had been no bleeding from the stab wounds.

"During the preliminary investigation, none of the Idasa staff members was questioned by the Ciskei police about Eric's actions and whereabouts on the day of his death. His family members were questioned.

"Because of Eric's prominent role in the community, we thought the police would look into the possibility of a political assassination.

"At the same time, rumours were rife that Eric had been seen with police who had taken him to NU12 police station in Mdantsane.

"The Ciskei police denied emphatically that they had held Eric. We saw there was an attempt to cover up.

## Highly-placed

"Later we heard an inquest had found that his death had been caused by unknown persons. Neither Idasa nor his family knew about the inquest."

Boraine had written to Sebe complaining about the way in which the inquest had been held. He did not get a response.

"A strange turn came about last month when we were contacted by a highly-placed source in Ciskei who gave us names and details of the circumstances leading to Eric's death," said Mitchell.

"It became clear that he had been interrogated at the police station where people said he had been taken.

"Our source said Sebe's son was not involved, even though several members of his elite unit were.

"With that information, we wrote another letter to Sebe, and we sent copies to the attorney-general and the Minister of Justice and Sebe's son.

"Before we got a response, we heard that six policemen had been arrested."

Mitchell said the arrest, and subsequent murder trial was "just the tip of the iceberg".

"We expect more arrests as more evidence comes out in the court case.

"All we want is for justice to be done," he said.

## Mntonga accused for Supreme Court trial

KING WILLIAMSTOWN. — Six Ciskei security policemen charged with the murder of Idasa's Border co-director Eric Mntonga will go on trial in the Bisho Supreme Court on November 7.

In Zwelitsha this week, magistrate Ayanda Njozela read out the state's indictment against six who were formally charged with taking part and conspiring in the killing of Mntonga on July 24.

Major General Phakamile Mountain Ngcanga, chief of the Ciskei security police, Colonel Mabandla Mbejeni Mdantsane deputy branch commander of the security police, Major Mpikiseli Potwana, WO Tamsanqa Hlulani and WO Khayaletu Ncandana — all attached to Mdantsane security police — are charged with murder, alternatively culpable homicide, assault with intent to do grievous bodily harm and common assault.

They were not asked to plead.

Ngwanya, Ngcanga and Mbejeni are also charged with being accessories after the fact. All the accused are charged with defeating or obstructing the course of justice.

They are further charged with contravening section 15B of schedule 3 of the Ciskei police act. The state alleges that Potwana, Hlulani and Ncandana killed Mntonga at Mdantsane police station on July 24.

Ngwanya, Ngcanga and Mbejeni — knowing that their co-accused killed Mntonga — assisted them by suppressing and concealing information concerning the police investigation into the circumstances surrounding Mntonga's death.

The state alleges that on the morning of July 24 at Mdantsane police station Mntonga was taken for interrogation by Hlulani and Ncandana.

During interrogation at the offices of the security police, Mntonga was repeatedly assaulted by Potwana, Hlulani, Ncandana and others. He died as a result of these assaults.

That evening a stab wound was inflicted to the chest of the dead body. The accused then removed and left the car alongside a quiet road near Tamara. Mbejeni, Potwana, Hlulani and Ncandana were present.

Mntonga's body was found on the morning of July 25. At a post-mortem examination three days later the cause of death was established as head injuries.

All efforts to establish the circumstances of his death were unsuccessful. None of the accused came forward to divulge their knowledge of the killing.

— VERITAS NEWS

(105)

# How Ciskei cops killed Idasa chief

## Mtonga's corpse stabbed and dumped alongside a lonely road

CP Correspondent

A PACKED Ciskei courtroom this week heard how Idasa co-director Eric Mtonga was brutally assaulted by a group of security police until he died at Mdantsane Police Station, Ciskei, on July 24 last year.

This emerged when six high-ranking Ciskei security police officers were formally charged with Mtonga's murder and served with an indictment at the Zwelishsha Magistrate's Court.

Magistrate Ayanda Nyozele read out the indictment to the neatly dressed accused but did not ask them to plead. The court informed them that the Ciskei Attorney-General had set down November 7 as a trial date in the Ciskei Supreme Court in Bisho.

Maj-Gen Zandisile Ngwanya, Maj-Gen Phakamile Moutain Ngcanga, Chief of the Ciskei Security Police, Col Mabandla Mbejemi Mdantsane, Deputy Branch Commander of the Security Police, Maj-Mpikiseli Botwa, W/O Tamsana Hilulani and W/O Khayalethu Ncandana are charged with murder,

alternatively culpable homicide, assault with intent to do grievous bodily harm and common assault.

Ngwanya, Ngcanga and Mbejemi are also charged as accessories after the fact to the commission of murder. In Court 2, all accused are charged with defeating or obstructing the course of justice.

They are further charged with contravening Section 15 B of the Ciskei Police Act.

The State alleges that on July 24, Botwana Hlula and Ncandana unlawfully and intentionally killed Mtonga at Mdantsane Police Station Ngwanya, Ngcanga and Mbejemi, knowing that their co-accused had killed Mtonga, assisted them in that they willfully suppressed and concealed information concerning the investigation into the circumstances of the death of Mtonga.

The State further alleges that during the morning of July 24 at Mdantsane Police Station, Mtonga was taken in for interrogation by Hlulani and Ncandana. Later that day during interrogation, Mtonga was repeatedly assaulted by Botwana, Hlulani, Ncandana and others.

He died as a result of the assaults while still in the offices of the security police. When his interrogators realized that Mtonga had died, they left his body in the office, locked the door and made plans for how they would dispose of the body to exonerate themselves.

During the course of the day Ngwanya, Ngcanga and Mbejemi were also informed of Mtonga's death. During the evening of that day Mtonga's corpse was stabbed in the chest. Mtonga's corpse was then taken into his car and dumped alongside a quiet road in Tamara.

Apart from the chest wound inflicted after his death, he had 25 other injuries, in the nature of bruises, wear marks and abrasions.

The court heard that there were also signs of manual strangulation and head injuries.

All efforts to establish the circumstances of his death, were unsuccessful. None of the accused policemen did at any stage come forward to report their knowledge of the killing.

Veritas



**53 arrested for  
not paying tax** (105)

**KING WILLIAM'S  
TOWN** — Fifty-three residents of Nqkonqweni village were arrested in a raid by Ciskei security forces this morning.

The Ciskei police liaison officer, Colonel Avery Ngaki, said an unconfirmed number of villagers had been arrested for not paying taxes.

He referred further inquiries to the senior public prosecutor at Zwelitsha, Mr J J Dwyili, who said no Nqkonqweni residents were scheduled to appear in court today. —

SapaStar, 27/10/88

Mr. TWS 28/10/88

Cape Times, Friday, C

# MP in 'false name' bookings

EAST LONDON MP Mr Peet de Pontes told the Harms Commission yesterday that he booked a Department of Home Affairs official, Mr John Scheffer, into an East London hotel under a false name in January this year because of rumours in political circles on Vito Roberto Palazzolo's background.

Mr Scheffer was assisting him in obtaining permanent residence in South Africa for Palazzolo and his family.

Both Mr Scheffer and Palazzolo were arrested soon after the trip to East London.

Mr De Pontes said rumours started at the end of last year that Palazzolo was a drug and diamond smuggler and an illegal immigrant.

Aware that Mr Scheffer was going to Cape Town in January, he asked him to stop off and see him in East London. He said he told his secretary to book Mr Scheffer under another name because of inquiries being made in

Ciskei by a right-wing grouping.

Mr De Pontes said he asked him to bring the Home Affairs file on Palazzolo if he could, so that he could check that all the documentation was in legal order.

It was only when Mr Scheffer arrived that he told him that there was more than one file and that he could not remove them from the department.

Mr De Pontes said Mr Scheffer's evidence that he gave the files to him and that he changed certain information was "completely untrue."

Recounting his first contacts with Palazzolo while he was in a Swiss prison in 1986, Mr De Pontes said President Lennox Sebe of Ciskei agreed to grant Palazzolo and his family permanent residence.

Disinvestment was at a peak at the time, he said, and Palazzolo's proposed investment in the area was welcomed.

Meanwhile, Mr De Pontes applied through the South African Embassy in Berne for a

visa and initiated negotiations for South African permanent residence.

Palazzolo's furniture arrived by ship in East London in December. It was sent in Mr De Pontes's name because Palazzolo did not want it known that he intended to invest in Ciskei.

He denied any knowledge that Palazzolo entered the country using the passport of a business associate, Mr Stelio Frapolli, and denied a statement by Palazzolo that he was forced to use the passport after Mr De Pontes failed to meet him at the entry desk with his Italian passport as promised.

The mayor of East London, Mr Robert de Lange, met Palazzolo in East London and took him to the Osner Hotel. According to the hotel records, Mr De Pontes made the booking for Palazzolo and his family under the name of Frapolli.

Mr De Pontes denied doing this and said it was "totally incomprehensible." "It is possible that my name was used to get a booking

more easily," he told the commission.

Though President Sebe indicated in October that he would grant Palazzolo permanent residence, a temporary permit was only issued in March, followed by permanent residence.

Mr De Pontes said he and Palazzolo decided to become business partners and established a company called Papillon International in Ciskei with Palazzolo handling the financial and transactions through Boland Bank.

Asked to comment further on an affidavit by Palazzolo, Mr De Pontes denied that he asked him to pay his fees into a numbered bank account in Switzerland.

"The only account I have is in East London," he added.

He denied a payment of 20 000 Swiss francs. Mr De Pontes denied that he offered to smuggle Palazzolo out of prison with the use of a helicopter. Palazzolo, he said, "watched too much television". — Sapa



# R7,2-m Ciskei shares coup

By BILL KRIGE

**IN a remarkable coup, controversial businessman Chris van Rensburg and his partners have banked R7,2-million by discounting their gambling stake in Ciskei.**

Mr Van Rensburg confirmed this week that he had "done a deal with Sol Kerzner", head of the Sun International hotel empire, by swapping gambling rights on the Ciskei coast for shares in the as-yet-unlisted Sun Ciskei.

A 7.5-percent option to buy shares in Sun Ciskei given to three directors of Jalc, a construction company, was discounted to Rand Merchant Bank this month for R7,2-million.

It is a deal which Mr Van Rensburg says will "put us back in business".

## Lucrative

Jalc, severely criticised in the reports of two corruption probes in Transkei, has been strapped for cash as a result of Transkei military leader General Bantu Holomisa refusing to authorise payment of R11-million for two housing schemes.

Sun International is building a hotel and casino complex at the Fish River mouth, but has had to deal with a consortium, Lentini, to secure the lucrative Ciskei gambling rights.

In an interview, the chairman of Sun International, Mr Ian Heron, agreed that the share option offered the consortium was close to 20 percent of Sun Ciskei.

He said others involved included Mr Archer Brownlee, an American, Mr Gary Morgan, and the Ciskei Government, represented by the Ciskei Peoples Development Bank.

Lentini's rights stem from a R200-million hotel and casino complex proposed for Hamburg, the resort of Ciskei's rich and famous.

The brainchild of Mr Brownlee, the 1984 scheme sidelined a similar but much smaller project planned by Sun International which had been guaranteed exclusive casino rights in the home-land.

Port Casket, as the scheme was to be known, was planned at twice the size of Sun City, boasting hundreds of condominiums and a 14-storey astrodome. The complex was to have been used by thousands of tourists flown in via Casket's new international airport at Buthebu.

The scheme collapsed in



Chris van Rensburg . . . "This deal will inject new life into Jalc and put us back in business"

## Chris and Co in swop deal with Sol to sell off gambling rights

1985, but Lentini retained the several key government installations.

One of its members, Mr Gary Morgan, is managing director of Horizon International, a Florida-based firm which built Ciskei's while elephant international airport.

Mr Morgan had links with Tannuz Security Advisers, an Israeli firm which installed at great cost to Ciskei delicate security fencing round

He is also known to have had ties with another Israeli, Mr Ira Curtis, who lost Ciskei a fortune by trying to supply it with six American Mooney aircraft, which were impounded because they had a military configuration.

The Moonneys were impounded by the US Government and Mr Curtis replaced them with second-hand crop-sprayers.

An elated Mr Van Rensburg said that his discounted share option would "inject new life into Jalc", which he acknowledged had been badly hit by General Holomisa's refusal to pay.

He said his Jalc co-directors, Mr Laurie Painting and Mr Athos Foulos, had

an interest in the 7.5-percent stake in Sun Ciskei discounted to the bank.

Last week Jalc's lawyers filed papers in the Unkata Supreme Court suing the Transkei Government. In an interview General Holomisa said he did not know what the Government's response would be.

Mr Van Rensburg said: "We are still on site in Unkata. Houses are being certified OK for occupation by Transkei officials and people are moving in — but still their Government is refusing to pay."

## Refusal

He said his Jalc co-directors, Mr Laurie Painting and Mr Athos Foulos, had



## Ciskei cracks down on 'post box' firms <sup>ster</sup> 1/1/1/88

EAST LONDON — Amendments to Ciskeian tax legislation have been introduced to curb the use of "post box" companies which are construed by the Ciskeian authorities to have been formed to avoid tax in a countries such as South Africa

This was claimed by an accountant,

Mr Gordon Shaw, during a seminar in East London.

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Mr Shaw said "post box" companies which were controlled by people "not ordinarily resident" in Ciskei would have to pay tax at the rate of 50c in the rand. — Sapa.

EAST LONDON. — The chairman of Jalc Holdings, Mr Chris van Rensburg, has banked R7,2 million by swapping gambling rights on the Ciskei coast for shares in Sun Ciskei. Mr Van Rensburg said in an interview here yesterday that he and his co-directors, Mr Laurie Painting and Mr Athos Poulos, had made an arrangement with the head of Sun International, Mr Sol Kerzner, which had put them "back in business".

The 7,5% option to buy shares in Sun Ciskei has been discounted for R7,2 million to Rand Merchant Bank. Sun International is building a hotel and casino complex near the Fish River mouth.

# Jalc in R7,2m 'arrangement' with Kerzner

Asked what investment plans he had for the R7,2 million, Mr Van Rensburg said he had had to sell a good investment in Ciskei to finance a project in Transkei.

Jalc was refused payment of R11 million by the chairman of Transkei's military council, Major-General Bantu Holomisa, for two housing schemes which were regarded

as improperly done. Last week Jalc's lawyers filed papers in the Umtata Supreme Court suing the Transkei government for not paying for the houses. Mr Van Rensburg said the Ciskei deal would inject new life into Jalc.

A Sunday newspaper quoted the chairman of Sun International, Mr Ian Heron, as saying that a 20% share

option had been offered to a consortium, Lentin, to secure gambling rights for Sun Ciskei. He said those involved in Lentin included the managing director of the company which built Ciskei's international airport, Mr Gary Morgan; an American, Mr Archar Brownlee, and the Ciskei government represented by the Ciskei People's Development Bank.

Lentin's gambling rights stem from the R200 million Port Ciskei hotel and casino complex proposed for Hamburg.

The scheme, the brainchild of Mr Brownlee, collapsed in 1985, but Lentin retained the gambling rights — Sapa



# 'I won't quit as MP,' says De Pontes

THE MP for East London City, Mr Peet de Pontes, said yesterday that he would not resign as MP until such time as his work for his constituency was hampered.

"I am entitled to stay on as MP until I can't fulfil my functions for my constituency, which I am still doing," he said.

Mr De Pontes was asked to respond to a call for his resignation at the weekend by the new mayor of East London, Mr Donald Card, because of his association with Vito Roberto Palazzolo, a convict with drug and Mafia links — currently the focus of the Harms Commission into allegations of cross-border irregularities.

Mr De Pontes said he resigned from the National Party because his membership became "a political football" and he was not prepared to expose the NP leadership to this.

He said Mr Card should stick to matters he knew best.

Commenting on the newly elected East London City Council and whether the Palazzolo link was a reason for the ousting of former councillors, he said he wanted to point out that some of the councillors who lost their seats were not representing the National Party.

A main reason for the changed council was that East London was "simply fed-up" with its antics and ineffectiveness. "East London saw political meddling as probably the main reason for this ineffectiveness," he said.

"The vote clearly confirmed their wish for a non-aligned council. In my own constituency, we decided to take a non-political stand in the municipal election and the calibre of the candidate was seen as more important.

"I am on record as stating this prior to the election. I believe that view was vindicated," he said.

● Mr De Pontes told the Harms Commission yesterday that when rumours of Vito Palazzolo's background began circulating early this year, he did not go to the police to verify that all was in order because he was told that the police themselves were the source of some of the rumours.

He also feared that his telephone was bugged.

Cross-examined on his actions this year shortly before his client and business partner Palazzolo was arrested for illegal entry into South Africa, Mr De Pontes said he did not approach the Minister of Home Affairs either.

Asked why not, he replied that at that stage, there was no evidence of a real problem. He was concerned about the rumours and wanted to satisfy himself that all the documentation was in order.

He approached a junior Home Affairs clerk, Mr Johan Scheffer, who had helped him previously in filling in permanent residence forms for Palazzolo and his family.

He asked Mr Scheffer to fly to East London to discuss the rumours and to bring with him Palazzolo's immigration files if possible so that he could reassure himself that everything was legal. He also asked for a computer record of Palazzolo's entry into South Africa on December 26, 1986.

Asked why he did not clear things up with Mr Scheffer over the telephone, he replied that the matter was sensitive and there was a possibility that his telephone was bugged.

He had been told by an East London city councillor, Mr Philip Rohtbart, who had contacts with the police, that some of the "stories" were coming from them.

Another friend who was a roving ambassador for Ciskei at the time, Mr Douw Steyn, told him that the National Intelligence Service was making inquiries in the Ciskei.

There were also rumours about Mr De Pontes himself. — Sapa



Mr Peet de Pontes

# De Pontes tried Ciskei after SA found Palazzolo 'undesirable'

Staff Reporter

EAST London MP Mr Peet de Pontes turned to Ciskei after being told by Home Affairs Minister Mr Stoffel Botha that drug trafficker Vito Palazzolo would not be given permanent residence in South Africa until his application had been fully investigated.

Under cross-examination before the Harms Commission, Mr de Pontes said he met Mr Botha in the foyer of a hotel in Durban and was told that an application for permanent residence should be sent through the normal channels.

A visa application had been refused.

The commission is probing allegations of cross-border irregularities by South Africans following findings by two commissions of corruption in Transkei.

In a statement placed before the commission police told Mr Botha that they considered Palazzolo an undesirable person who was involved in drug-smuggling.

Replying to a question by Deputy Attorney-General, Mr Frank Kahn, Mr de Pontes said he had discouraged Ciskei authorities from contacting the South African authorities about Palazzolo because it would have been too "time-consuming".

"The Ciskei could have done their own investigation," he said.

Mr Justice Louis Harms said Ciskei had no international connections and would have had difficulty making inquiries in Switzerland and Italy.

He asked Mr de Pontes why, on June 29 1986, he told Palazzolo's brother that it "would not be a problem" for the family to come to Ciskei.

Mr de Pontes replied that he had made earlier inquiries and had contacts in Ciskei.

Asked why he wanted to get permanent residence for Palazzolo in such haste, Mr de Pontes said those were Palazzolo's instructions.

Earlier the commission heard that Palazzolo would not invest in South Africa or Ciskei unless he obtained permanent residence for himself and his family.

In reply to a question on Palazzolo's legal status in Europe, Mr de Pontes said Palazzolo told him on his arrival in East London that he had been set free after a review of his trial.

He admitted that he had never contacted the Swiss authorities for the documents concerning the review and had not given such documentation to the South African authorities.

The hearing continues.



## De Pontes to oppose application

Staff Reporter

EAST LONDON MP Mr Peet de Pontes is to oppose an application before the Supreme Court that the disciplinary committee of the Law Society should be ordered to set aside its 1986 decision not to take action against him.

The matter was set down last week on the court roll for March 6 next year, but voluminous papers have already been filed.

The applicant is East London attorney Mr Denis Kirk, and the defendants are Mr De Pontes and the Law Society of the Cape of Good Hope. The society has also given notice that it will oppose the application.

Mr Kirk also asked for an order that evidence submitted in connection with a complaint of "over-reaching" by Mr De Pontes in negotiating property sales mounted to "prima facie evidence of improper or disgraceful conduct".

## De Pontes knew Palazzolo was on the run—secretary

MISS Helene de Lange, former secretary to Vito Palazzolo, told the Harms Commission yesterday that she, her brother, Mr Robert de Lange, and East London MP Mr Peet de Pontes all knew that Palazzolo was on the run from a Swiss prison.

Both Mr De Lange and Mr De Pontes denied this in previous evidence.

Miss De Lange said she met Palazzolo two days after his arrival in East London in December 1986. He was introduced to her at her brother's home.

She described him as a "dynamic very nice person". She also got on well with his two sons and his girlfriend.

Palazzolo offered her a job as his secretary at a salary of R1 200 plus one or two overseas trips a year.

Miss De Lange said she went back to her home in Johannesburg to settle up and started work for him in February last year.

It was only then that Palazzolo told her of his background. He said he had been in jail in Switzerland for laundering of money. He explained that he was unfairly convicted, that he was a banker and some dirty money was channelled through his bank unknown to him.

He told Miss De Lange he could not take prison any longer and escaped.

"He told me he was on the run," she said.

Earlier yesterday, a former East London city councillor, Mr Philip Rohtbart, changed his earlier evidence to the police which incriminated Mr De Pontes over the issue of whether he knew of Palazzolo's planned entry into SA in 1986. — Sapa



# 'Corrupt' Ciskei ripped off

By CHRIS CAIRNCROSS

ENDEMIC corruption and financial mismanagement in Ciskei allowed millions of rands to be siphoned off by South Africans and others who saw the territory as open to easy pickings, the Harms Commission heard yesterday.

There was a general perception, not without cause, that Ciskei government officials were open to bribes and this had resulted in large amounts of money leaving the country, former Ciskeian Ambassador Plenipotentiary Mr Douw Steyn told the commission, which is investigating corruption and cross-border irregularities.

Mr Steyn said conditions within Ciskei, in which President Lennox Sebe had absolute power to circumvent regular channels and effectively change legislation at his own whim,

had created an atmosphere which encouraged cross-border irregularities.

Mr Steyn, who is a former Director-General of Agriculture in Ciskei, said he had brought the conditions to the attention to the South African government on numerous occasions, without any response.

Recounting his part in the Vito Palazolo affair, Mr Steyn said it was necessary to take into account the deteriorating conditions in Ciskei to understand why efforts were made to help Palazolo settle in the territory.

"We had to clutch at straws," he declared

As the person responsible for attracting foreign investment to the territory, Mr Steyn said he had received hundreds of offers, most of which were scams to siphon off money at the territory's expense.

Mr Palazolo's offer to invest \$2 million in Ciskei in exchange for

citizenship was the first time a foreign investor had offered to put money into the country.

From testimony submitted to the commission, it became clear that territories like Ciskei and Transkei were considered easy areas from which to enter South Africa illegally and establish permanent residence.

Within two weeks of arriving in South Africa illegally, Palazolo was granted Ciskeian citizenship with the help of Mr Sebe, who used his veto to circumvent existing legislation.

With these rights, it was a simple matter for Palazolo to apply for permanent residence in South Africa, and apply for a South African passport as a Ciskeian citizen.

Mr Steyn said it was East London Nationalist MP Mr Peet de Pontes who had helped Mr Sebe to redraft legislation that enabled Palazolo to obtain citizenship so rapidly.

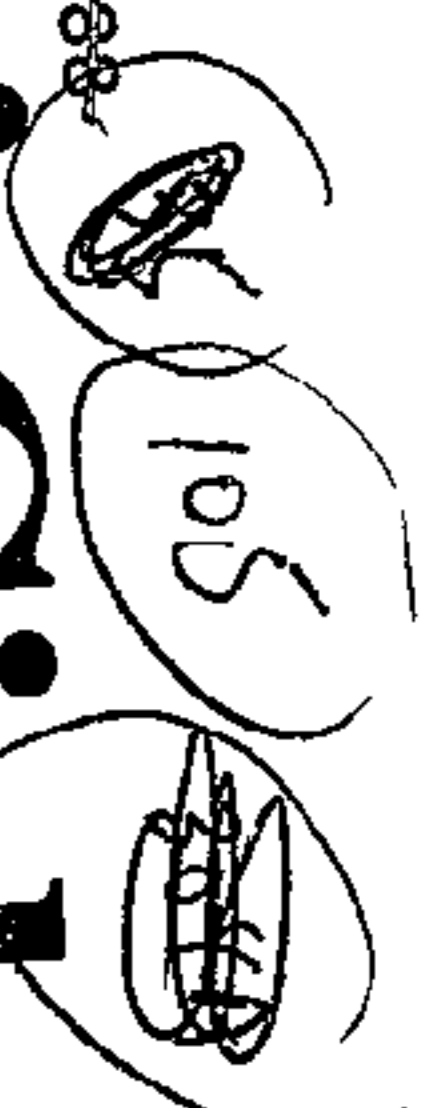
It was Mr De Pontes, too, who had been instrumental in Mr Steyn visiting Palazolo in a Swiss jail during 1986 to determine his bona fides.

Mr Steyn said he had been impressed by Palazolo and his perceptions of what was needed to improve financial conditions in Ciskei.

Ciskei speedily granted Palazolo citizenship after his arrival, but he spent only about R50 000 on a small townhouse in Bisho, in which he never lived, while spending millions on properties in South Africa.

The Harms Commission is to complete its initial hearings concerning the Palazolo affair and the Ciskei connection today.

It is understood that the commission chairman, Mr Justice Louis Harms, may prepare an interim report on his initial findings later this month for submission to President P W Botha.



# 'MP held half Mafia man's gift to Ciskei'

Staff Reporter

MORE than half a \$26 200 (R65 000) gift to Ciskei by Italian Mafia man Vito Palazzolo was kept back by East London MP Mr Peet de Pontes, the Harms Commission has been told.

Former Ciskei roving ambassador Mr Douw Steyn said he and Mr de Pontes visited Palazzolo in Lugano, Switzerland, after a meeting in Austria about a possible investment in Ciskei.

Mr de Pontes sat in on the Austrian meeting to give legal advice. He also obtained a cheque for \$26 200 (R65 000) in his name from Palazzolo to be used for the negotiations.

The deal fell through and when they met Palazzolo, they gave him back the cheque, Mr Steyn said.

Palazzolo told Mr Steyn to keep half the money and give the other half to President Lennox Sebe.

Mr Steyn said he declined the offer but suggested Palazzolo give it to the President's Peoples Education Fund, Mr Steyn said.

The undertaking was that Mr de Pontes would have the the money changed into rands on his return to South Africa and hand it to Ciskei, Mr Steyn said.

Later Mr de Pontes told him he would hand over only R20 000 because Palazzolo had asked him to use the balance for his resettlement costs and other expenses, Mr Steyn said

Palazzolo's counsel, Mr P J de Bruyn SC, said Palazzolo denied giving Mr de Pontes these instructions.

Mr Steyn said that as ambassador plenipotentiary his task was to encourage industrialists to invest in Ciskei.

When he met Palazzolo, he had been impressed by his understanding of the problems in the Third World.

"I explained the problems in various departments and the unbelievable situation in Ciskei.

"From our discussions it appeared that he was very generous. In his heart, he wanted to start a new life. He never took a cent from Ciskei or anybody else," Mr Steyn said.

"He wanted to show his gratitude. That's in his nature."

Palazzolo also denied involvement with drugs, Mr Steyn said.

"He told me his own sister was addicted to drugs and that he had contributed hundreds of thousands of dollars to drug rehabilitation. I transmitted this to President Sebe."

Mr Steyn confirmed that he claimed to have known the Palazzolo family for three years in a testimonial to the South African Department of the Interior supporting an application for permanent residence.

Mr Steyn said he thought that if he said he had known the family for only six months it would not have carried much weight.

(Proceeding)



'Situation has deteriorated'

# Probe told of Ciskei bribes, corruption

105  
P/day  
4/11/88

CAPE TOWN — Corruption and financial mismanagement in the Ciskei enabled millions of rands to be siphoned off by foreigners who saw the territory as open to easy pickings, the Harms Commission heard yesterday.

There was a general perception, not without cause, that Ciskeian officials were bribeable, former Ciskeian Ambassador plenipotentiary Douw Steyn



● SEBE

told the commission, which is investigating corruption and cross-border irregularities.

A former agriculture director-general in Ciskei, Steyn said he had brought the conditions to the attention to the SA government on numerous occasions, but without arousing any response.

CHRIS CAIRNCROSS

"If anything, the situation has further deteriorated," said Steyn, who was summarily fired from his job in March this year by the "Ciskeian Elite Squad" led by President Lennox Sebe's brother General Kwani Sebe.

Recounting his part in the Vito Palazzolo affair, Steyn said it was necessary to take into account the deteriorating conditions in Ciskei to understand why efforts were made to help Palazzolo settle in the territory.

"We had to clutch at straws."

The initial negotiations with Palazzolo, in which the latter offered to invest a minimum of \$2m in Ciskei in exchange for citizenship in the territory, marked the first time a foreign investor had offered to put money into the country, said Steyn.

Steyn said it was East London MP Peet de Pontes who had helped redraft the necessary legislation for Sebe that enabled Palazzolo to obtain citizenship so rapidly.

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# PW to decide on Palazzolo report

CAPT Tink 5/11/88 105

MR Justice Louis Harms said yesterday that he would produce a report on "The Palazzolo-De Pontes matter" for delivery to the State President, Mr P W Botha, before the end of the month.

The commission has adjourned its public hearing to November 28 after almost a month of evidence on how Vito Roberto Palazzolo illegally entered South Africa in 1986.

Mr Justice Harms said Mr Botha would decide whether to publish his report and what recommendations to accept.

He said the commission had covered a wider spectrum of mat-

ters than its original intention.

"I am concerned with cross-border irregularities and matters flowing therefrom," he said.

In a closing statement Mr P J de Bruyn, for Palazzolo, said his client, who was not there to defend himself, had been branded a Mafia member and heroin smuggler.

This evidence was hearsay, and the Swiss court which convicted him of laundering money did not find that he was linked to these activities.

Mr Harms said that when the commission resumed on November 28 the focus would switch back to the issue of gambling rights.

He said he got the impression

that the rulers of countries such as Ciskei believed that rights were negotiable.

Commenting after evidence given by Mr Douw Steyn, a former roving ambassador for Ciskei, Mr Harms said the rulers seemed to believe that one way of getting money into their country was by giving "immense so-called rights".

Asked by Mr Harms whether he believed that Ciskei government officials were easily bribed and that South Africans took advantage of this, Mr Steyn said "yes".

A reason for the irregularities was that the president had absolute powers. — Sapa



## Ciskei refuses Stofile permission to study

CP Correspondent

THE longest-serving political prisoners, including former executive member of the UDF and Fort Hare academic, Rev Arnold Makhenkhesi Stofile, have made unsuccessful attempts to be allowed to study in the Ciskei Central Prison in Middledrift.

This was confirmed by their attorney, Hintsa Siwisa, this week who said further attempts were being made to persuade homeland authorities to change their stance.

The Ciskei Department of Prisons maintained that to study in jail is a privilege, not a right to prisoners.

The Commissioner of Prisons in the homeland refused to grant them permission to study.

Among others who are in the same position are Linda Sofile, Mveleli Gqibithole and Mzwandile Qeqe.

Murder trial of  
Ciskei police  
officers resumes

ARGUS 21/11/88

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BISHO. — The trial of six senior Ciskei policemen charged with murdering a Border co-director for the Institute for the Democratic Alternative of South Africa (Idasa) resumes in the Bisho Supreme Court tomorrow.

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The policemen are charged with the murder on July 25 last year of Mr Eric Mntonga, 35, who was also an East London trade union activist.

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Mr Mntonga's body and his car were found near Tamara on the outskirts of King William's Town.

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Bail for the six was refused in the Zwelitsha Magistrate's Court on September 13 this year.

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They are charged with murder, defeating or obstructing the course of justice and contravening the Police Act. — Sapa.

# Ciskei inquiry <sup>105</sup> told of R146-m *Arkas 22/11/88* deposit scandal

The Argus Correspondent

PRETORIA. — A financial deposit scandal has come out in evidence before the Harms Commission in Pretoria.

The scheme involves more than R146-million — and hundreds of businesses, State corporations and welfare organisations stand to lose millions.

The Harms Commission, inquiring into irregularities in dealings with the Ciskei, heard yesterday that a Pretoria attorney and businessman, Mr W A Vermaas of Vermaas and Co, is at the centre of the scam involving a Ciskeian bank.

It appears that the deposit scheme of Eurobank and Eurotrust depends on the receipt of new funds to repay maturing capital sums as well as high interest rates in the short term.

The Public Servants Association stands to lose R5-million from the scheme, while the SA Vroue Federasie, Sentra-Oes, Sentra-Boer, SOS Children's Village, National Union of Mineworkers, Iscor and Noordelike Groep-opleiding are among the hun-

dreds which could lose more than a million rands.

In evidence yesterday the registrar of banks and building societies for the Reserve Bank, Dr C J de Swardt, said that in August last year it came to the attention of the Reserve Bank that Mr Vermaas was taking deposits from the public.

Dr de Swardt warned him to stop these activities, but in spite of Mr Vermaas's verbal undertakings to return the deposits to investors by January this year, in terms of the Banking Act, the attorney continued to take deposits through Reef Acceptances (Pty) Ltd, which took deposits against so-called "obligation notes."

On inquiry, Dr de Swardt said Mr Vermaas had claimed that clients requested him to continue investing their funds.

The Reserve Bank requested details of the company as well as conditions under which the "obligation notes" were distributed.

## Investigations

The directors of Eurotrust and Eurobank were named as Dr E Berg (chairman), Mr S S Guzana (vice-chairman), Professor A N Oelofse (of Unisa), Lord Anthony St John of Bletso and Mr S N Nyingra.

Investigations by the police's commercial branch into Eurobank and Eurotrust followed an article in *Finansies and Tegniek*.

In spite of a court order sought by the Reserve Bank against Mr Vermaas to stop the acceptance of deposits, it was found that the attorney was continuing with the deposit scheme, the Reserve Bank registrar said.

Professor Oelofse told the commission he resigned from Eurobank's board of directors after he became suspicious. They had never held a directors meeting.



Top organisations invested millions

105 added 22/11/88

# Eurobank faces big fraud probe

**PROMINENT** organisations — including Iscor, Sentraoes, the National Union of Mineworkers (NUM) and the Public Servants' Association (PSA) — invested millions of rands in a Ciskei-registered bank, Eurobank, now being probed for possible irregularities by the Harms Commission.

These organisations are among at least 600 investors who deposited an estimated R150m with the bank.

The investments were accepted in possible contravention of the Banks Act.

The commission is investigating possible illegalities or irregularities relating to the activities of Eurobank Ltd, Eurotrust (Ciskei) (Pty) Ltd, First Ciskei Bank Ltd, Eurobank Investment (Pty) Ltd and Eurobond (Pty) Ltd.

Sapa reports that President P W Botha yesterday broadened the terms of

MANDY JEAN WOODS

reference of the commission to encompass these companies.

A Reserve Bank official yesterday told the commission it had twice ordered Eurobank to cease trading as it was believed the bank was contravening the Act, but that had not been complied with.

The official said he suspected the bank was run as a "Kubus-type" operation.

Last Monday, commission investigators raided the offices of Pretoria attorney Albert Vermaas, a major shareholder of Eurotrust, and seized documents relating to the operations of Eurotrust and Eurobank.

Vermaas has the controlling interest in Eurotrust. According to Eurobank documents read before the commission, all deposits received by the bank were transferred immediately to Eurotrust.

The publication of an article on November 4 in *Finansies en Tegniek* in which a judge's wife, Dorothy Spoelstra, claimed to be receiving up to 40% interest — payable monthly in advance — on monies invested in Eurobank, spurred the commission into action.

Yesterday, the commission heard that the *Vroue Federasie* had been urged to invest in Eurobank by a Dr Fritz Heiseher. He told them Eurobank had been investigated by the Reserve Bank and had its approval. They subsequently invested more than R500 000.

Reserve Bank registrar of banks and building societies Chris de Swardt later denied there had ever been an investigation or that approval had been granted.

Reserve Bank financial manager Jan van Greuning said a quick audit of the books showed there was R146m in deposits outstanding, excluding interest payable monthly at about 40%. Vermaas records, however, showed net assets to be R123m.

"The assets of these companies appear to be the main counterpart of the liabilities to the public," he said.

A preliminary perusal of documents seized showed the NUM invested at least R2m, as had Iscor and the Noordelike Group. The SOS Children's Villages invested at least R0.2m and Sentraoes more than R6m.

The PSA invested R5m, due with

⊙ To Page 2 →

## Eurobank facing R150m fraud probe

interest on November 30. De Swardt said in his opinion it would not be possible for Eurobank to repay the funds.

The commission heard the directors of Eurobank were Pretoria advocate Eugene Berg, Lord Anthony St John, a former UCT student, Pretoria advocate H Woudstra, Unisa law professor Andries Oelofse, W G Haese, Ciskeian minister R S T Mabona and S S Guzana.

De Swardt said activities of Eurobank came to his attention last August. In subsequent correspondence, De Swardt requested Vermaas to discontinue collecting investments in SA for Eurobank

because it was operating in contravention of the Act — Eurobank is not registered in SA.

On at least two occasions Vermaas wrote back promising to cease collecting investments, but continued to do so. Late last year he promised that all outstanding deposits would be settled by January 1988.

Last Wednesday, two days after the commission had seized his books, Vermaas collected a Eurobank investment said to be in excess of R200 000.

added

⊙ From Page 1 ←

105 added 22/11/88

105

# Top cops in court

THE trial of six senior Ciskei policemen charged with the death of a Border co-director for the Institute for the Democratic Alternative of South Africa resumes in the Bisho Supreme Court today.

The policemen are charged with the death on July 25 last year of Mr Eric Mntonga (35), who was also an East London trade union activist.

Mr Mntonga's body and his car were found near Tamara on the outskirts of King William's Town.

Bail for the six policemen was refused in the Zwelitsha Magistrate's Court on September 13 this year.

A second application for bail also failed in the Bisho Supreme Court.

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# Millions Investments Ciskei probe

CAT Trust 22/11/88

105

## Own Correspondent

**PRETORIA.** — Several prominent organisations — including the SA Vrouedefersie, the National Union of Mineworkers, Iscor and the Public Servants' Association — may have lost millions of rands invested in the Ciskei-registered Euro Bank and/or Euro Trust, the Harms Commission heard here yesterday.

The organisations are among at least 600 investors who have sunk an estimated R150m into the bank.

In evidence before the commission yesterday it was heard that the SA Vrouedefersie (SAVF) had been urged to invest in Euro Bank by a Dr Fritz Hölseher.

He told them Pretoria attorney Mr Albert Vermaas has been doing this for 20 years. He said that after an investigation the Euro Bank had been approved by the SA Reserve Bank, the commission heard.

The SAVF subsequently invested more than R500 000. Reserve Bank registrar of banks and building societies Dr Chris de Swardt denied there

had been an investigation or that the Reserve Bank had approved Euro Bank.

A Reserve Bank official told the commission that it had on two occasions ordered Euro Bank to cease trading as it was believed the bank was contravening the Bank Act. This had not been complied with.

The official said he suspected the bank was run as a "Kubus-type" operation. The commission is investigating possible illegalities or irregularities relating to the activities of Euro Bank, Euro Trust, First Ciskei Bank, Euro Bank Investments and Euro Bond.

Last Monday police raided the offices of Mr Vermaas, a major shareholder of Euro Trust,

and seized from his Sanlam Plaza offices documents relating to the day-to-day operations of Euro Trust and Euro Bank.

Mr Vermaas has the controlling interest in Euro Trust and he funds Euro Bank. According to Euro Bank documents seized and read before the commission, all deposits received by the bank were transferred immediately to Euro Trust.

The publication of an article on November 4 in Finansies and Tegniet in which judge's wife Mrs Dorothy Spoelstra claimed to be getting up to 40% interest — payable monthly in advance — on monies invested in Euro

**To page 2**

## Strand courier shot dead

A 24-YEAR-OLD Strand courier was shot dead yesterday afternoon when his car was forced off the road and R66 000 stolen.

A Boland police liaison officer Captain Gys Boonzaaier, said Gladman Damay, of the Lwam Hostal, Strand, was on his way from the Strand to deposit the money. Mr Damay's green Toyota Corolla was forced off the road by two men in a blue Ford Cortina near the new turn-off between Strand and Somerset West.

The men approached Mr Damay and shot him in his side while he was still in the car. Mr Damay jumped out of the car and ran about 10m before he collapsed and died.

From page 1

Bank for a year, spurred the commission to action.

In a statement, Mrs Spoelstra said she had heard from friends that Mr Vermaas was "very good" at investing money.

She subsequently became an agent for Euro Bank, earning 4% commission for introducing new investors.

Dr De Swardt said activities of the Euro Bank came to his attention for the first time in August last year.

He had asked Mr Vermaas to stop collecting investments in SA for Euro Bank because it was in contravention of the Bank Act — the bank was not registered in SA.

Mr Vermaas promised at least twice to stop collecting money for investment, but continued to do so, Dr De Swardt said.

Late last year Mr Vermaas promised that all outstanding deposits would be settled by January 1988.

But last Wednesday, two days after police had seized his books, Mr Vermaas collected a Euro Bank investment said to be in excess of R200 000, Dr De Swardt said.

SA Reserve Bank financial manager Mr Jan van Greuning said in a statement that a quick audit of the books showed there was R146 million outstanding in deposits, excluding interest payable monthly at about 40%. Mr Vermaas's records, however, show his net assets to be R123m.

"The assets of these companies appear to be the main counterpart of the liabilities to the public," he said.

Mr Van Greuning stressed that the figures would need to be verified by a complete audit.

A preliminary look at documents seized show the National Union of Mineworkers had invested at least R2 million, as had Iscor and the Noordelike Group.

The SOS Children's Villages had invested at least R9,2 million and Sentra-Oes more than R6 million.

The Public Servants' Association had invested R5 million, due with interest on November 30.

But Dr De Swardt said that in his opinion it would not be possible for Euro Bank to repay the investment.

The commission heard that the directors of Euro Bank were Pretoria advocate Mr Eugene Berg, Lord Anthony St John, a former UCT student, Pretoria advocate Dr H Woudstra, Professor Andries Oelofse, a Unisa law professor, Mr W G Haese, Ciskeian cabinet minister Mr RST Mabona and SS Guzana.

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# Eurobank: Civil servant body R2,4-m in the red

AK645 23/8/88 (27) 105

## The Argus Correspondent

PRETORIA. — The Public Servants Association (PSA), which represents 65 000 public servants, is R2,4-million in the red after taking an overdraft from Trust Bank for a short-term investment scheme in the Ciskeian-registered Eurobank.

The chief manager of finances at the PSA, Mr Johannes Potgieter, yesterday told the Harms Commission, which is investigating the bank, that the PSA had invested R5-million in Eurobank on September 29, 1988. The first payment of R1-million was made two weeks after the founding of the bank in June 1988.

The investment was for 60 days, and would have expired

on November 30, 1988.

The PSA is one of 600 investors who deposited an estimated R150-million with the bank. The investments were accepted in possible contravention of the Banks Act.

The Harms Commission is inquiring into possible illegalities or irregularities relating to Eurobank Ltd, Eurotrust (Ciskei) (Pty) Ltd, First Ciskei Bank Ltd, Eurobank Investment (Pty) Ltd, and Eurobond (Pty) Ltd.

A Pretoria attorney and businessman, Mr W A Vermaas, has been named as the man in the centre of the financial deposit affair.

Mr Potgieter told the Commission that between R2-million and R3-million was received from members

annually R2-million of this money was part of the investment.

Also in evidence yesterday, Brigadier J Hulme of the SAP's Commercial Branch said he went to Mr Vermaas's offices in Sanlam Plaza, Pretoria, on November 12.

Mr Vermaas told him that he invested money from people in the highest circles and reassured the policeman that he had no agents or paid no commissions to anyone.

Mr Vermaas told Brigadier Hulme that should police continue to inquire and interview people who brought investments, he (Mr Vermaas) would have to reconsider his position with regard to matters of a sensitive nature like "sanctions-busting".

Brigadier Hulme said he had contacted the senior deputy general manager of Sentra-Oes, Dr van Rooyen, in Ficksburg, earlier this week. Dr van Rooyen said that in February and March this year a Mr Boet Coetzee and Mr Fanie Fourie spoke to him at his office about the investments.

He was informed that Reef Acceptance was controlled by Mr Vermaas and that Mr Vermaas was acting as a mediator to bypass sanctions.

Dr Van Rooyen was also told that Mr Vermaas had contacts overseas, including in the arms industry, and that Eurotrust had been formed to handle the funds of Reef Acceptances.

R4-million was invested by Sentra-Oes and later another R4-million.

R150m fraud probe told ...

# Bank took money after books seized

105  
8/day  
23/11/88

Civil servants  
'R2,4m in red'  
after Ciskei  
investment

THE Harms Commission, investigating possible bank fraud in the Ciskei-registered Eurobank, Eurotrust and Eurobond companies, heard yesterday Pretoria attorney Albert Vermaas had accepted investments even after his companies' books had been seized.

An agent testified she had made a deposit last Friday, and on Monday had introduced Vermaas to a client who wanted to invest R5m in Eurobank.

THE Reserve Bank's Chris de Swardt said last night Albert Vermaas's investment schemes, not his accounts, had been frozen, BRONWYN ADAMS reports.

Hennie van Greuning, who is leading the Reserve Bank inspection, said this meant the companies could continue with normal business operations but all non-routine activities had been stopped in order to protect investors.

The Reserve Bank brought an urgent interdict in the Pretoria Supreme Court on Monday night to prevent Vermaas, Eurobank, Eurotrust or Verco from accepting investments from the public.

Reserve Bank inspector Hennie van Greuning said unaudited figures showed the net asset value of Verco, the holding company for Vermaas's 28 companies

MANDY JEAN WOODS

(including Eurobank and Eurotrust), was R129,9m on September 30 this year.

Of this, R109m was invested in a recently established company, Chieftain Airlines, almost totally owned by Vermaas. The bulk of Chieftain's assets were represented by aircraft.

Van Greuning said Vermaas could not have serviced interest on deposits of R150m without more deposits or roll-overs, and he must certainly have known this.

As of last Friday, there was R150,1m in outstanding deposits. If none of these investments were rolled over this week, then capital amounts due — excluding interest — would be R30,6m this week and R70,7m by mid-April.

He stressed this did not include investments made during the past two weeks.



● VERMAAS

PRETORIA — The Public Servants' Association (PSA) is R2,4m in the red after taking an overdraft from Trust Bank for a short-term investment in the Ciskei-registered Eurobank, now under investigation by the Harms Commission.

PSA chief manager of finances Johannes Potgieter told the commission yesterday the PSA (which represents 65 000 civil servants) had invested R5m in Eurobank on September 29 — the first payment of R1m was made two weeks after the founding of the bank in June.

The investment was for 60 days and would have expired on November 30.

Until last week, PSA directors were unaware of the investment, he said.

The PSA is one of 600 investors who deposited about R150m with the bank.

Well-known Pretoria attorney and businessman WA Vermaas has been named as the man at the centre of the alleged financial deposit scam.

Potgieter said he was approached by Eurobank agent Fanie Fourie on June 29 this year.

"We were interested in short-term investments and he proposed an investment in Eurobank. I managed to establish that the bank was under the protection of the government of Ciskei, a factor which was reassuring when placing the investment," he said.

Potgieter said he was also impressed with the favourable interest rates, which stood at between 40% and 60%.

EDYTH BULBRING reports two organisations named as major investors — Iscor and Sentraboer — said yesterday they had suffered no losses.

Vermaas, who is alleged to have channelled money from Eurotrust through his own account to the Verco Group of companies he controlled, was said by a family member to be unavailable to speak to the Press last night. — Sapa.

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## 'Eurobank took money after books seized'

Van Greuning said the R129,9m asset value for Verco may change after a proper audit of the books because of wide discrepancies in values put on the companies by Vermaas and the Reserve Bank.

"For example, Vermaas estimated one mining company at R30m. We estimated its value at R21 000. We estimated another company to be worth R4,6m but a 1985 appraiser certificate we found among the documents puts land owned by the company at R8,8m," Van Greuning said.

The only accounting records kept for Eurotrust were six diaries that listed

names of investors and the dates and amounts due, he said.

It appeared most of the funds went through Vermaas's loan account and into the Verco group — about R77,8m went through his personal loan account from March to September this year. The cumulative loan accounts in the Verco companies totalled R128,7m.

Most investors apparently rolled over their investments, he said. The main sources of the funding for Eurotrust and Eurobank were the investment schemes

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# Idasa man 'knifed after death'

Own Correspondent

BISHO — Either head injuries, strangulation or suffocation could have caused the death of Mr Eric Ntonga, the Border co-director of the Institute for Democratic Alternatives for South Africa, East London district surgeon Dr Bazil Wingreen told the Bisho Supreme Court yesterday.

Dr Wingreen was giving evidence in the murder trial of six senior Ciskei policemen before Mr Justice Benjamin Pickard.

Mr W Jurgens, for the State, said when the trial resumed yesterday that a post mortem was conducted on the body of Mr Ntonga on July 28 last year and a Zwelitsha inquest court, presided over by Mr Ayanda Jozela, gave a verdict that Mr Ntonga was murdered by "unknown persons".

Dr Wingreen produced 10 photographs of Mr Ntonga's body which he said were taken when he conducted the post mortem in the presence of a family doctor.

He said Mr Ntonga had multiple bruises and subdural haemorrhage, and there was also a sign that he had a lack of oxygen in his lungs.

He said Mr Ntonga was a physical and well-built man.

The doctor said he observed that

Mr Ntonga had facial injuries which indicated that he had been hit with a blunt instrument

There was also a wound on his neck.

There was a stab wound in the chest with indications it was inflicted after Mr Ntonga's death.

He was also manually strangled, he added.

He said Mr Ntonga had injuries in his ankles with indications they had been caused during a struggle when the ankles were tied together with "considerable force".

Dr Wingreen said a lot of force was used to handcuff Mr Ntonga. He said the two wounds in his right arm indicated that.

The doctor said Mr Ntonga had bruises on his neck and head.

There was also a sign of bare-handed strangulation by a person who might have come from behind him.

He said the bruises did not give the appearance that he had been dragged from a dirt road or bushes.

The bruises were consistent with having occurred while he was sitting on a chair.

The hearing continues.

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# PSA in the red after investing in Eurobank

Cape Times 23/11/88

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PRETORIA. — The Public Servants' Association, which represents 65 000 public servants, is R2,4 million in the red after taking an overdraft from Trust Bank for a short-term investment scheme in the Ciskeian-registered Eurobank, currently under investigation by the Harms Commission here.

The chief manager of finances at the PSA, Mr Johannes Potgieter, told the Commission yesterday that the PSA had invested R5 million in Eurobank on September 29, 1988 — the first payment of R1 million was made two weeks after the founding of the bank in June 1988.

The investment was for 60 days

and would have expired on November 30, 1988.

Until last week the directors of the PSA were not aware of the investment, Mr Potgieter told the Commission.

The PSA is one of 600 investors who deposited an estimated R150 million with the bank. The investments were accepted in possible contravention of the Banks Act. The Harms Commission is inquiring into possible illegalities or irregularities relating to Eurobank Ltd, Eurotrust (Ciskei) (Pty) Ltd, First Ciskei Bank Ltd, Eurobank Investment (Pty) Ltd and Eurobond (Pty) Ltd.

A Pretoria attorney and businessman, Mr W A Vermaas, has been named as the man in the

centre of the financial deposit scam — the biggest yet in SA history.

Mr Potgieter told the Commission that between R2 million and R3 million was received from members annually. R2 million of this money was part of the investment. Mr Potgieter says he was approached by a Eurobank agent, Mr Fanie Fourie, on June 29 this year.

He said he was satisfied with the guarantee that Eurobank was a registered bank and at the same time had a guarantee from Mr Vermaas. Mr Potgieter said he was also impressed with the favourable interest rates, which stood at between 40 and 60% — Sapa



# 'R4,8m withdrawal': Bank official 'fired'

PRETORIA. — The activities of yet another Pretoria legal officer, Dr Eugene Berg, and his involvement with Eurobank Ltd, have come under the spotlight at the Harms Commission sitting here.

Dr Berg, an advocate, was removed as managing director and chairman of the board of directors of Eurobank Ltd in Ciskei yesterday after it was found that he withdrew R4,8 million from the Standard Bank in Bisho without the permission of the Registrar of Banks in Ciskei.

The money had been deposited in Standard Bank on instruction of the registrar — a condition which preceded the issuing of the banking licence for Eurobank.

The money had been invested with Eurotrust, according to a balance sheet of Eurobank.

This was disclosed to Mr Justice Harms in a statement by the manager of Eurobank Ltd, Mr John Smuts, who is expected to testify before the commission this week.

The evidence submitted yesterday added a new twist to the inquiry into Eurobank, Eurobond, Eurotrust and the activities of a Pretoria attorney Mr Albertus Vermaas and the Verco-group of companies.

In a statement read to the commission, Mr Smuts denied any knowledge of the bank's operations in South Africa.

## Eurobank scandal shocks peer

By SYBRAND MOSTERT

A PROMINENT former Capetonian and British Peer of the Realm — named by the Harms Commission as a director of the controversial Eurobank — says he is "devastated" by the disclosure of alleged irregularities uncovered by the commission.

"I only heard of the commission's findings on the weekend, and in

response I have resigned," Lord Anthony St John said from his London stockbroking office yesterday.

"I have been placed in an invidious position," he said.

The Harms Commission was launched by President P W Botha to investigate inter-state financial irregularities, and its terms were later broadened to specifically investigate the activities

of Eurobank and several subsidiary firms.

The commission has found that millions have apparently gone missing from the Ciskei-based bank in what officials suspect was a "kubus-type" operation.

Anthony Tudor Lord St John of Bletso, who lived in Kalk Bay before leaving for London two years ago, was named as a director of Eurobank with five others on Monday.

# Bid to fly out planes foiled, Harms told

CME Times 24/11/88

Own Correspondent

JOHANNESBURG.— Police averted attempts to fly secretly three Chieftain Air aircraft — estimated to be worth R5m — out of the country in contravention of a Pretoria Supreme Court interdict granted on Monday night, the Harms Commission heard yesterday.

The temporary interdict brought by the Reserve Bank prohibited assets of Ciskeian-registered Eurobank and Eurotrust (both under investigation by the Harms Commission), Verco and Pretoria attorney Mr Albert Vermaas from leaving SA.

Chieftain Aviations Holdings is a wholly owned subsidiary of Verco which in turn is wholly owned by Mr Vermaas, whose companies are currently being investigated for fraud by the commission.

Harms Commission member Brigadier Nollie Hulmes read the commission a statement of a witness — who by order of commissioner Mr Justice Louis Harms may not be identified — taken late on Tuesday night.

The witness described a series of events which, she said, amounted to attempts to remove the aircraft from SA.

The three aircraft — a Lockheed Jetstar and two King aircraft — constitute the main assets of Chieftain Air. The fledgling airline also has three Cess-

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nas, a Beech Baron and a Caribou freight plane

A Reserve Bank official testified yesterday that of the R129,9 million assets claimed by Vermaas for his companies, R109 million was invested in Chieftain Air and that if the aircraft were purchased overseas, investors' funds are overseas.

Travel clearance for two of the aircraft was requested and granted for travel to Harare. However, they both flew to Namibia — one to Windhoek and one to Grootfontein — whose airspace is a restricted military area — where they were subsequently detained by Namibian police.

Brig Hulme said information received indicated that the two aircraft were en route to Geneva, Switzerland. A third aircraft was prevented from leaving its Lanseria Airport base.

Police are keeping a check on five other aircraft controlled by Chieftain. One of the aircraft is at Jan Smuts Airport, while the remaining four are at Lanseria.

The commission also issued a subpoena for an American from Tulsa, Oklahoma, Mr Chuck Ritterberry, whom the secret witness described as being a partner in Mr Vermaas's off-shore company called Deutsche Aviation Incorporated, to testify before the commission.

Mr Ritterberry was allegedly scheduled to leave last night but a check by police of Jan Smuts Airport and his luxury Johannesburg hotel was fruitless. Police are now looking for him.



# Mntonga: Killed after release?

CALL TIPS 24/11/88

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**BISHO.** — A Ciskei police officer, warned as an accomplice in the murder of an Idasa Border co-director, yesterday told the Supreme Court here that he thought Mr Eric Mntonga, 35, had been murdered after being released by police.

Warrant Officer Zukile Bhewuti was giving evidence before Mr Justice Benjamin Pickard in the trial of six senior Ciskei police officers accused of murdering Mr Mntonga on July 24 last year.

WO Bhewuti said he was attached to Ndantsane security branch when Mr Mntonga's car was stopped during a combined security operation. Mr Mntonga was taken to the local police station about 11am.

WO Bhewuti said three of the accused, WO Tamsanga Hlula, WO Kayaletu Ncadana and Major Mpekiseli Potwana, and another policeman, a WO Swelindawo, were there when Mr Mntonga was held.

WO Bhewuti said he later read in newspapers that the Idasa co-director's body had been found in his car on the outskirts of King William's Town on July 25. He said he thought Mr Mntonga had been released and then murdered.

Others accused are Ciskei's security police chief, General Mountain Ngcanga, Major-General Witness Ngwanya and Colonel Mabandla Mbejeni. — Sapa

# Commission probes the missing millions

Pretoria Bureau

Investment transactions at the centre of the Harms Commission of Inquiry into possible cross-border irregularities suggest millions of rands have been rolled over in questionable circumstances.

From what is known from commission and court hearings involving several Ciskei-registered firms, and in interviews, the following has emerged:

Investors, attracted by a promised monthly interest payment of between 17 and 40 percent invested large sums of money in exchange for "obligatory notes".

About 600 investors — including trade unions, charities and private concerns — invested about R150 million in the firms.

About R150 million has now been revealed to be "missing". It is not yet known where the money went.

The high monthly dividends on the investments, it appears from the commission, were taken from the capital sums themselves, or from more money turned over to the firms.

The Reserve Bank, in papers before the Pretoria Supreme Court on Tuesday while seeking a temporary interdict against Pretoria attorney Mr W A Vermaas and three companies, said it had established that money from one of the firms flowed through Mr Vermaas's personal account — about R77,8 million between March and September this year.

The Reserve Bank has described the scheme as being similar to the kubus milk culture scheme which duped thousands.

Several attempts by the Reserve Bank to stop the firms from receiving deposits and investments in South Africa failed, until a temporary interdict to this effect was granted on Tuesday.

Under South African regulations, no one without a licence may receive deposits from more than 13 people.

The firms involved were, however, registered in the Ciskei — unknown to at least one of the investors, the National Union of Mineworkers, which demanded its money back as soon as it found out, according to a spokesman.



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## Euro Bank started out under different name

**EAST LONDON** — Euro Bank, the Ciskei-registered bank currently being investigated by the Harms Commission, started operating in Ciskei in 1986 under a different name.

It originally traded as the First Ciskei Bank, according to Ciskei's deputy director-general of foreign affairs and information, Mr Headman Somtunzi.

He said he assumed the bank had initially complied with the requirements laid down for banks to operate in Ciskei, adding, however, that the government could not be held responsible "if the bank changed its systems at a later stage".

The manager of Euro Bank in Bisho, Mr John Smuts, declined to discuss the affairs of the bank, saying he had received instructions to refer the press to the bank's chairman, Dr Eugene Berg.

Dr Berg could not be reached for comment yesterday. He is in hospital in Pretoria. — Sapa.

# Chairman removed from Eurobank board

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## The Argus Correspondent

PRETORIA. — The activities of another Pretoria legal officer, Dr Eugene Berg, and his involvement with Eurobank have come under the spotlight in the Harms Commission inquiry here.

Dr Berg, an advocate, was yesterday removed as managing director and chairman of the board of directors of Eurobank in Ciskei after it was found that he withdrew R4,8-million from the Standard Bank in Bisho without the permission of the registrar of banks in Ciskei.

The money had been deposited into Standard Bank on instruction of the registrar.

The money had been invested with Eurotrust, according to a balance sheet of Eurobank.

## New evidence

This was revealed to Mr Justice Louis Harms in a statement by the manager of Eurobank, Mr John Smuts, who is expected to testify before the commission this week.

The new evidence submitted yesterday afternoon adds a twist to the inquiry into Eurobank, Eurobond, Eurotrust and the activities of a Pretoria attorney, Mr Albertus Vermaas, and the Verca group of companies.

In a statement read to the commission Mr Smuts, the only employee of Eurobank, denied knowledge of the bank's operations in South Africa.

He also denied knowledge of taking in investments from or through Mr Vermaas, Mr Berg or any other agent, including Eurotrust and its affiliates.

Mr Smuts said Eurobank had no affiliation with Eurobond or Eurotrust.

He further stated that he was the appointed secretary of the bank and that no meetings of directors had been held since the founding of the bank.

He also denied knowledge of Mr Vermaas and denied ever having met him and further stated that Mr Vermaas had never been connected with Eurobank.

According to evidence of Pretoria advocate and one of the directors of Eurobank, Mr H R Woudstra, he resigned from the board of directors this month after his colleagues at the Pretoria Bar warned him against Eurobank.

Mr Woudstra said that during June 1988 he was approached by Dr Berg, a colleague, about becoming a director of the bank.

The possibility was suggested that when the bank was established part of the profits would go towards the support of numerous Christian community projects in Ciskei.

"On only this principle did I make myself available as a director. I did not receive any directorship compensation, nor did I perform any managerial functions," Mr Woudstra said.

## No meetings

He said the other directors of the bank were unknown to him and he had never met them before, including Mr Vermaas.

In the three months that he was director, Mr Woudstra said, there had been no directors' meetings.

A Pretoria divorce attorney, Mr Louis Shapiro, said he invested R1 879 484,50 with Mr Vermaas or Eurobank or Eurotrust.

He had become interested in the scheme because of the "rather attractive" interest rates of between 35 and 40 percent.



# Mntonga murdered 'after release'

(105) SW 24/11/84  
BISHO — A Ciskei policeman, warned as an accomplice in the murder of an Idasa Border co-director, yesterday told the Bisho Supreme Court he thought Mr Eric Mntonga (35) had been murdered after being released from police custody.

Warrant Officer Zukile Bhewuti was giving evidence before Mr Justice Benjamin Pickard in the trial of six Ciskei policemen accused of murdering Mr Mntonga on July 24 last year.

Warrant Officer Bhewuti said he was attached to the Ndantsane security branch at the time of a combined security operation in the township.

Mr Mntonga's car was stopped during the operation and the Idasa co-director was taken into custody.

Warrant Officer Bhewuti said three

of the accused, Warrant Officer Tamsanqa Hlula, Warrant Officer Kayalethu Ncadana and Major Mpekiseli Potwana, and another policeman, a Warrant Officer Swelindawo, were with him at the time.

Mr Mntonga was taken to Ndantsane security branch offices where his car was searched.

Warrant Officer Bhewuti had then left the police station and when he returned at 5 pm the offices were closed.

He did not see Mr Mntonga or his car again.

He said he thought Mr Mntonga had been released and then murdered.

Others accused are Major-General Witness Ngwanya, General Mountain Ngcanga and Colonel Mabandla Mbejeni. — Sapa.

Star 24/11/84



President Sebe . . . doesn't pay doctor R16 000 a consultation.

## Sebe's <sup>(105)</sup> doctor denies high fees

EAST LONDON — A London doctor who regularly flies to Bisho to treat President Lennox Sebe has denied that he earns between R16 000 and R18 000 for every consultation.

Ciskei's deputy Director-General of Foreign Affairs and Information, Mr. Headman Somtunzi, released a statement sent by Dr Alec Goldin from London today in which he described figures quoted in a Sunday newspaper for his fee as "totally ridiculous".

### DENIAL

In the statement, Dr Goldin, who was previously based in Johannesburg, also denied that:

- President Sebe had collapsed in Johannesburg in March 1985 or any other time.

- The President pleaded with him to remain his personal physician after he moved to London.

- The Champneys resort in England where he arranged for President Sebe to stay was an exclusive health spa and that the visit cost the President R125 000.

Mr Somtunzi said the statement proved the press report was "malicious and biased".

He said another allegation in the report, that Dr Goldin had accompanied President Sebe to Taiwan, Switzerland and Israel, was also not true.

Dr Goldin, who practises in Harley Street, has treated the President since 1985 when he underwent a heart by-pass operation in Johannesburg.

— Sapa.



## Witness saw body in police office

BISHO — The body of Idasa official Mr Eric Mntonga was shown to a Ciskei policeman in an office of the Mndantsane security branch on July 24 last year, the Bisho Supreme Court heard yesterday. *Saw 25/11/87*

Warrant Officer Mziwamadoda Tabata was giving evidence in the trial of six Ciskei policemen accused of murdering Mr Mntonga.

Warrant Officer Tabata said he saw Mr Mntonga entering the police offices with two of the accused, Warrant Officer Tamsanqa Hlulani and Warrant Officer Khayeletu Ncandana, and another policeman, Warrant Officer Swelimdawo, on the day of a combined police operation in Mndantsane.

He was later called by Warrant Of-

ficer Hlulani to the office of a Captain Mfundisi where Warrant Officer Hlulani told him he should not enter room nine as Mr Mntonga had died there. (105)

Warrant Officer Hlulani told him to lock office nine as Mr Mntonga had died at the hands of another of the accused, Major Mpekiseli Potwana.

He was told not to worry as the major was involved.

Warrant Officer Tabata said he had asked Warrant Officer Hlulani to open the office door and had seen Mr Mntonga dead on the floor.

Mr Mntonga's body was found in his car on the outskirts of King William's Town the following day, July 25. — Sapa.

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# PSA meets to discuss investment

The Public Servants Association has called an extraordinary meeting of branch representatives to explain its R5 million investment in Eurobank.

The 60 000-member PSA has decided not to make public details of the deal and possible losses.

The Ciskei-registered Eurobank is the subject of a commission of inquiry in Pretoria which has heard that deposits made with the bank are "missing". The commission heard this week that the PSA took a R2,4 million overdraft to make the investment.

A spokesman for the PSA said in

(105)

Pretoria Bureau <sup>Stel</sup> 25/11/88

Pretoria yesterday that the organisation would continue with its activities, including the completion of a retirement resort.

"In the light of (a court order) against Eurobank, amongst others, the board is of the opinion that it is not opportune to comment further on this matter at this stage," a statement by the board of directors said.

A firm of attorneys has been appointed to manage the interests of the PSA in the Eurobank matter.

## Idasa man's body at office of security cops

*capt 25/7/86*  
*105*  
BISHO. — The body of Idasa official Mr Eric Mntonga was shown to a Ciskei policeman in the offices of the Mndantsane security branch on July 24 last year, the Supreme Court here heard yesterday.

WO Mziwamadoda Tabata said he was told Mr Mntonga had died at the hands of another of the accused, Maj Mpekiseli Potwana, and a WO Bojane.

WO Hlulani told him not to worry as the major (Potwana) was involved.

WO Tabata was giving evidence in the trial of six senior Ciskei policemen accused of murdering Mr Mntonga.

WO Tabata said he saw the deceased entering the police offices with two of the accused, WO Tamsanqa Hlulani and WO Khayeletu Ncandana, and a WO Swelindawo, on the day of a combined police operation in Mndantsane.

He was later told by WO Hlulani to lock office nine as Mr Mntonga's body was inside. — Sapa



# Officers cited in Eurobank

By CHRIS STEYN

*Call for 15*  
25/11/88

TOP South African legal officers are among the directors and investors of Eurobank, which is at the centre of the Harms commission of inquiry into alleged cross-border irregularities.

An estimated R150 million was invested in the Ciskei-registered bank by prominent organisations, including Iscor, Sentraoes, the National Union of Mineworkers (NUM) and the Public Servants' Association (PSA).

The legal officers named before the commission as directors of Eurobank were:

● **Dr Eugene Berg:** A Pretoria advocate, who was removed as managing director and chairman of the board of directors this week after it was found that he had withdrawn R4,8 million from the Standard Bank in Bisho without the permission of the Registrar of Banks in Ciskei.

● **Mr H R Woudstra:** A Pretoria advocate, who said he resigned from the board of directors earlier this month after his colleagues at the Pretoria Bar warned him against Eurobank. After a three-month stint on the board, he claimed that he had never before met the other directors.

PRETORIA. — Local attorney Mr Wessel Albertus Vermaas appeared in the Regional Court here yesterday on charges of fraud, contravening the Bank Act and contempt of court, alternatively attempted theft.

He was not asked to plead and the magistrate, Mr W J van den Bergh, adjourned the hearing till February 20.

In the light of the pending court case, Mr Vermaas may not be testifying before the Harms Commission any more.

Mr Vermaas was granted R10 000 bail. He had to surrender his passport, he may not enter any international departure venue and he has to report to police each Sunday.

Police have thwarted attempts to have three Chief-tain aircraft, worth R5 million, and belonging to a company owned by Mr Vermaas, flown out of the country in contravention of a Supreme Court order. — Sapa

● **Lord Anthony St John:** A British aristocrat and South African attorney who lived in Kalk Bay before leaving for London two years ago. He told the Cape Times he has resigned as a director in response to

the "devastating" disclosures of alleged irregularities uncovered by the commission.

● **Professor Andries Oelofse** of the Unisa Law Department.

The other directors named were Mr W G Haese, Ciskeian cabinet minister Mr R S T Mabona and Mr S G Guzana.

● The only employee of Eurobank was Mr John Smuts, the manager, who has denied any knowledge of the bank's operations in South Africa.

The commission is also investigating possible irregularities relating to the activities of Eurotrust (Ciskei) (Pty) Ltd, First Ciskei Bank Ltd, Eurobank Investment (Pty) Ltd and Eurobond (Pty) Ltd. According to evidence before the commission, all deposits received by the bank were transferred immediately to Eurotrust.

● The controlling interest in the trust was held by another prominent legal officer, Mr Wessel Albertus Vermaas.

Major investors in Eurobank also came from a legal background. They were:

● **Mr Louis Shapiro:** A Pretoria divorce attorney, who said he invested R1 879 484,50 with the bank

## Eurobank: PSA calls meeting

PRETORIA. — The Public Servants' Association has appointed a firm of attorneys to manage its interests in matters concerning its investment in Eurobank, its board of directors said yesterday.

Eurobank is being investigated for possible irregularities by the Harms Commission sitting here. It was reported earlier this week that the PSA had millions of rand invested with Eurobank.

Members would be informed of the situation concerning money invested in Eurobank at an extraordinary meeting of the executive committee scheduled for Monday, a statement from the board said.

"In view of the domestic nature of the matter the board had decided not to inform members through the press."

The PSA statement said the association would continue with all its activities including the completion of a retirement resort at Nylstroom — Sapa



## Mntonga death <sup>acc 4.5</sup> not recorded <sup>25/11/85</sup> in police records <sup>10/10/85</sup>

BISHO. — The death of Mr Eric Mntonga was not recorded at the Mdantsane police station, the Bisho Supreme Court heard today.

Captain Buyisile Nkohlhla of the Élite Squad, warned by the court as an accomplice, said he was telephoned by the squad's second-in-command, Major-General Witness Ngwanya, who told him he had received a report from a warrant officer, Bokane, that Mr Mntonga died under interrogation.

He was giving evidence in the trial of six Ciskei security policemen, including two generals, who have been charged with murdering Mr Mntonga, co-director of Idasa, last year.

Captain Nkohlhla said he went to Mdantsane police station to check the occurrence book and to establish whether the incident had been recorded. This had not been done.

### "Handling the matter"

While there he met W/O Swelindawo and W/O Tamasanqa Hlulani, an accused, who confirmed the death of Mr Mntonga, said they were "handling the matter" and were waiting for the charge office to clear.

He assumed the body was still at the charge office.

Earlier Warrant Officer Madoda Tshata said while he was in the CID he had throttled a person, but he denied he had done so to Mr Mntonga.

The six policemen are Major-General Zandisile Witness Ngwanya, Major-General Phakamile Mountain Ngcanga, Colonel Mabandla Mbejeni, Major Mpekiseli Potwana, Warrant Officer Thamasanqa Hlulani and Warrant Officer Khayaletu Ncandana.

They have all pleaded not guilty  
(Proceeding)



# Ciskei court <sup>AR605</sup> hears surprise <sup>25/11/88</sup> plea by Eurobank <sup>105</sup>

EAST LONDON. — The application for liquidation of a Ciskei registered company, Euro Trust, took a surprise turn in the Supreme Court, Bisho when the Ciskei-registered bank Eurobank applied for leave to intervene as a creditor.

Soon afterwards an application for liquidation of Eurobank was also filed yesterday.

The hearing of all three applications was postponed until Tuesday, November 29.

The activities of Euro Trust and Eurobank are being investigated by the Harms Commission into cross-border irregularities.

An order freezing the assets of Euro Trust was granted on Wednesday, while the urgent application for an order liquidating Euro Trust was to be heard today.

The application for liquidation of Euro Trust was brought on behalf of Mr Abraham van der Walt and Mr Christoffel Hugo, both of Pretoria, who have claims for R61 000 and R70 000 respectively against Euro Trust.

## UNLAWFUL WITHDRAWAL

Before the application could be heard Mr Gary van der Merwe said in an affidavit that he was a shareholder and director.

In his affidavit Mr van der Merwe said that a sum of R4,8-million had been "unlawfully withdrawn" from an account with the Standard Bank in Bisho and invested with Euro Trust.

Euro Trust was now a debtor of Eurobank not only for the R4,8-million but for interest on this amount since June 1988.

Soon after this, an application was filed on behalf of Mr Francois Strauss and a supporting creditor, Potgietersrus Tabak Ko-op, for the liquidation and freezing of assets of Eurobank.

Mr Strauss apparently invested R26 000 with Eurobank, while the Tabak Ko-op invested R7,5-million.

The application for Mr van der Walt and Mr Hugo and that for Mr Strauss were both brought by Mr Rene van Rooyen.

## "DEEP DISPLEASURE"

Mr Justice Claassen postponed the matter until Tuesday saying the two applications for liquidation should be heard together and, since the second had been filed so late, the respondents should be given sufficient time to respond.

Mr Justice Claassen told Mr van Rooyen to convey to his attorneys his "deep displeasure" at the way the attorneys had handled the case.

He said the registrar of the court had been informed on Tuesday that the first applicants' legal representatives were on their way to Bisho and that a court should be prepared. The court waited but the representatives did not arrive and no further communication was received from them.

The judge added that the papers filed were "disgraceful".

On Wednesday the Harms Commission heard that the chairman and managing director of Eurobank, Dr Eugene Berg, had been removed from his position because of the unauthorised withdrawal of R4,8-million from Standard Bank. — Sapa.

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INDICES BASED ON IN



26/11/88

Cape Times

2 Cape Times, Saturday, November 26, 1988

## 'Struggle pointless if SA ruined'

Own Correspondent

JOHANNESBURG. — A liberation struggle would be pointless if it left South Africa in ruins, PFP leader Dr Zach de Beer said yesterday.

Addressing the Institute for a Democratic Alternative (Idasa) conference on Strategies for Change, Dr De Beer said the "stream of SA history" was flowing in the direction of a single, integrated nation.

Idasa director Dr Van Zyl Slabbert said the time had come for anti-apartheid groups to take a new look at all the strategic options available, including participation.

Independent Party leader Dr Denis Worrall said South Africa would go through a civil war similar to the Rhodesian experience unless present political trends changed dramatically.

# Idasa man 'was tied, suffocated'

BISHO — A police officer of Ciskei's Elite Squad described yesterday how the Idasa co-director for the Border area, Mr Eric Mntonga, was suffocated with a tyre tube while lying on his back on the floor with his hands tied and his feet held

Six senior Ciskei policemen have pleaded not guilty to murder and two other charges relating to Mr Mntonga's death.

Warrant Officer Zamekile Bojane, warned as an accomplice, told the Bisho Supreme Court that he went to the security police offices about 1pm on July 24 last year.

He ate lunch in an office and while telephoning he heard a noise from an adjacent office and heard people saying "We want the truth only"

He said he entered the office and found three of the accused, Major Mtekesiki Potwana, WO Tamsanqa Hlunani and WO Khayaletu Ncandana, and some other policemen. The other three accused are Maj-Gen Witness Ngwanya, 42, Maj-Gen Mountain Ngcanga, 50, and Col Mabandla Mbejani, 47.

He said Mr Mntonga was lying on his

back on the floor with his hands tied together with a piece of cloth

WO Bojane said Maj Potwana took a piece of red motor tyre tube and put it on Mr Mntonga's face. WO Bojane left to make another telephone call.

On his return he found Maj Potwana alone, suffocating Mr Mntonga.

Maj Potwana, who was angry, ordered WO Bojane to hold Mr Mntonga's feet.

After Maj Potwana suffocated Mr Mntonga he stopped holding the dead man's feet, said WO Bojane. He looked at Mr Mntonga and found he was not breathing.

WO Bojane said he told Maj Potwana he intended reporting the incident. Maj Potwana had however told him not to tell anybody as "he did not know how the people would react".

WO Bojane said that he decided to drive to Maj-Gen Ngawanya's house and report that Mr Mntonga had died during interrogation.

"He said I should not worry and should leave as it was 'a minus one problem'," WO Bojane told the court.

The trial resumes on Monday and the accused were remanded — Sapa

# US city to join in Potsdam struggle

27/11/88 CP Correspondent

THE United States city of Milwaukee has twinned with Ciskei's battered Potsdam community and promised to help residents in their struggle to return to South African control.

In a telephone call to Potsdam representatives this week, Milwaukee mayor John Norquist promised to help the group get reinstated in South Africa. The Milwaukee Common Council had earlier passed a resolution to twin with Potsdam.

The twinning is part of a US sister community project, which aims to assist South African communities under threat. Lawaaikamp at George, Kleinskool at Port Elizabeth and Oukasie at Brits have already twinned with US cities.

In terms of the project's aims, Milwaukee now plans to focus international attention on Potsdam's plight.

The Potsdam residents were first removed to Ciskei five years ago, where they were promised permanent houses. Instead, they are still in their temporary shacks and harassed by the territory's authorities.— Elnews

Own Correspondent

THE Harms Commission, which was due to have resumed hearing evidence yesterday into allegations of corruption and other cross-border irregularities, has postponed its public hearings.

## Harms inquiry suspends hearings

The reason for the postponement is so that efforts can be made by counsel for Southern Sun's Mr Sol Kerzner and Cape Town's former mayor Mr David Bloomberg to limit argument on evidence over which there is, or may be, dispute between them.

Until such time as some compromise is arrived at by these legal representatives behind closed doors, it is understood the Harms Commission will be directing its efforts to more urgent issues which came to light from its Pretoria investigations into Eurobank — now the subject of an application for liquidation.

It is also understood the chairman of the commission, Mr Justice Louis Harms, will be completing an interim report shortly on the issues concerning the Ciskei and Italian Vito Palazzolo, jailed in Switzerland for his involvement in laundering money for an international drug ring.

Also the subject of this element of the investigations is the role played by Mr Peet de Pontes in assisting Palazzolo to enter South Africa illegally.

● Govt plans action on corruption — Page 7



Mr. T. M. S. 29/11/88

# Govt plans speedy action on corruption

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JOHANNESBURG. — The Justice Department is planning a "mechanism" in the advocate-general's office that will facilitate speedy action in investigating corruption and possible irregularities, the Minister of Justice, Mr Kobie Coetsee, said.

"The swift action of the Harms Commission had confirmed that such a mechanism is possible," he said.

Mr Coetsee made the remarks when approached for comment after the adjournment of the Harms Commission in Pretoria on Friday.

The commission is investigating the Ciskei-registered Eurobank and Eurotrust and possible cross-border irregularities.

Mr Coetsee declined to elaborate on the plan, but indicated it would be introduced soon.

There has been concern recently at the loss of foreign exchange in fraudulent deals. Witwatersrand attorney-general Mr Klaus von Lieres said that fraud cases (mainly foreign exchange control offences) involving more than R200 million had been reported to his office in a two-month period this year.

A nationwide study of corruption and fraud, ordered by the Justice Department in September, is under way.

Said Mr Coetsee: "I am concerned at the increase in the number of corruption and bribery cases in the past year."

At the opening of the National Party's Free State congress in Bloemfontein in September, he said corruption charges laid before the Witwatersrand advocate-general ran to R130m so far this year, compared with R20m in 1986.

Professor John Dugard, the director of the Centre for Applied Legal Studies, said there was an urgent need to deal swiftly with the increasing number of fraud and corruption cases being reported. "The Harms Commission has shown that abundantly."

Their actions have certainly been swift and are an example to be followed," he said.

Any attempts to expand the powers of the advocate-general's office must be welcomed, he said.

Professor Sas Strauss, a legal expert from Unisa, commended the Harms Commission for its swift reporting to the authorities. "I applaud any extension of the powers of the advocate-general's office. It is necessary," he said.

The past-president of the Law Society, Mr Ed Southey, said proper staffing of the attorney-general's office and of relevant criminal investigation departments were more important than introducing new legislation.

"The Harms Commission has certainly acted quite promptly and that is good."

The chairman of the General Council of the Bar of South Africa, Mr Ralph Zulman, declined comment on the proposed "mechanism" until details had been released, but added that speedy investigation of corruption and fraud cases is very necessary.

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# Policeman admits helping in killing

BISHO. — A State witness in the trial of six Ciskeian security policemen charged with murder agreed that he had helped to kill Mr Eric Mntonga, co-director of Idasa in the Border, during interrogation at the Mdantsane police station offices on July 24 last year.

Warrant Officer Zamekile Bojana, of the Elite Squad, was under cross-examination from the Bench.

Earlier he had been warned by the court as an accomplice.

The policemen are Major-Generals Zandisile Witness Ngwanya and Phakamile Mountain Ngcanga, Colonel Mabandla Mbejeni, Major Mphekiseli Potwana, and Warrant Officers Thamsanqa Hlulani and Khayaletu Ncandana.

They have pleaded not guilty to charges of murder, obstructing justice and contravening the Police Act.

## COMPELLED

During cross-examination, Mr Justice B Pickard asked Warrant Officer Bojana if he and Major Potwana had killed Mr Mntonga. Warrant Officer Bojana agreed.

Mr Justice Pickard pointed out that the only thing that could save Warrant Officer Bojana from trouble would be for him to explain to the court that he had been compelled to hold Mr Mntonga's feet while Major Potwana suffocated him. Warrant Officer Bojana said this would not save him, since "a bad thing had happened".

Earlier Warrant Officer Bojana, who was testifying for the second day, said the interrogation consisted of holding the subject's feet while another policeman put on a tube to suffocate him.

He said that after Mr Mntonga had died he had informed the elite unit's second-in-command, General Ngwanya. He said he told General Ngwanya that Mr Mntonga had died after he and the members of Mdantsane security police had interrogated him and suffocated him.

He said he did not tell his colleague, a Lieutenant Thompson, about Mr Mntonga's death in the offices when Lieutenant Thompson came to fetch him after the incident, because Major Potwana had told him not to tell anybody.

He only decided to report the matter while he was driving alone on the way back to Bisho. — Sapa.

## Eau de goat overcomes the pong

MELBOURNE. — Adelaide exporter David Whit-  
French chemist working



CMT  
T.M.S  
1/12/88

105'

~~105'~~

~~105'~~

## Mtonga body disposed of, says top cop

BISHO. — The head of the Mdantsane security branch, Colonel Louis Nonhonho, told the Supreme Court yesterday that his second-in-command had told him he disposed of the body of Idasa director Mr Eric Mtonga.

Mr Mtonga's body was found with multiple injuries and a stab wound on the outskirts of King William's Town on July 25 last year.

Colonel Nonhonho said in evidence that on the day of the incident there had been a combined forces operation in Mdantsane.

He had left for East London and returned at 4pm when he was told by his second-in-command, Colonel M Mabandla, one of the accused, that "something bad had happened". — Sapa



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**KING WILLIAM'S TOWN.** - Ciskei security police detained six senior police officers minutes after they paid bail totalling R4 000 in a murder trial in the Ciskei Supreme Court.

The six are charged with murdering Eric Mntonga, Border co-director of the Institute for a Democratic Alternative in South Africa (Idasa).

According to lawyer Martin Sheard they were detained in the Supreme Court cells.

Sheard said he had paid

## Mntonga trialists given bail, then detained

the bail and was waiting for Brigadier Fikili Zibi, head of the investigating team, to give permission for the accused to speak to family members.

One of the bail conditions was that they should not communicate with any member of the Ciskei police force.

The atmosphere was tense in the tiny courtroom when defence counsel R D MacDougall stood up and

informed Chief Justice Pickard that the defence and the state had agreed on bail.

The six men had been refused bail three times in the Zwelitsha magistrate's court and once in the Ciskei Supreme Court.

The six are Major Ngwanya, second in command of the Elite unit squad, Major General Mountam Ngcanga, chief of the Ciskei security

police, Colonel Mabandla Mbejeni, Major Mpikiseli Potwana, W/O Tamsanqa Hlulani and W/O Khayalethu Ncandana, all attached to the Mdantsane security police.

Ciskei attorney-general W F Jurgens informed the court that the state had agreed on bail of R1 000 for Ngwanya and Ngcanga and R500 for Mbejeni, Potwana, Hlulani and Ncandana. — VERITAS



Mntonga

## Police discussed dumping Mntonga body, court told

BISHO. — Dumping the body of Idasa co-director Mr Eric Mntonga near Mount Coke was first discussed at a meeting of Ciskeian security police officers, the Supreme Court has been told here.

Captain Mhlangabezi Mfundisi of Mdantsane security police said the meeting took place in the office of the commander of the Mdantsane security police, Colonel Louis Lulamile Nonhonho, late in the afternoon of July 24 last year.

Captain Mfundisi was giving his evidence-in-chief against six Ciskeian security policemen who have pleaded not guilty to charges of murder, obstruction of justice and contravening the Police Act.

They are Major-General Zandisile Witness Ngwanya, Major-General Phakamile Moutain Ngcanga, Colonel Mabandla Mbejeni, Major Mphekiseli Potwana, Warrant Officer Thamsanqa Hlulani and Warrant Officer Khayaletu Neandana.

Captain Mfundisi, warned as an accomplice, said the idea of dumping Mr Mntonga's body arose after Colonel Nonhonho asked what should be done.

### ONE SUGGESTION

The captain said that apart from himself and Colonel Nonhonho the meeting was attended by Colonel Mbejeni, Major Potwana and Captain Hlela.

One officer — he did not remember who — suggested the body be dumped, he said.

No one responded to the suggestion and Colonel Nonhonho picked up the telephone and said he was phoning the head office.

Captain Mfundisi said he then told Colonel Nonhonho that he had to rush to Zwelitsha and he left.

Under cross-examination the captain said he thought that when Colonel Nonhonho picked up the phone he was going to ask for permission to dump Mr Mntonga's body.

When Captain Mfundisi returned from Zwelitsha about 6pm he was phoned by Captain Nkohla, who then came to his house and discussed Mr Mntonga's death. He told Captain Nkohla that he had heard about the death.

Captain Nkohla subsequently used his phone and contacted a person he addressed as "brigadier," saying he was confirming "that thing."

The trial was postponed to Monday. — Sapa.

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# Cop 'confessed' dumping body

BISHO. — One of the accused in the Mntonga murder trial had "confessed" that he and others had dumped the body of Mr Eric Mntonga, the commander of the Mndantsane Anti-Terrorist Unit told the Supreme Court here yesterday

Capt Mhlangabezi Mfundisi, an accomplice state witness, told the court he was told this by W/O Tamsanqa Hlulani after the body of Mr Mntonga — Border co-director of Idasa — had been found on the outskirts of King William's Town on July 25 last year.

Six senior Ciskei policemen have pleaded not guilty to murdering Mr Mntonga, defeating the ends of justice and contravening the Police Act.

Capt Mfundisi, said he was informed by a W/O Swelindawo that they had found Mr Mntonga and he instructed them to carry on with interrogation.

## Officers discussed dumping

He said he later met Colonel Mabandla Mbejeni, one of the accused, who told him they should meet at 9pm at the police station

He promised to do so, but did not, as he thought talk about dumping the body would land him in trouble

Capt Mfundisi said W/O Hlulani later came to his house and "confessed" to him that he and others had dumped the body.

He said the officers earlier discussed dumping the body. When one of the accused, Col Nonhongo, made a call to the security branch headquarters in Bisho, he thought that permission should be obtained for the dumping of the body.

The trial will resume on Monday. — Sapa



# Murder <sup>(105)</sup> <sup>star</sup> accused <sup>2/12/84</sup> 'confessed'

BISHO — Captain Mhlangabezi Mfundisi, commander of the Mdantsane Anti-Terrorist Unit, told the Bisho Supreme Court yesterday that Warrant Officer Tamsanqa Hlulani had confessed that he and others had dumped the body of Mr Eric Mntonga.

Mr Mntonga's body was found at King William's Town on July 25 last year.

Six Ciskeian senior policemen have pleaded not guilty to murder, defeating the ends of justice and contravening the Police Act.

Captain Mhlangabezi said that on July 24 last year he was told that Mr Mntonga, who was alleged to have terrorist connections, had been found and he gave instructions for his interrogation.

Later that day Warrant Officer Hlulani confessed to him that he and others had dumped the body.

The trial will resume on Monday. — Sapa.

2/12/88

## Court told claim was fabrication

BISHO — The former chairman of Eurobank, Dr Eugene Berg, denied allegations yesterday that R4,8 million was illegally withdrawn from Eurobank. (105)

He said in an affidavit before the Ciskei Supreme Court that the manager of Eurobank, Mr John Smuts, was aware that the R4,8 million was invested with Eurotrust.

Dr Berg dismissed as "fabrication" a claim by Mr Smuts that the money had been withdrawn from Eurobank without Mr Smuts' permission.

Dr Berg's affidavit was handed into the court where an applications for the liquidation of Eurotrust and Eurobank were being heard.

Eurotrust and Eurobank are being investigated by the Harms Commission, which has heard that the companies had outstanding deposits of about R146 million.

Eurobank and Eurotrust, and Mr Albert Verrijaas, who holds the controlling interest in them, have been interdicted in South Africa from continuing banking business and accepting deposits.

Dr Berg said he was submitting his affidavit in order to correct allegations by Mr Gary van der Merwe, who has brought an application to intervene as a creditor in the application for liquidation of Eurotrust.

— Sapa.

# Stofile, UDF group appeal dismissed

C/Pren 1/12/88

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## Mafuna trial postponed

appeared in the court charged with theft from Bara. They pleaded not guilty. The accused are Grace Ndaba 47, Irene Tshabalala 26, Elizabeth Moloi 33, Beatrice Tshango 37, Benedict Mongalo 46, France Mongalo 41, Agnes Mvelase 54, Stephen Kgantsho 43, Dumisile Mbatha 28. The ages of the following accused were not stated: Phillemon Mbatha, Michael Mongalo, Zandile Mlangeni, and Ephraim Mojapelo. Bail of R100 each was extended.

## Ciskei court says terrorism convictions, sentences are valid

THE appeal against the conviction and sentence of the UDF's border executive, the Rev Arnold Stofile, and three other UDF members was dismissed this week in the Bisho Supreme Court.

Stofile was sentenced to 11 years' imprisonment last year, Nelson Ndlela to 15 years', Michael Stofile (Rev Stofile's younger brother) to eight years', and Mgeleli Gqibitoeles to eight years', following convictions on charges of terrorism and possession of arms.

The appeal was heard in the Supreme Court on August 18 this year.

A fifth accused, Nomvuyo Stofile, no relation, was acquitted.

Handing down judgment this week, Judge O Galgut, with Judge L de V Von Winsen and Judge MA Diemont concurring, said the decision was unanimous.

The judge said the court should regard the nature and quality of the weapons found in the appellants' possession. "These weapons of war were clearly intended for the commission of acts of terrorism."

The trial judge said he took cognisance of the prevalence of acts of terrorism in the Ciskei at the time. He also had regard for the personal

circumstances of each appellant.

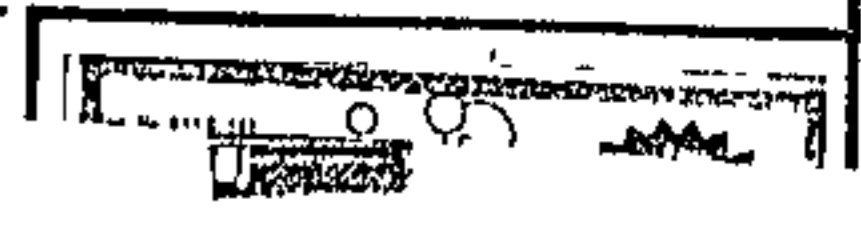
Arnold Stofile was a lecturer at Fort Hare University, a religious leader, sports administrator and general secretary of the UDF in the Border region. As such he was highly regarded and followed by many people. The position he held was indeed an aggravating factor - he involved and associated himself with terrorist weapons and the inevitable commission of acts of violence.

Nelson Ndlela was a trained terrorist. The weapons and document *Guerrilla War Tactics* found in his possession clearly indicated he was to commit acts of violence or terrorism.

"In every appeal against sentence, the court hearing the appeal is guided by the principle that punishment is primarily a matter for the discretion of the trial court."

"The court hearing the appeal would not interfere unless there was a misdirection or if the sentence induces a sense of shock."

"It has not been suggested that there was a misdirection. I am also not able to say the sentences induce a sense of shock. The result is that the appeal of each appellant is dismissed, Judge Galgut said. - Sapa





# Ciskei cops in court for Mntonga death

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## Judge warns State witness of complicity

CP Correspondent

THE head of the Mdantsane Security Branch, Lt Louis Nonhonho, told the Bisho Supreme Court this week that his second-in-command had told him he had disposed of the body of a director of the Institute for a Democratic Alternative for SA, Eric Mntonga.

Mntonga's body was found with multiple injuries and a stab wound in the chest on the outskirts of

King William's Town on July 25 last year.

Six high-ranking security police officers are charged with Mntonga's murder. They are Maj Gen Witness Zandisile Ngwany, second in command of the Elite Unit squad, Maj Gen Mountain Phakamile Ngcanga, Chief of the Ciskei Security Police, Col Mabandla Mbejeni, Maj Potwana, W/O Hlulani and W/O Ncandana.

They have pleaded not guilty to all counts. The State alleges that they took part in the killing of Mntonga and conspired with others to remove his body and his car from where he was killed at the Mdantsane Police Station and dispose of the body along the road near Tamara.

The six are accused of concealing and suppressing the true facts of the circumstances of the death

from members of the criminal investigating team.

Nonhonho said in evidence that on the day of the incident there had been a combined forces operation in Mdantsane. He said he left for East London and returned in the afternoon, when he was told by his second-in-command, Mbejeni - one of the accused, that - "something bad had happened."

Mbejeni said Mntonga had died but he was not sure how as he was not present. He said he did not know when Mntonga had come into the office.

Another senior policeman attached to the security police, giving evidence for the State, admitted that he and one of the accused were responsible for killing Mntonga.

W/O Zamekile Bojana, who testified that he took part in Mntonga's interrogation, was warned as an accomplice by Judge Pickard. Bojana was attached to the Elite Unit squad.

He said he was aware from September 6 that he should anticipate his arrest in connection with the murder as he had been called by his senior and shown a letter from Dr Alex Boraine mentioning his name as one of those involved in the murder.

On July 24 last year Mntonga was detained for questioning and interrogation by Hlulani, Ncandana and Potwana. During interrogation he was repeatedly assaulted and died as a result of the assault.

## Row simmers over burial rite refusal

THE mayor of Gompo, East London, Eddie Makeba, this week defended a council clerk who refused permission to a couple to bury their son in the town.

Balangile Samente and Gertrude Samente, whose son, Luyanda, 17, was killed in Gompo at the weekend, claimed they were told by Gompo official, Norman Nel, that they couldn't bury their son in his home town.

Luyanda was allegedly kicked to death by two Gompo municipal policemen late on Saturday night.

The police liaison officer in the Border, Major Trevor Heyes, confirmed today that two Gompo municipal policemen had been arrested in connection with Luyanda's death.

Makeba said Samente had not spoken to Nel regarding burial arrangements.

"Nel told me he never saw the couple, as he was out when they were at the council offices," Makeba said.

"They spoke to a clerk at the office, who told them that he could not authorise a burial in Gompo, and that only the chief executive officer and the mayor, who were not in, could authorise it."

He said what the clerk told Samente was "quite right."

Because of a shortage of ground in Gompo, all burials had to be closely monitored, Makeba said. He could not comment on whether the burial would take place. - Sapa.

## Chikane to meet Soweto Council

A DELEGATION headed by the SA Council of Churches general secretary, Rev Frank Chikane, will meet the Soweto Town Council towards the end of next week, to discuss the current rent



4/12/88



Now Ciskei chief awards himself R185 000 — the same as P W Botha

# SEBE'S PAY SHOCKER



LENNOX SEBE

**PRESIDENT Lennox Sebe and his Cabinet have voted themselves 40 percent pay rises — but the Ciskei's people have not been told.**

This brings the remuneration of leaders in the impoverished homeland up to par with South African Ministers. President Sebe — who has acquired farms, other properties and businesses worth millions of rands since independence in 1981 — will be paid R184 973 a year, of which R12 000 is a tax-free allowance. President P W Botha receives a basic salary of R162 000 plus a reimbursive allowance of R30 762.

By WILLIAM KRIGE

## Angolan hitch — but talks still on track

From BRIAN POTTINGER in Brazzaville

THE South African delegation to the Angolan talks in home has night without signing the Brazzaville Protocol.

The Protocol — the next major step in the South West African peace process — was within an ace of being signed when it ran into difficulties.

A major problem was the question of verifying Cuban troop withdrawals. Foreign Minister Pik Botha and Defence Minister

South African taxpayers will contribute hugely towards the higher pay for Ciskei's politicians. In 1987-88 the Republic contributed R628-million to balance Ciskei's budget of R859-million.

Chief Sebe, a former schoolteacher, has been elected president for life. This week his homeland's huge bureaucracy was given a 15 percent pay rise, effective from January. This follows a rise of 17 percent in April.

But unknown to the Xhosa nation — where many thousands scratch an existence on grossly eroded and overcrowded tribal land — was the whopping pay rise for the president and all his men.

## Bonanzas

The salaries of the 15-member Cabinet also leap 40 percent from a maximum of R92 864 a year to R129 730, to which must be added a R12 000 non-taxable allowance, giving them a pay package of R141 730 a year.

Deputy Ministers join the party train, their pay jumping from R61 736 to R98 486. Parliamentary officials, such as the speaker, his deputy and whips, get 55 percent bonanzas. A confidential Executive



## Letters to pet pupil land teacher in court

By ANDY GALLOWAY

LETTERS from a teacher to a pet pupil — a boy in Standard Five — led to the teacher's appearance in court this week.

Now blonde divorcee Magrietjie Mulder, 22, is facing morals charges.

Mrs Mulder — a Sid 1 teacher at one of South Africa's top schools, Grey College in Bloemfontein — was arrested on Thursday.

After a brief court appearance later that day, she was released on bail of R250 and ordered to appear in court again on December 29.

Her alleged relationship with a Grey College primary pupil came to light when the child's mother found more than 20 letters containing endearments in the boy's room.

Then, late at night, the boy's father caught him sneaking out of the family's home in an exclusive suburb, Mrs Mulder, who was divorced from her husband in

## MINISTERIALS SHOW UP MARRIAGES





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A major problem was the question of verifying Cuban troop withdrawals.

Foreign Minister Pik Botha and Defence Minister Magnus Malan visited President Mobutu Sese Seko in neighbouring Zaïre yesterday and met Soviet Deputy Foreign Minister Anatoli Adamashin in Brazzaville.

It was the first official contact between SA and Soviet government leaders in more than 40 years.

Mr Botha said the decision to return home without signing the documents should not be seen as a setback.

"We simply want time to return home, report to the President and weigh up various outstanding issues."

*S/ Times 4/12/88*  
**Victim**

He believed the talks may have been the victim of raised expectations.

Early speculation was that the verification issue would cause problems in the discussions between SA, Angola and Cuba, but as bilateral talks between the parties and US mediator Dr Chester Crocker proceeded, there seemed to be broad agreement on the Protocol.

It is understood the talks advanced better understanding and that significant agreement was reached on a draft document which would deal with Cuban withdrawal, steps to implement UN Resolution 435 and monitoring of the peace process.

The verification issue, however, became critical in the final stages as South Africa pushed for an adjudication clause in the Protocol.

It is understood, however, that the Angolans objected to the proposal, as they saw it as an insult to their sovereignty and claimed the UN should be responsible for verification.

Although SA sources insisted that the failure to sign was not a setback, a strong response is expected from Cuba, Angola and the US.

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Parliamentary officials, such as the speaker, his deputy and whips, get 55 percent bonanzas.

A confidential Executive Council memorandum authorising the pay rises with "immediate effect" was signed by the president on Wednesday.

The memo says the rises are necessary, because of increases in the cost of living and in order to bring "office bearers and National Assembly members... into line with salaries tabled to (sic) their counterparts in RSA".

President Sebe and members of his family have displayed great business acumen since independence, acquiring shares in hotels and bottlestores, in addition to extensive property holdings.

The president effectively co-owns, with the Ciskei People's Development Bank, a hotel at Keiskammahoek, as well as a bottlestore near Berlin, managed on his behalf by the development bank.

## Farms

President Sebe also has ties with First Bowring and Associates Ciskei (Pty) Ltd, a brokerage firm actively soliciting business in Ciskei's public service.

The president's son-in-law, Mr Dumisani Tabata, 33, whose six farms in the Stockenstrom district cost him just R15 000, is co-owner with Chief Sebe's brother-in-law, Chief Simon Hebe, of a hotel in the Whittlesea district.

Ten members of the Ciskei's executive own property at Hamburg, nine acquiring their little bit of the seaside since mid-1987. For the 13 sites they paid a total of R48 548. Most of the properties have residences.

The president was "unavailable" for comment this week.

The development bank — eight days after receiving a list of questions in connection with President Sebe's affairs, and five days after requesting the Sunday Times not to publish anything until it had a chance to reply — eventually declined to answer any of them.

This week Ciskei's Director-General of Transport, Mr Magwa, denied reports that the Cabinet was junking its fleet of 7-series BMWs (now several years old) for 17 Mercedes-Benz 260s costing R100 000 each.

He insisted the BMWs were being replaced by 18 Mercedes-Benz 230s at a contract price of "about R48 000". The BMWs would join the "VIP fleet".



# Sebe's big pay rise might alert watchdog

CISKEI President Lennox Sebe's largesse looks like coming under scrutiny.

The Sunday Times said yesterday Sebe and his Cabinet would get 40% pay increases and most of it would be paid for, by SA taxpayers.

Official sources said the pay boost could be taken up in the joint presidential committee set up between SA and Ciskei to oversee government funds

Sebe's salary would go up to R184 973. Of this R12 000, would be a tax-free allowance

*(OS) b/d by 5/10/88.*  
ROGER SMITH

Cabinet ministers were to receive a pay package of R141 730 a year and deputy ministers R98 486

The joint presidential committee was set up after public concern over financial management of government funds in Ciskei. In 1987/88 it received R628m from SA as part of its R859m budget.

The committee is chaired by Development Bank CE Simon Brand and is pursuing a "joint financial adjustment programme" with Ciskei to ensure effective

utilisation of funds.

An SA Foreign Affairs spokesman yesterday refused comment on the salary increases because it was "an internal matter of an independent country".

Financial assistance to the TBVC countries forms a major part part of the Foreign Affairs budget

The Development Bank refused to answer questions put to the bank by the Sunday Times on the issue

Brand could not be reached for comment yesterday.



President Lennox Sebe ... salary to go up to R184 973 a year.

# Pay boost in Ciskei 'not an anomaly'

EAST LONDON — The Ciskei government sees no anomaly in the 40 per cent salary increase for President Lennox Sebe and Cabinet Ministers. The deputy director-general of foreign affairs and information, Mr Headman Somtunzi, said salary scales were revised from time to time and there was no anomaly in this. Revision of scales was an incentive for dedication.

He said there had been an anomaly previously, with Ministers' salaries being less than those of directors-general.

It was reported yesterday that the increase would put Ciskei Ministers' pay on a par with their South African counterparts.

### TAX-FREE

Mr Sebe would be paid R184 973, of which R12 000 was a tax-free allowance. South Africa's State President, Mr P W Botha, receives a basic salary of R162 000 plus a reimbursive allowance of R30 762.

The salaries of the 15-member Cabinet would also leap 40 percent from a maximum of R92 664 a year to R129 730, to which was added a R12 000 non-taxable allowance.

It was announced on Friday that Ciskei's civil servants would be granted a pay rise of 15 percent from January following a 17 percent increase in April. — Sapa.



105/ (S) (S) CAPC Tink 6/12/88

# Eurobank ex-boss arrested

Own Correspondent

JOHANNESBURG. — Former Eurobank chairman and Pretoria advocate Mr Eugene Berg was arrested yesterday morning on charges of fraud relating directly to Eurobank and its activities, a police spokesman said yesterday.

Mr Berg, 42, appeared in the Magistrate's Court yesterday morning and was released on R10 000 bail. The case was postponed to February 20 next year.

He was prohibited by the magistrate from visiting any points of departure in SA — like

airports or harbours — and was required to turn in his passport. He was also instructed not to apply for any other travel documents.

The police spokesman said the court appearance and bail were arranged with Mr Berg on Saturday.

Other court action relating to Eurobank, Eurotrust and Pretoria attorney Mr Albert Vermaas is expected to be brought before the Supreme Court today.

In the first case, the Reserve

Bank will ask the court for a one-day postponement of its urgent interdict brought on November 21 which prevented Mr Vermaas, Eurobank, Eurotrust or Verco from accepting investments from the public.

A Reserve Bank spokesman said the one day postponement was necessary to finish gathering information.

In another case, at least two creditors — one of which is allegedly owed R7,5m — intend to bring an urgent application to sequester Mr Vermaas's estate.

# I was forced to kill Mntonga

*Call Times 6/12/88*  
*105 201 700*

BISHO. — A member of the Ciskei Police Elite Unit told the Supreme Court here yesterday that he had been forced to suffocate Mr Eric Mntonga, co-director of Idasa in the Border region.

Warrant Officer Zamekile Bojana, who was warned as an accomplice, told the court he had been forced by one of the six accused, Major Mphikiseli Potwana, to suffocate Mr Mntonga on July 25 last year.

WO Bojana was testifying for the state in the trial of six Ciskei security policemen who have been charged with murdering Mr Mntonga, defeating the ends of justice and contravening the Police Act.

The accused are the second-in-command of the Elite Unit, Major-General Zandisile Ngwanya, head of the security police, Major-General Phakamile Mountain Ngcanga, Col Mabandla Mbejeni, Major Potwana, WO Thamsanqa Hlulani and WO Khayalethu Neandana, who have pleaded not guilty.

WO Bojana agreed that Mr Mntonga died after he had suffocated him with a tube.

He said he pulled the tube "very tight" around Mr Mntonga's head because Major Potwana urged him to do so, saying Mr Mntonga was about to talk.



# Forced to suffocate captive — witness

BISHO — A member of the Ciskei police elite unit told the Supreme Court here yesterday that he had been forced to suffocate Mr Eric Mntonga, co-director of the Institute for a Democratic Alternative for South Africa (Idasa) in the Border region.

Warrant Officer Zamekile Bojana, who was warned as an accomplice, alleged that one of the six accused, Major Mphikiseli Potwana, was the man who made him commit the act on July 25 last year.

Warrant Officer Bojana was testifying for the State in the trial of six Ciskei security policemen who have been charged with murdering Mr Mntonga, defeating the ends of justice and contravening the Police Act.

The six are the second-in-command of the elite unit, Major-General Zandis-

ile Ngwanya, the head of the security police, Major-General Phakamile Mountain Ngcanga, Colonel Mabandla Mbejeni, Major Potwana, Warrant Officer Thamsanqa Hlulani and Warrant Officer Khayaletu Ncandana.

All have pleaded not guilty.

The witness, cross-examined by the defence, agreed that Mr Mntonga died after he had suffocated him with a tube.

He had pulled the tube "very tight" around Mr Mntonga's head because Major Potwana urged him to do so, saying Mr Mntonga was about to talk.

Each time he removed the tube, Major Potwana would replace it himself. When Mr Mntonga passed out, Major Potwana fanned him to revive him, he said. He added that he was shocked at what had happened.

The trial continues. — Sapa.

# Mntonga's death left cops 'minus one problem'

**KING WILLIAM'S TOWN.** — Details of a police cover-up after the murder of Eric Mxolisi Mntonga have emerged in the Ciskei Supreme Court.

Mntonga, 35, Border co-director of the Institute for a Democratic Alternative in South Africa (Idasa), died hours before he was due to leave for Port Elizabeth on July 24.

The court heard that the chief investigating officer in his murder, Colonel Jongile Feliti, had failed to follow important leads.

And a former security police officer told the court that one of the accused had instructed him not to tell anybody that Mntonga had been in custody before his death.

Feliti said he had read in newspapers that Mntonga had worked for Idasa, "a political organisation".

Mr Justice Pickard asked why he did not go to the security police to find out more about Mntonga after hearing he had worked for Idasa.

## Rebuked

The judge rebuked Feliti for misleading the inquest court by not making available fingerprint evidence. The inquest court had found that unknown people were responsible for his death.

The Mntonga family had not been informed of the inquest.

Earlier, Lieutenant Leonard Tsotsa told how he had been instructed not to tell anybody that Mntonga was in security police custody before his death.

Tsotsa said that on July 24 he was part of an operation in Mdantsane where Mntonga was later detained.

Tsotsa, then attached to the anti-terrorist squad, gave evidence after being warned he could be charged as an accomplice.

He told the court that he had seen Mntonga at the police station when the police returned from the operation.

## Met accused

The following Monday, July 27, Tsotsa met an accused, Major Mpikiseli Potwana, who instructed him not to tell anybody that Mntonga had been in security police custody.

This was after he had read about Mntonga's death. Because of the instruction he never revealed this information to the investigating officer.

Warrant-officer Zukile Bawuti, also warned as an accomplice, said he and three other security policemen had searched Mntonga's car at the police station.

Bawuti said he was surprised when he heard that Mntonga had been murdered. He thought Mntonga might have been robbed by gangsters after being released.

The court heard that Mntonga died nearly two hours after he was picked up by



Mntonga

According to the medical report by East London's principal district surgeon and consultant in Ciskei, Dr Basil Wingreen, Mntonga's death was caused by head injuries and strangulation.

There were bruises all over the body and marks on his wrists and ankles caused

by handcuffs.

A stab wound had been inflicted when Mntonga was already dead.

Since the trial started the court has been packed to capacity by political activists in the Border region. The trial continues. — VERITAS NEWS AGENCY

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When Mntonga's death was reported to him, Major General Zandisile Witness Ngwanya, second-in-command of the elite squad in Ciskei, allegedly remarked to one of his men, Warrant-officer Zamekile Bojana, that they were "minus one problem".

Ngwanya had known Mntonga well.

The accused are Potwana, Ngwanya, Ciskei security police chief Major General Phakamile Mountain Ngcanga, Colonel Mabandla Mbejeni, Warrant-officer Tamsanqa Hlulani and Warrant-officer Khayaletu Ncandana. They all pleaded not guilty to all counts.

The state alleges that they took part in the killing of Mntonga and conspired with others, assisted in removing Mntonga's dead body and his car from where he was killed and disposing of the body.

On July 24, Mntonga was detained for questioning by Hlulani, Ncandana and Potwana. He was allegedly repeatedly assaulted.

It is also alleged that when his interrogators realised he had died, they left the body in the office and locked the door, while making plans to dispose of the body.

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The court heard that the chief investigating officer in his murder, Colonel Jongile Fehu, had failed to follow important leads.

And a former security police officer told the court that one of the accused had instructed him not to tell anybody that Mntonga had been in custody before his death.

Fehu said he had read in newspapers that Mntonga had worked for Idasa, "a political organisation".

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It is also alleged that when his interrogators realised he had died, they left the body in the office and locked the door, while making plans to dispose of the body.



# Mntonga 'was seen lying on floor during interrogation'

BISHO — A Mdantsane security police captain saw Mr Eric Mntonga lying flat on his back, breathing slowly, in a room where he was being interrogated by police, the Supreme Court in Bisho heard yesterday.

Captain Mkhusele Hlela — who was warned as an accomplice — was testifying in the trial of six Ciskei security policemen who have pleaded not guilty to murder, obstruction of justice and contravention of the Police Act.

The six are the second-in-command of the Ciskei Police Elite Unit, Major-General Zandile Witness Ngwanya; the commander of the security police, Major-General Phakamile Mountain Ngcanga; Colonel Mbandla Mbejeni; Major Mphikiseli Potwana, Warrant Officer Thamsanga Hlulani and Warrant Officer Khayaletu Ncandana.

Captain Hlela said he worked in the administration section of the security offices.

When he went to look for stationery in another office of the Mdantsane security police on July 24 last year, he found Major Potwana, W/O Hlulani, W/O Bojana and Mr Mntonga, co-director of Idasa in the Border area.

## PERSPIRING

The three officers were sitting on a table and Mr Mntonga was sitting on the floor and appeared tired as he was perspiring. Captain Hlela said he stayed in the office for two to three minutes.

When he left to answer a telephone call in Colonel Mbejeni's office, Major Potwana followed him and told him "That man is not talking."

He went back to the other office and found Mr Mntonga lying motionless on his back. He was breathing slowly. He later asked Major Potwana who the man was and was told it was Mr Mntonga.

He said he asked Major Potwana what was to be done and Major Potwana replied that he would see what he would do next. During cross-examination Capt Hlela said he heard a noise coming from the room where he had first seen Mr Mntonga.

Capt Hlela denied a suggestion by Mr R D McDougall that he was present when Mr Mntonga was being interrogated by W/O Bojana. — Sapa.

# Vermaas accountants 'in the dark'

PRETORIA. — Accountants for Mr Albert Vermaas were kept in the dark about his activities both locally and abroad and struggled to balance books, the Harms Commission heard yesterday

Mr P R Pretorius, former financial manager for Protea Trust and Finance, which manages the finances of Verco Holdings, controlled by Mr Vermaas, said he was often shocked and disturbed by massive sums of money spent by Mr Vermaas in careless deals.

Mr Pretorius testified he had resigned after six months

His resignation letter to Mr Vermaas stated: "It appears that you expect me to pass certain dubious entries in the books of some companies. Due to the fraudulent nature of such entries I am not prepared to continue in your employment."

He said he found problems with the management of Chieftan Air. At no stage had viable studies been made for purchase of goods overseas, such as aircraft and spares.

Mr Pretorius said at one stage money had been approved by the Reserve Bank and sent out of the country when

he discovered he was short of invoices to the value of R1 million.

He said he then telephoned a Mr Chuck Rittenbury in America, who sent him invoices for the purchase of aircraft and spares.

The invoices were vague and gave a bad description of items purchased, Mr Pretorius said.

The accountant testified of "unbelievable" amounts of money spent by Mr Vermaas which had not been thoroughly considered.

This included \$10 million (about R23 million) for eight cargo aircraft and a further \$10 million for parts.

Mr Pretorius also described deals of properties bought by overseas investors for inflated prices

At the end of December 1987 Mr Pretorius said he realised after several dubious property transactions involving foreign companies that money was leaving the country in commercial rands and somehow being re-invested into SA through other channels.

The commission heard that Mr Vermaas had a monthly cash flow of R2 million to R3 million through his personal cheque book. — Sapa

**World news  
summary**

*17645 8/12/88*  
**Ciskei envoy held**

*(105)*  
EAST LONDON. — Ciskei's ambassador plenipotentiary and former Minister of Agriculture, Mr Vusani Mafani, has been arrested for "security reasons". He has been named in evidence at the Harms Commission of inquiry. — Sapa.



# Murder: Six Ciskei cops granted bail

**BISHO** — The Ciskei Supreme Court yesterday granted bail totalling R4 000 to six Ciskei security policemen on trial for the murder of the co-director of Idasa in the Border region, Mr Eric Mntonga.

The second-in-command of the Ciskei Elite Squad, Major-General Witness Ngwanya, 42; and the head of the security branch, Major-General Mountain Ngcanga, 50, were granted bail of R1 000 each.

Bail of R500 each was granted to the second-in-command of the security branch, Colonel Mabandla Ndejeni, 47; Major Mtikiseli Potwana, 42; Warrant Officer Tamasnqa Hlulani, 41, and WO Khaletu Ncandana, 34, all of Mdantsane.

Earlier a state witness told the court that people were "usually assaulted" during interrogation in the security branch offices at Mdantsane.

Cross-examined by the defence, Captain Mkuşeli Hlela said that when

he saw Mr Mntonga he thought he had been assaulted while in the offices.

He said the people whom he thought had assaulted Mr Mntonga were the officers he found in an office with Mr Mntonga, who was lying on the floor.

Captain Hlela said the officers were WO Zamekile Bojane and two of the accused, Major Potwana and WO Hlulani.

Mr Mntonga was sitting on the floor, perspiring and looking tired. Captain Hlela left the police station for home and did not see Mr Mntonga again.

He said he became suspicious when he read about the discovery of Mr Mntonga's body near Tamara. At first he thought he had been attacked by thugs, as he was reported to have suffered a stab wound, but he had last seen him at the police station. He suspected that the Idasa man's body had been dumped as a result of the assault.

He said he had not questioned WO Hlulane about the incident.

The case continues. — Sapa

Chief on  
*sowetan*  
corruption  
*8/12/88*  
charges *105*

THE Transkei government guaranteed a R10 million loan to a building contractor which was later liquidated.

This was evidence in the trial in Umtata of the former Transkei prime minister, Chief George Matanzima, and the former minister of finance, Mr Sydney Qaba.

Chief George and Mr Qaba have pleaded not guilty to nine counts of corruption involving over R1 million in building contracts for housing schemes in Umtata and Butterworth.

## Accused in Mntonga trial harassed — lawyer

BISHO — The defence in the Eric Mntonga trial protested to the court yesterday about the harassment of six senior Ciskei Security Branch policeman, after they were granted bail by the Bisho Supreme Court on Wednesday

(105)  
The policeman on trial are charged with the murder of Idasa Border, co-director Mr Eric Mtonga (35), and were granted bail conditionally by the Ciskei Chief Judge, Mr Justice Benjamin Pickard

Mr R D MacDougal, for the defence, said his clients were granted bail but were released from prison only at 1 am yesterday *Star 9/12/88*

They did not eat or sleep and had to be taken to their respective homes in police vehicles. He said the action was disquietening and could only be considered as harassment

The prosecutor, Mr W Jurgens, said he had not been briefed and knew nothing about the police action.

On trial are the second-in-command of the Ciskei Elite Squad, Major-General, Witness Magwanya, and

the head of the Security Branch, Major-General M Ngcanda. They were granted R 1000 bail each

Four Mdantsane security officers granted bail of R500 each were Colonel Mabandla Mbejeni, Major Mpikiseli Potwana, and two warrant officers, Tamsanqua Hlulam and Khayaletu Mcandana

The judge said yesterday there was an amendment to the bail conditions of the accused. The two generals were to report at the Zwelitsha Murder and Robbery squad offices at 8 am and 4 pm on Mondays and Thursdays

The appearance of the accused follows the discovery of the body of Mr Mtonga, which had multiple injuries and a stab wound in the chest, on the outskirts of King William's Town on July 25 last year

All the accused have pleaded not guilty to murder, defeating the aims of justice and contravening the Police Act

The hearing was postponed to February 1 and the accused's bail was extended — Sapa



# Envoy to intervene over SA citizens

CP Correspondent

105

THE South African Ambassador to Ciskei has agreed to intervene on behalf of Peeltion residents who have claimed harassment by the authorities.

Chris van Aardt agreed to approach Ciskei's Minister of Police, DM Takane, and ask for "more lenient" treatment for the group.

However, he emphasised that he would not ask Ciskei to not enforce "normal law and order" in the area.

The Ciskei court recently granted the community an urgent interdict aimed at preventing the Ciskei police from assaulting or harrassing them.



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Offen 11/12/84 CP Correspondent

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# Eurotrust liquidation pending in Ciskei

BISHO — A provisional winding-up order was granted against Eurotrust in the Bisho Supreme Court yesterday.

And the trustees of the estate of Mr Albert Vermaas, appointed by the Pretoria Supreme Court, were granted recognition in Ciskei.

Judgment in the application for the provisional liquidation of Eurobank was postponed until Tuesday.

Mr Justice Claassen granted the order against Eurotrust, returnable on February 17 next year, after being assured that a decision on Eurotrust would not pre-empt his decision on Eurobank.

An affidavit put debts which could not be met by Mr Vermaas at R11,2 million, Verco's at R71,6 million and Eurotrust's at R61,7 million.

Mr Vermaas is the sole shareholder of both companies. — Sapa.



# Broadcasting chief held <sup>105</sup> in Ciskei <sup>15/12/84</sup>

BISHO — The managing director of the Ciskei Broadcasting Corporation, Mr Dambile Tuswa, has been arrested and suspended from his post.

Ciskei's deputy director-general of Foreign Affairs and Information, Mr Headman Somtunzi, said Mr Tuswa was arrested on Tuesday night by the Ciskei Police's commercial branch.

It is understood that Mr Tuswa is being questioned in connection with the disappearance of between R164 000 and R184 000.

Mr Somtunzi would only say the arrest related to "financial and monetary matters". He said no one else had been arrested to his knowledge, and Mr Tuswa was expected to appear in court on Monday.

This is the third time Mr Tuswa, who was appointed in 1983, has been suspended from his post. — Sapa

**CP Correspondent**

THE struggle of Potsdam residents in the Ciskei to regain their South African citizenship continued in the Grahamstown Supreme Court when their application was heard last week.

The application has been brought against the SA government and the Minister of Home Affairs.

The applicants - Nellie Nozewu, Velile Dasi and Popo Ntwanambi - and the other residents of Potsdam are part of the Blue Rock settlement community, near East London, that was forcibly removed to Ciskei in June 1983.

The three applicants have applied for a court order:

- Confirming their right to permanent residence in SA without any permit or exemption.

- Interdicting the respondents from preventing the community from being permanently resident in SA.

- Interdicting the respondents from subjecting the community to forced removal from SA.

- They are also asking the court to prevent the respondents from destroying their dwellings. They further allege severe harassment by Ciskei authorities.

- Friday's application follows two unsuccessful attempts by several thousand Potsdam residents to flee Ciskei last year for a new

*Cliffen 18/12/88*  
**Potsdam  
fights 105  
for right  
to live 229  
in SA**

home in SA. Each time South African authorities forcibly trucked them back to the Ciskei.

The applicants claim they are SA citizens by birth and have lived in SA all their lives until their removal to Potsdam.

They further claim that the Blue Rock settlement falls mainly in South Africa.

However, the respondents claim that the Blue Rock side of the squatter camp falls under Ciskei, with the overspill moving into SA.

Both sides have filed surveyors reports supporting their arguments.

The action was first brought last year as a matter of urgency because the applicants claimed they and other members of the community feared for their

lives. However, Judge MP Jennet ruled that the matter was not urgent and the respondents undertake not to subject the Potsdam group to forced removals from South Africa.

Counsel for the applicants argued that it was indisputable that the SA government co-operated with the Ciskeian security forces in removing squatters from within SA to the Ciskei.

It had been acknowledged that the removal and destruction of homes took place by mere administrative action, involuntary and without recourse to the courts.

They further argued that the right to freedom of movement was a fundamental liberty recognised and protected by the law.

Counsel for the government and the Minister of Home Affairs argued that the settlement in which the three applicants resided before June 1983 fell within the Ciskei.

They further argued that the language spoken by the applicants was used by members of a tribe which formed part of the Republic of Ciskei.

They held that the applicants became citizens of Ciskei at independence on December 4, 1981 and from that time were no longer South African citizens.

Judgment was reserved.

- Ana

# King's vision of future

BISHO — The Zulu monarch, King Zwelithini Goodwill, has predicted a southern African economic community stretching from Zaire to South Africa.

He was speaking at Bisho stadium at the marriage on Saturday between his sister, Princess Nomusa, to Prince Maxhobayakhawuleza Sandile of the Ciskei royal family. *SA 19/12/84*

Guests of honour included the South African Foreign Affairs Minister, Mr Pik Botha.

King Zwelithini said the marriage was a further strengthening of the family ties between the Zulus and blacks in the Cape.

## BRANCH BONES

"There will one day be a really great southern Africa on a powerful continent of Africa," the Zulu King said.

"There will be a great unity as all the nations of southern Africa tolerate only those vested interests for themselves which other nations in turn can tolerate."

Barriers of communication between nations would be eliminated and there would be what he called "an economic backbone to southern Africa".

It would stretch from Zaire in the north to Cape Town in the south and there would be "branch bones" in Zambia, Mozambique, Botswana, Zimbabwe and Namibia.

"Everywhere people and nations will begin putting first things first and everywhere there will be real unity in opposition to poverty, ignorance and disease," King Zwelithini said — Sapa.



people and injuring 28 others, police said.

*CAPE TOWN 20/12/88* 105  
**Bishop to protest to Sebe**

**EAST LONDON.** — The Anglican Bishop of Grahamstown, Bishop David Russell, is to make representations to President Lennox Sebe and the South African Ambassador to Ciskei, Mr Chris van Aardt, over the actions of Ciskei police who prevented him from leading a church service on Sunday.

Reports by Staff Reporter, Own Correspondent, Sapa-Reuters-AP and UPI

976-1114 20/12/88 (105)

## 1 hurt as midnight blasts rock the centre of Bisho

Own Correspondent

**BISHO.** — One person was injured, a garage was extensively damaged and the Pick 'n Pay shopping centre was slightly damaged by two explosions which rocked the centre of Bisho shortly before midnight on Sunday.

The first explosion ripped off the roof and shattered the windows of a garage's toilets. An eyewitness, Miss Holuntu Maphi, said a man at the garage was slightly injured when he was struck by pieces of glass.

The second explosion occurred outside Pick 'n Pay, a few metres from a telephone booth. It cracked windows and a wall and caused a ceiling to collapse.

Police said no arrests had been made.

CHIT-71075 20/12/88

105

# 3 cops, clerk 'detained'

**EAST LONDON.** — Three senior Ciskei police officers, among them two generals, and a government clerk are believed to have been detained in Ciskei.

The three policemen are Major-General Zandisile Witness Ngwanya, Major-General Phakamile Mountain Ngcanga and Colonel Vuyani Genda.

The clerk is the recently demoted former chief director of central personnel administration in the Presidency Department, Mr Fikile Gatya, a former police major.

The four men are reported to have been detained last Wednesday.

The deputy director-general of Foreign Affairs and Information, Mr Headman Somtunzi, said yesterday that he would have to speak to the police before he could comment, since it was a police matter.

The head of the police directorate of public relations, Colonel Avery Ngaki, could not be contacted for comment.

The wives of the four men said yesterday that their husbands had not returned home since Wednesday. They could not say whether their husbands had been detained.

General Ngwanya, deputy commander of the Elite Police Unit,

General Ngcanga, head of the security police, and four other policemen are standing trial for the murder of Mr Eric Mntonga, co-director of Idasa in the Border.

The six accused were briefly detained by security police after being released on bail earlier this month.

The case has been postponed until February 1 next year. After his demotion Mr Gatya was transferred to the health department at Whittlesea.

Colonel Genda was transferred from the elite unit to the uniform branch and stationed at Zwelitsha — Sapa



# Win or lose, it's trouble for Potsdam

A CISKEIAN community involved in a court battle to determine its right to live in South Africa faces a bleak future, whether it wins or loses its case.

The community was forcibly removed from South Africa in 1983 and dumped in Potsdam in the Ciskei. They have twice tried, unsuccessfully, to flee from the Ciskei.

They have now applied to the Grahamstown Supreme Court in an attempt to get the authorities to recognise their right to live in South Africa by virtue of the fact that they hold South African citizenship.

The application was brought against the South African government and the Minister of Home Affairs. They are asking the court to confirm their right to permanent residence in South Africa, interdict the respondents from preventing them from being permanently resident in South Africa, and from subjecting them to forced removal from South Africa.

They allege they have been severely harassed by the Ciskei authorities.

But even if they succeed, and are given the right to live in South Africa,

WMAIL 105  
By BEVERLEY GARSON  
15-22/12/85 Grahamstown

they still face the major problem of finding a place to settle.

The community lived in a squatter settlement at Blue Rock in the Eastern Cape until 1983, but was removed to Potsdam, near Mdantsane in the Ciskei.

Members of the community claim that Blue Rock fell mainly in South Africa with an overspill into the Ciskei, while the government argues that it fell in the Ciskei with an overspill into South Africa.

Community members argue that they were born in South Africa, acquired citizenship at birth, were at all times resident in South Africa and have not relinquished their citizenship.

The government, however, argues that they lost their citizenship when the Ciskei became "independent" on December 4, 1981.

The community was in the news last year, when it fled from Potsdam and erected shacks at the roadside near Fort Jackson on the South Afri-

can side of the border. The move involved over 300 families and more than 2 000 people.

They were later forcibly moved back to Potsdam, where some of them were subjected to much harassment by Ciskei police and vigilante attacks.

In an affidavit before the court, one community member said they had lived in constant fear of being found by the South African authorities. "If the community is moved back to the Ciskei, we shall no doubt be killed or injured by vigilantes or suffer harassment from Ciskei police."

Judgement has been reserved until next year.

If the application is lost, the community will have to face the wrath of the Ciskei authorities and endure the prospect of continual harassment and destruction of its property.

If the community wins, its problems are still severe. It will have to find land to settle on — an almost impossible task, especially when the new land laws make it difficult for owners to allow people to squat on their land.

— ANA

# Brush with death 105

EAST LONDON — A civil rights lawyer miraculously escaped death in Mdantsane, Ciskei last night when an unknown gunman killed two women seated in a car with him. *Sowetan 27/12/84*

Mr H V K Siwisa, an instructing attorney in the Ciskei terrorism trial involving the border UDF executive member, the Rev Arnold Stofile, was wounded in the upper arm when the gunman opened fire.

The two women killed, whose names police have

withheld, were believed to have been a nursing sister and teacher.

Mr Siwisa and another unknown woman were admitted to hospital.

Their condition was described as "not serious" by a hospital spokesman

An eye witness to the shooting said Mr Siwisa and three others were seated in a car at a party in Mdantsane when a man arrived in a car and suddenly fired shots. — Sapa.

# 'Foreign' rifle used in Ciskei shooting

105  
Sawetam  
28/12/88

MDANTSANE, Ciskei — An automatic rifle of "foreign origin" was used by an unknown gunman during an attack on the car of a civil rights lawyer in which two women died here during the long weekend, a Ciskei police spokesman said yesterday.

He said Mr Hintsu Siwisa, a civil rights lawyer and former treasurer of the United Democratic Front in the border area, Mr Jeff Wabena, national co-ordinator for the Domestic Workers' Union, and Mr Billy Shiyani, the local chairman of Cosatu, were injured in the shooting which occurred in Zone 10, Mdantsane.



# Sebe sacks two, takes over army

105  
Cape Times 31/12/88

BISHO. — Ciskei President-for-life Mr Lennox Sebe is to take over command of the Ciskei armed forces.

He also announced a cabinet reshuffle here yesterday, including the axing of two ministers.

The Minister of Tourism and Aviation, Mr L M Yako, is to become a government liaison officer in a coastal region, while the Minister of Posts and Telecommunications, Mr Lindile Williams, has been made a manager in Ciskei's Small Business Development Corporation.

Zwelitsha MP Mr E L Roqoza will take Mr Yako's place.

Earlier this year, Mr Yako's policy speech was rejected in a surprise rebuff by the chief whip, Mr N G Stengile, who told parlia-

ment the speech did not reflect what had been done with the department's R7,4 million budget.

Mr Yako was not afforded a chance to reply.

Mr Yako's son, Mr Monwabisi Yako, an Mdantsane businessman, was detained in September this year and is due to appear in court in February in connection with allegations of harbouring a terrorist and possession of arms.

The Minister of Defence, Chief D M Mavuso, will replace Mr Williams as Minister of Posts and Telecommunications.

Chief Mavuso, a former chief whip, had been Defence Minister since January 1985.

The deputy director-general for foreign affairs and information, Mr Headman Somtunzi, said Mr Williams had been relieved of

his post because of ill-health. He said Mr Williams had not fully recovered from a car accident earlier in the year.

Mr Williams previously held the posts of Minister of Agriculture and Forestry and Minister of Internal Affairs and Land Tenure. He was appointed Minister of Posts and Telecommunications in 1987.

Mr Somtunzi said the MP for Zwelitsha, Mr M M Gebe, had been appointed Deputy Minister of Defence and would run the department under the command-ership of the president.

Mr Somtunzi said there was nothing unusual in the president being head of the Defence Force.

"As head of state, he is also commander-in-chief of the Defence Force," he said. — Sapa

# Sebe is also armed forces chief

105  
Star 31/12/88  
BISHO — President Lennox Sebe is to take command of Ciskei's armed forces

This was announced by the president yesterday, along with a Ciskei Cabinet reshuffle including the axing of two of his Ministers

One, the dismissed Minister of Tourism and Aviation, Mr LM Yako, has been made a government liaison officer in

a coastal region, with the other, the dismissed Minister of Posts and Telecommunications, Mr Lindile Williams, becoming a manager in Ciskei's Small Business Development Corporation

The Minister of Defence, the Chief DM Mavuso, has been appointed to replace Mr Williams as Minister of Posts and Telecommunications

The MP for Zwelitsha, Mr MM Gebe, had been appointed Deputy Minister of Defence and would run the department under the command of the president.

A Cabinet spokesman said there was nothing unusual in the president being head of the defence force.

"As Head of State, he is also commander-in-chief of the defence force." — Sapa.