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Nyanda unveils future plans

Lieutenant-General Siphwe Nyanda becomes head of the South African National Defence Force today. He spoke to Soverain's Willie Bokala last week on the eve of taking over

WILLIE BOKALA (WB) Why are you still wearing the old South African Defence Force (SADF) uniform?

SIPHIWE NYANDA (SN) No, we have decided to do away with the old brown SADF uniform. We have chosen to use the new one that was being developed by the old SADF but which was not yet in service.

We have not yet done that because of financial considerations. However, you will recognise that the ranking insignia on this uniform is different from that used by the SADF.

WB Were you always looking out to becoming a general in the South African army one day?

SN I was Chief of Staff of Umkhonto weSizwe (MK) before to the 1994 elections. We had our own generals, people who commanded regions. When we fought in Angola, we were regarded by our units as generals.

Umta itself has many generals even though they operated as a guerrilla force. It is just that we in the African National Congress never commissioned ranks and never decided to call our people colonels or generals.

WB You were a journalist before you left the country. Did you want to end up in the military even then?

SN No actually, I thought I would leave the country, come back quickly, fight, dispose of the apartheid regime and then go back to my job as a writer. I never thought I would remain a soldier.

This does not only apply to me. There are many other people who were teachers and doctors, but no longer practise their professions. I think we were shaped by what we were doing outside. I became a soldier in exile.

WB Who exactly would you say is Siphwe Nyanda?

SN Siphwe is somebody who was born and bred in the sprawling township of Soweto and knows both its vibrancy and callousness.

I saw the misery of our people and experienced first hand their suffering under apartheid. I decided at some stage that I would fight against apartheid.



(201) Soverain 11/6/98

My old man wanted me to do medicine. I wanted to study mathematics and probably teach mathematics. But we were circumscribed by the opportunities open to Africans. There were few academic fields open to us.

I ended up being thrown out of university (University of Zululand) and did several jobs before becoming a reporter.

WB Does it mean you were a militant at university?

SN Very few people were not militant at university. The South African Students' Organisation was launched at our campus in 1970, when the Black Consciousness Movement (BCM) was just emerging.

Almost the whole university became members. Political organisations were banned and the BCM became the first real political home of the young generation.

It was a precursor to other organisations that followed, including the Union of Black Journalists of which I became a member.

WB As the new chief of the South African National Defence Force (SANDF) what changes do you hope to bring about?

SN In the first place, we need to create an SANDF that is capable of discharging its functions as required by policy, and we think the Constitution requires us foremost to defend the country's territorial integrity.

We don't need a defence force that threatens other countries. We need to have a defence force that respects human life that respects civilian authority and that is not a law unto itself.

There are many elements to this vision. We need to have a force that is representative of the population of South Africa, that begins to address the policy concerns of the Government on representation in all its structures.

WB The Meiring Report (submitted by General Georg Meiring to President Nelson Mandela), bogus as it appears, mentions your name among those who allegedly planned a coup. Why did you never confirm or deny it?

SN There was no need for me to deny it because the report was repudiated as soon as it became known. There was a reputable commission of respected judges who decided that the report was fraudulent.

So I did not think I would be gaining anything by trying to deny it because it was discredited from the beginning.

WB How will you deal with the problem of integration in the SANDF?

SN I will not deny that it is a problem, but it is not only a problem for me. It is a problem for the management of most institutions in this country. In the SANDF we are trying to integrate people of different cultures who also operated under totally different systems and backgrounds.

Some come from a guerrilla army, while others come from a conventional army. The difficult thing is managing it. It is something we have to deal with and intend to form one military culture. There is a basis for this unity because these people are soldiers.

And with soldiers the element of governance is the same. They have to follow a certain kind of conduct - discipline governs them and there are orders to follow. There are the do's and the don'ts.

WB Coming to your office now - someone once looked for the MK office at the SANDF. Are there still separate offices?

SN No, there is nothing like a Transkei army office (for instance) or the Azanian People's Liberation Army.

(Apia) and MK were the only forces who were so-called non-statutory. What was supposed to happen on April 27 1994 when the SANDF was formed was that all 13 000 or 20 000 of Apia and MK forces were to come together into a single pot.

But it was not physically possible and we had to stagger the intake, which resulted in many of our people remaining outside. Many of them still remain outside.

That is why we need MK and Apia people to assist and facilitate the process of their entry. We call these offices closing-down offices.

WB You have been in a conventional military situation for four years. Are you experienced enough to run the SANDF?

SN We have had many instances of guerrilla armies taking over governments. Some of them did not have to wait four years to lead. Nor did they attend all the requisite staff courses of a conventional army, as I did.

WB What do you do when you are not in uniform?

SN I relax with family and friends. I read most of the time and listen to music. I also go to the stadium to watch soccer.

Nyanda unveils future plans

(25th) Sowetan 1/6/98

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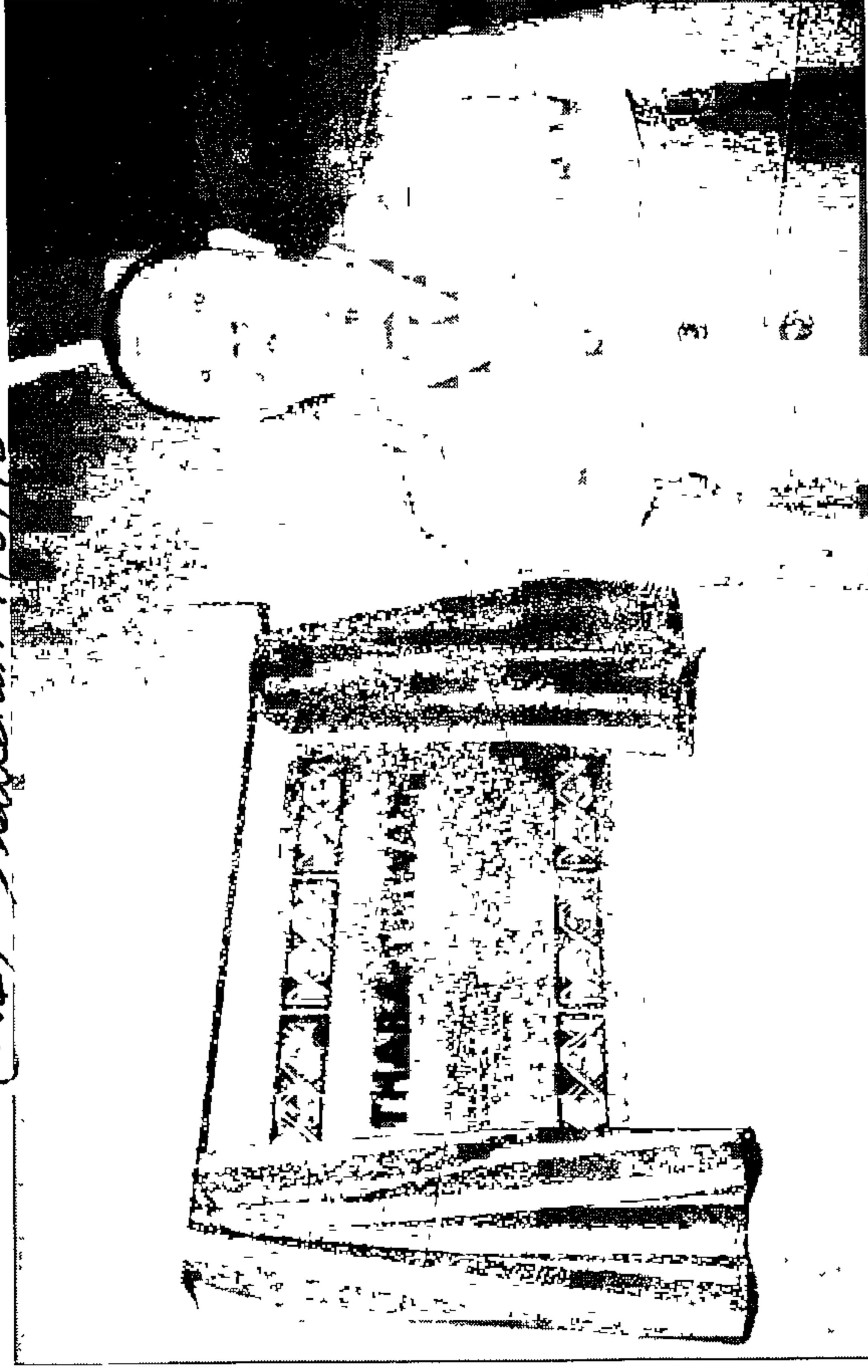
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The new general of the South African National Defence Force, Lieutenant-General Siphwe Nyanda, captured during a ceremony for the renaming of Voortrekkerhoogte to Thaba-Tshwane outside Pretoria recently. PIC PETER MOGAKI

My old man wanted me to do medicine. I wanted to study mathematics and probably teach mathematics. But we were circumscribed by the opportunities open to Africans. There were few academic fields open to us.

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SA takes 'pocket'

Eskom set to build new-generation,
'safe and environmentally friendly'
stations, for export and for local use

1/6/98

(254)

BY JAMES CLARKE

South Africa is poised to deliver - worldwide - a new generation of environment-friendly, safe, "pocket-sized" nuclear-power stations which can be placed on factory premises or in municipal areas

The neat "clean power" generating plants, based on a different technology to present nuclear stations, have been developed by Eskom. An important factor is that they do not need water to cool them.

The 100MW stations, about the size of a large house, are based on a gas-cooled pebble-bed modular reactor

They will slash greenhouse-gas buildup and scenery-spoiling high-tension wires

The "pocket" power stations are easy to build and transport. Their reactors fit on the back of a truck. One station would generate enough power for a medium-sized town.

The man behind the programme is David Nicholls, a former submarine commander who emigrated from England 17 years ago to work at Eskom's Koeberg nuclear power station.

Nicholls said the new power plants would render obsolete the conventional nuclear power stations such as Koeberg, which have been anathema since the Chernobyl disaster.

Although the technology has been perfected in Germany, South Africa could build the first prototype, probably next to Koeberg, and go into production within four years. The prototype is expected to be up and running within two years.

Although electricity in South Africa is cheap by world standards, pressure to cut down on harmful emissions from

coal-fired power plants is expected to increase.

Nicholls has already begun a sales trip to France, Germany and the Far East. Countries such as Japan and Indonesia have expressed interest in the programme, Eskom spokesman Peter Adams said.

The "pocket" power stations have minimum environmental impact and are fail-safe because, according to the designers, they cannot melt down. They produce no pollution and store their own waste for 40 years of their life. The plant can then be imploded and covered by a mound.

The "safety zone" required for the stations is only 400m, compared to 60km at Koeberg.

In a worst-case scenario, the plant could be abandoned and left to cool down, because it is self-regulating.

Adams said the next step was to build a plant and demonstrate its acceptability. "There will be an environmental impact assessment and the public will be left to decide."

Adams said the project had been shown to the Government, which had expressed approval.

Eskom plans to produce 10 stations a year for local use and 20 for export. This could create thousands of jobs and become a major earner of foreign exchange.

The cost of producing one plant is R365-million. Unit for unit of electricity, this does not make the small plants' output any cheaper than electricity from coal-fired stations, but millions of rands are saved because no cross-country transmission lines are needed.

▶ Report and graphic

N-power lead

Theft of arms a national CRISIS

CT 2/6/98
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THE continued theft of weapons of war from a military base near Bloemfontein, which thieves have hit twice times in two weeks, elicited outrage yesterday from the chairperson of the parliamentary joint standing committee on defence, Tony Yengeni.

The thefts had become a "national crisis", Yengeni said.

In the latest incident on Monday, nearly 200 000 rounds of ammunition were stolen in an apparent hi-jack from a truck ferrying weapons from Tempe base near Bloemfontein.

On the weekend of May 17 thieves took a major weapons haul from the same base, including hundreds of automatic weapons, rocket launchers, grenade launchers, mortars and machineguns.

Reports originally blamed thieves again last week for thousands of rounds of ammunition reported missing, but they were then found to have been issued for training, according to the commanding officer of the base, Major-General Mos Grobler.

A senior Free State army officer is being charged with dereliction of duty following the two thefts of weapons and ammunition in Bloemfontein in the past two weeks.

A Free State command spokeswoman said yesterday the officer was from a maintenance unit at Tempe military base. He appeared on Monday before a military court.

She would not give the officer's name or rank.

Police and army experts are trying to piece together the circumstances concerning the theft of 117 military weapons from 44 Parachute Brigade two weeks ago, and Monday's incident.

The two drivers of the 10-ton Samag truck in this week's incident, Corporals Chere Leisenyane and G van Wyk, are still missing. The truck was found a few kilometres outside the city.

Speaking at a meeting of the National Assembly's joint standing committee on defence yesterday, Yengeni said the situation had gone "far enough".

The committee has called for a probe and suspension of the entire chain of command at the base.

Defence Minister Joe Modise visited the base yesterday and was briefed by the chief of the army, General Reg Otto, and senior officers of Orange Free State Command. There was no statement from Modise last night.

● Ten R4 assault rifles, 11 rifle shells, 15 magazines and 30 rounds of ammunition were stolen from an 8 Engineering Regiment store at the Wynberg military base in March.

The thieves sawed through a security gate and broke down a door to gain access to the weapons.

WP Command spokesperson Riaan Louw said yesterday the army and the police were investigating the break-in — Parliamentary Bureau, Security Writer, Sapa

Two SANDF members arrested, body found after theft at army base

Vuyo Mvoko

CAPE TOWN — Two SA National Defence Force (SANDF) members with alleged right-wing connections have been arrested following the recovery of weapons and ammunition stolen recently from the Tempe Army Base in Bloemfontein.

Police divers also recovered the body of one of the two SANDF members who went missing when an army truck was hijacked and dumped on Monday without the weapons that

were in transit. The second soldier is still missing.

Deputy Defence Minister Ronnie Kasrils told a joint meeting of Parliament's security and defence committees the two drivers did not appear to be involved in the theft. He indicated that further arrests were expected, and said: "There are suspected to be right-wing connections." He had no indication what the thieves had intended to do with the weapons.

Safety and Security Minister Sydney Mufamadi said the two arrested

would be "well-guarded and secured to prevent attempt at escaping".

Mufamadi said: "Due to the sensitivity and nature of this case, no further information can be made available." More arrests were imminent.

The recovered weapons, Kasrils said, included rocket launchers, R4 and R5 rifles, machine guns, grenade launchers, patrol mortars and radios. Between 13 and 17 rifles, however, were still missing.

The report of a high-level probe of the state of security at Tempe had been

completed, Kasrils said, and although he and the minister had obtained it, SANDF chief Siphiwe Nyanda still had to examine it.

Kasrils said he could say that lack of security, discipline and the attitude of some members of the SANDF at army bases were causes for serious concern.

Mufamadi said he would brief the cabinet committee today on the preliminary impression of the units that were investigating the matter. "This is intended to ensure that as the defence ministry is looking at ways of tightening up control around arms and ammunition depots, they take into account the insights which our investigators have on this matter," he said.

Reuter reports Mufamadi said the breakthrough in the investigation should be taken as a sign that government would clamp down on the crime wave sweeping SA. "This breakthrough must tell everybody in the country that our people have nothing to fear as there are men and women in our security establishment who are determined to take the war to criminals."

base

The army's base of

Inquiry into arms thefts at Tempe reveals lax attitudes and appalling security, says Kasrils, as arrest of two soldiers is announced

(2914)

Star 4/5/16/198

By Jovial Rantao,
Norman Chandler and
Raphael Banda

Security and staff attitudes at the Tempe army base outside Bloemfontein - at the centre of the arms-thefts saga - were so lax that soldiers sometimes drove home in army vehicles, and trucks would go missing for days without anyone noticing. Deputy Defence Minister Ronnie Kasrils said yesterday.

had been arrested and faced a court martial. He is to be charged with negligence. Kasrils told Parliament's joint standing committee on defence that the two suspects, from 44 Parachute Brigade, apparently had right-wing links. They face charges of murder, armed robbery, housebreaking and theft.

Michael Leksanyane (28), who went missing when the truck was hijacked. His colleague, Corporal GH van Wyk, is still missing. Recovered during the arrest were R-4 rifles and 22 ammunition, four RPG rocket and grenade launchers, three Browning machineguns, eight mortars, and two-way radios.

The findings of the board of inquiry established after the first thefts are that there are poor levels of security and poor attitudes of personnel," said Kasrils. He gave the example of a soldier who took a Mamba from the base and parked it at a



Body found ... Corporal Chere Michael Leksanyane (left), Missing ... Corporal GH van Wyk

were able to break into the main arms storeroom but could not penetrate a steel door. They were then able to break into another arms and ammunition store without being detected. They were also able to steal a Samag military vehicle, load their loot, and drive through the gates without being stopped. Safety and Security Minister Sydney Mufamadi said yesterday the men were arrested during an operation carried out by the SAPS, the defence force and the air force. He said police would strongly oppose bail when the two appeared in court today. Mufamadi will today brief

the cabinet committee on security and intelligence and the Defence Ministry on the investigations into the theft of arms. The military board of inquiry into the May 18 theft of arms has submitted recommendations to Defence Minister Joe Modise and Chief of the SANDF General Siphiwe Nyanza. A separate board of inquiry is to probe the hijacking of the army truck. In another case, three soldiers from Tempe are facing charges in connection with the theft of a military vehicle from the army base two weeks ago. The ANC, reacting to the

arrests, called for the tightening of security at military installations. The Government has issued a security alert, fearing that an insurrection is being planned which could overturn democracy in the country before the 1999 general election.

Freedom Front leader General Constand Viljoen rejected the existence of any right-wing plot to destabilise the country. "I don't know of any right-wing elements considering an uprising that might be in need of weapons," he said.

Chronicle of events

Shame

SANDF arms thefts: the chronicle of events

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By JOVIAL RANTAO
Political Correspondent

Cape Town - The drama of what has become known as the biggest theft of arms from the SA National Defence Force in the past year started at 8am on May 18 at the Tempe army base near Bloemfontein when it was found out that rifles and other weapons of war had been stolen.

It was discovered on the same day that two military vehicles - a Mamba and a Samag had "disappeared".

Subsequently, Defence Minister Joe Modise announced the reinforcement of security at Tempe and other army bases, and a board of inquiry was set up. An investigation team comprising police and military intelligence was established and sent daily reports to Modise and President Mandela.

■ On May 19, a Tuesday, a partly burnt-out Samag, with no registration plates, was discovered by police and traced to a brigade at the Tempe army base.

The Samag had been used to drive the stolen arms out of the base. The Mamba was discovered in QwaQwa, near Witsieshoek in the Free State. A member of the

SANDF, found travelling with civilians, was arrested.

He was released when it was discovered he had "borrowed" the vehicle from the army and could not be linked to the weapons theft.

■ On May 29, Tempe army base announced the theft of 66 rifle magazines. It emerged later that there was no theft: the magazines had been transferred to another unit within the base and had been reported as stolen by mistake.

■ Two SANDF members from Tempe drove an unescorted army truck with 8 000 rifles and 120 000 rounds of ammunition to Ladybrand on June 1. They were hijacked 40km from Bloemfontein. Investigation efforts were doubled and a military board of inquiry was established.

■ June 3. Police arrested two soldiers from the base. The arrest led to the recovery of all but 15 rifles stolen from the base. The arrest also led to the recovery of the body of one of the drivers from a dam by police drivers.

■ June 4. The two suspects appear in court to face possible charges of murder, hijacking and theft.



SURF'S UP: NCOP chairperson Patrick Lekota and his deputy Bulelani Ngcuka have fun in the new cyber café launched in the National Council of Provinces' reading room in Parliament yesterday as Marlon Abrahams of M-Web looks on

NCOP gets on line with launch of cyber café

PRISCILLA SINGH

PATRICK LEKOTA celebrated the launch of the National Council of Province's new cyber café yesterday by sending a virtual greeting to President Bill Clinton

Sponsored by M-Web as part of its community social investment drive, the café is the first online facility of its kind and will provide all MPs with Internet access through five PCs housed in the NCOP reading room

the launch of the café was another powerful weapon in the arsenal of MPs' research and information facilities

"Technology will play an increasingly important part in reducing the gap between the politicians and the people. The new cyber café will not only bring Parliament closer to the people, but will bring the world closer to MPs

"It will also promote Internet literacy, and where better to start than with MPs?" Lekota said

He said he envisaged huge sav-

PICTURE THEMINKOSI DWAVISA

ings in time and travel costs for provincial legislatures, which could access all decision-making processes and amendments "without picking up the telephone"

Marlon Abrahams of M-Web, said "M-Web places a strong focus on education, youth and government. By working with Parliament to embrace the challenge brought by new technologies, we hope to forge a partnership that will empower communities by bringing them IT understanding and access"

SANDF men held for weapons thefts

(271) CI 4/5/98

BLOEMFONTEIN. Two SA National Defence Force members believed to have right-wing connections were arrested yesterday in connection with the theft of large weapons and ammunition caches from the SANDF in the Free State

The two men will appear in the Regional Court here today

Safety and Security Minister Sydney Mufamadi said yesterday that police divers had also recovered the body of one of two SANDF drivers who disappeared when thousands of rounds of ammunition were stolen from an army truck on Monday

Mufamadi told a media conference here that most of the stolen weapons had been recovered, but the other driver was still missing

On the weekend of May 16 and 17 thieves made off with 117 firearms from 44 Parachute Brigade at Tempe Defence Force base in Bloemfontein

The weapons included R4 and R5 rifles, rocket-launchers, machineguns, grenade-launchers and patrol mortars

A stolen Saml truck and a Mamba armoured carrier were later recovered.

In Monday's robbery a 10-ton army Samag truck was apparently hijacked near Bloemfontein and later found a few kilometres from the city without its load of ammunition, including 85 000 bullets used in R4 and-R5 automatic rifles and 100 000, 22 calibre bullets

Deputy Defence Minister Ron-

nie Kasrils, earlier yesterday, told a joint meeting of Parliament's security and defence committees that the arrested men were SANDF members

Mufamadi, however, refused to confirm this, because of "the sensitivity of the investigations"

Mufamadi said the state would oppose bail for the two arrested men in the interests of the security of the state

He conveyed a message from President Nelson Mandela congratulating everyone involved in the arrests

"Investigations are continuing, it's just a matter of time before the rest are arrested," Mufamadi said

Kasrils also indicated that further arrests were expected

"There is suspected to be right-wing connections," Kasrils said

He had no indication what the thieves had intended to do with the weapons, and said only 13 or 17 stolen R4 or R5 rifles had not yet been recovered

It's just a matter of time before the rest are arrested

Kasrils told the committee that he and Defence Minister Joe Modise had been briefed on the findings of the military board of inquiry that probed the Tempe theft, but that he was not able to make them public before they had been considered by the chiefs of the army and the defence force

He did reveal, though, that the report indicated a "very poor attitude of personnel" at Tempe — Sapa

Troops apply to High Court for right to join a union

Stephané Bothma

(251)

PRETORIA — SA National Defence Force (SANDF) troops, thousands of whom face reattachment in the next three years, will approach the High Court later this month in a battle for the right to join a union.

An application has been filed with the Pretoria High Court by the SANDF union challenging the constitutionality of the 1957 Defence Act in terms of which soldiers are banned from join-

ing a union. The union claims in court papers it has 14 000 applications mainly from uniformed defence force staff. It will argue that soldiers are prevented by the act from enjoying rights to freedom of association, fair labour practices and freedom of expression.

The application is being opposed by Defence Minister Joe Modise, on the grounds that a union would be prejudicial to discipline.

An affidavit filed by SANDF director of service systems Brig Frederick

Fieldhouse claimed the defence force was allowed to limit the rights of its members due to the unique nature of the functions of the defence force as opposed to that of any other employer.

The affidavit claims even if parts of the Defence Act were considered un-

constitutional, the constitution allows for an individual's rights to be limited in certain circumstances. A number of foreign defence forces do not allow trade unions for uniformed members, or do not approve of unlimited unionism, the affidavit claims.

Pathos drives defence force farewell

By Stephen Lauffer

Last week's handover of the military to new SA National Defence Force chief Siphwe Nyanda by Gen Georg Meiring was not without its drama, writes **Stephen Lauffer**

RICHARD Wagner, seen by many as the father of the *Gesamtkunstwerk* that blends show, pathos, mythology and elaborate costumes with high drama and even higher voices against a backdrop of thundering cannon and music with a distinctly military flavour, would have loved it.

It was last Friday at five, after the ceremony at which new SA National Defence Force chief Siphwe Nyanda assumed his new role.

The recently renamed military cantonment of Thaba Tshwane — nee Roberts Heights, divorced Voortrekkerhoogte — was playing host to what resembled a live performance of one of Wagner's most elaborate works *Gotterdammerung* 'Twilight of the Gods'.

As Wagner would have loved it, here were a number of ruddy-faced overweight men in supporting roles, their voices getting louder the longer the evening took and the more freely the cheap army booze flowed. The libretto could not have been better if it had come from the bombastic composer himself. The talk was of battles and victories that could have been.

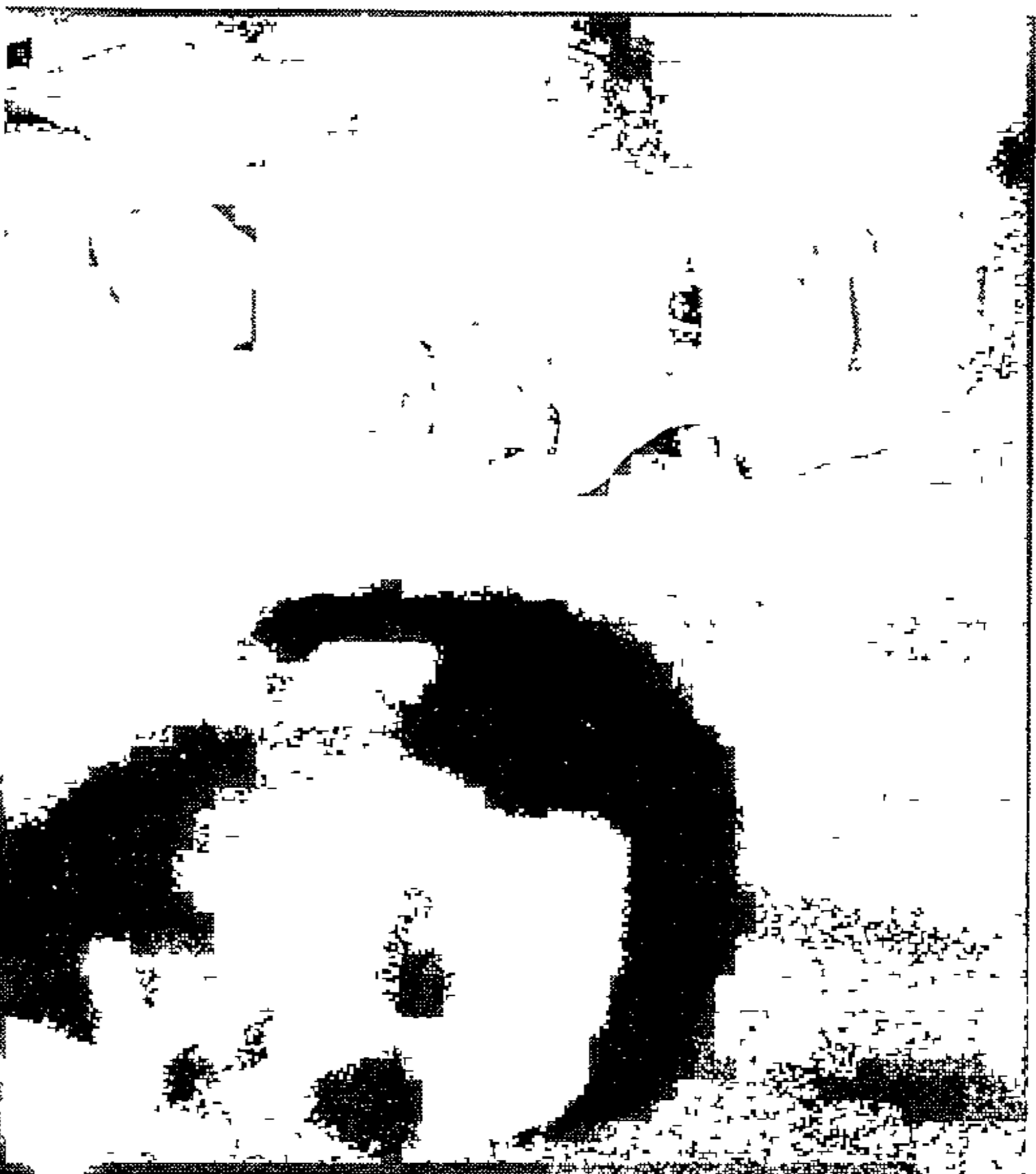
These were men with many years of service behind them, often brave, just as often brutal on that strangely elastic border that stretched from the Richtersveld to a couple of kilometres outside Luanda.

What do they say today about Cuito Cuanavale, the armour battle with the Cubans that became the old SA Defence Force's very own Stalingrad? "We could have taken it if that bloke we buried yesterday had let us advance from the west rather than the east," insisted one major-general in a reference to his recently departed former commander, Kat Liebenberg.

"In any case, we f. . . ed them up and stopped them taking Unita headquarters, which was our real objective."

Thus history's mild look backwards turns defeat to victory, helped along by doses of strong liquor to ease the disappearance of yesterday's gods into the shadows.

Against this Wagnerian backdrop,



Siphwe Nyanda, left, from sports writer to defence force chief

Gen Georg Meiring was in his final starring role. Helped along by warm words from the military attaché and a speech by Defence Minister Joe Modise, Meiring was fading away.

One noted the Germanic spelling of the general's first name and sympathised at his presumed misfortune at being born in 1939. It was the height of the early National Party's fondness for the symbolism and nomenclature so beloved of those other soldiers who believed they could conquer all in the name of *Lebensraum*.

The attachment to their methods, as the truth commission has begun to

reveal, remained even as the fascination for other military nations — Israel, Chile and Paraguay among them — grew. Now was whimper time after all the bangs.

A uniformed string quartet meowed mournfully in the background. The lights were somewhere between low and out, making the twilight so tangible that guests at the reception in the Thaba Tshwane town hall struggled to see both their food and the people they were talking to. Lit by soft red and green bulbs, a plaster of Paris goddess of distinctly Grecian features turned incessantly under a canopy supported

by classic columns (M4)

As a symbol among many slightly misfocused symbols, this was less about the modern Europe that SA is about to do weapons, trade and technology deals with.

Thaba Tshwane town hall may have been renamed recently along with the army town it serves — incidentally at a ceremony ostentatiously avoided by the still-commanding Meiring and his soon-to-be-relieved army chief, Lt-Gen Reg Otto.

He is the officer, one recalls, most strongly criticised by British military observers for his obstructive attitude to integration of the armed forces.

But on a day like this, it was the name of the township next door that rang most sonorously. Valhalla. Traditionally it was the temple of fame dedicated to national heroes and the nation's distinguished dead. But the heroes of yesterday will be no more.

Let them have their last hurrah, the officers and politicians of the new order seemed to say as they joyously toasted the passing of command — if perhaps not yet complete control — of the forces to one of their own, one who fought for a democratic SA.

Together, members of the old and the new, and those who had belonged to the old but have happily made the transition to the new, had watched the parade to say goodbye to Meiring and welcome Nyanda. He is the first black officer and the first former guerrilla to take charge, a significant moment in SA's history, but one which seemed to pass most of the country by.

Not so President Nelson Mandela. It was one of those rare stern-faced days for him, made even more earnest by the dark three-piece suit he generally wears only for his annual budget address. Umkhonto weSizwe's first commander in chief, he is well aware that he who holds military might in the country holds power, as opposed to just holding office.

Star team in 'raid' on Tempe base

BY RAPHAEL BANDA (254)

Bloemfontein

Star 5/6/98

Despite government promises to boost security at Bloemfontein's Tempe military base - at the centre of the arms theft saga - a team from The Star was able to enter the base without a permit and drive around for several hours yesterday.

The main entrance gate to the base is manned by several soldiers, one of whom is armed.

A short distance away is the entrance to 44 Parachute Brigade, from where the weapons were stolen.

The entrance is heavily guarded around the clock by armed SANDF members.

The Star's car was not searched and the team spent more than three hours driving around the Tempe base, talking openly to uniformed soldiers.

Senior officers driving around in their vehicles did not seem to be monitoring the enforcement of base security.

The theft of weapons from 44 Parachute Brigade - an elite unit at the base - prompted the defence and safety and security ministries to promise a tightening of security at military installations.

Soldiers at the base said the brigade was the toughest unit, where troops were professionals and highly trained.

A paratrooper said security at the brigade was very tight and the theft of weapons had taken the unit by surprise.

The weapons have been recovered after investigations, and two soldiers appeared in court yesterday.

■ Police divers yesterday recovered the body of army driver Corporal Gilmore Horace van Wyk (26), who disappeared on Monday when ammunition was stolen from a hijacked army truck near Bloemfontein.

The body of the second driver, Corporal Cherrisaanyane (28), was recovered from the same river on Wednesday.

► Second body found

Minister wants better treatment for all soldiers

Pule Molebeleledi

DEPUTY DEFENCE MINISTER

Ronnie Kasrils asked senior army officials yesterday to improve the working conditions of ordinary soldiers as continued "un-necessary" demands for the formation of a trade union within the army.

Speaking at the annual SA army conference in Pretoria, Kasrils said in terms of defence policy no trade union would be recognised by the SA National Defence Force.

"This decision has also been endorsed by President Nelson Mandela," he said.

In transforming the defence force and achieving a united force, he said, a new ethos for ordinary soldiers needed to be created.

Kasrils said although billions of rands had gone into the defence force's coffers, this had not meant much to ordinary servicemen and women.

He asked if they were treated fairly by their officers or if the officers spoke to their charges in the language that they could understand.

Kasrils also asked if salaries were paid on time.

Kasrils said a report by the British Military Advisory and Training Team had identified

an average of 600 disputes a month over the administration of salaries in the SA army alone.

He said the past year, even though there was progress registered in transformation, had seen some disturbing signs of resistance to change.

Transformation, he said, was not only about the defence force operating a merit bonus system that last year paid out R77m — of which an overwhelming R74m went to former SA defence force members.

Soldiers from the former TB-VC states received R3m of this and former Umkhonto weSizwe and Azanian People's Liberation Army only R700 000.

It was hardly the way to build trust and confidence within the defence force and between SA and Namibia by turning the anniversary of the Cassinga massacre into a "five day occasion" over three days, featuring a golf tournament.

"This gross insensitivity took place at the same time as Namibian people were commemorating that appalling massacre," he said.

Kasrils assured whites that they had a future in the defence force and would not be excluded. "All, regardless of background, will have the equal opportunity to advance their careers on the basis of merit."



Maj-Gen Gilbert Ramamo, soon to be appointed new chief of the SA army, at the annual army conference in Pretoria yesterday

Picture: ROBERT BOTHA

Time has come for changing of guard, Kasrils tells army top brass

Star 12/6/88

(2/11)

Disturbing signs of resistance can't be ignored, says deputy minister

By NORMAN CHANDLER
Defence Correspondent

The SA Army's top command structure sat stony-faced yesterday as it was told in no uncertain terms that the days of apartheid-style command and control and terrorising of non-statutory forces are over.

Ronnie Kasrils, the Deputy Minister of Defence, lectured more than 250 top officers at the annual army conference in Pretoria on the need to speed up transformation, and admitted there were "disturbing signs of resistance to change".

He described his address as "a barrage of fire shooting from the hip".

Kasrils said the time had come for "a changing of the guard" but that there was a

future in the South African National Defence Force for former SA Defence Force (SADF) white officers who were prepared to embrace the ideals of democracy and the new South Africa.

The appointment of a black chief of the army, and black officers commanding territorial commands were not cosmetic.

"We have been compelled to make them as it is the only way we can bring about representivity in the armed forces. Five of the top 10 army generals are black and this is extremely positive in anyone's terms and bodes well for real unity and partnership within the army," he said.

"Indisputably, the changes are for the good of the armed forces. All those prepared to honestly participate in a new

SANDF have a promising career. References to pigmentation will fade away."

He said the dominance of former SADF members in the integration process which resulted in the formation of the SANDF had led some to conclude they were in charge of the new military, while former liberation force personnel found themselves on the outside looking in.

There were disturbing signs of resistance to change, however, and "one cannot gloss over the issues".

"One cannot disregard what took place recently at 44 Parachute Brigade where a sergeant was allegedly involved in the cold-blooded murder of two black subordinates. I have met with soldiers who have complaints and one cannot dis-

regard those complaints as perceptions on their part in the light of what has happened," Kasrils said, in a reference to the recent thefts of arms from the Tempe base.

He detailed to a deathly quiet conference room the story of a sergeant-major who had teargassed three former Apla officers "to test their reactions". The sergeant-major was reprimanded, and given R5 000 as a merit bonus and a 20-year good service medal.

The 44 Parachute Brigade's decision to celebrate the battle of Cassinga, in Angola, was an insensitive act, he added.

He then detailed other incidents which reflected a resistance to change.

"It takes, one bad apple to ruin a reputation," Kasrils concluded.

Part-time forces in chaos: callup rejected

The part-time forces (PPTF) of the South African National Defence Force are in a virtual collapse because of a strike on part-time call-up of reserves.

But the Government will continue to call for conscription, which is at risk of being suspended in a few years due to the cost of the army's maintenance.

Defence Minister Ronnie Kasrils said yesterday the Government could not afford to pay the Government call-up of part-time reserves to simply take away from the military the voluntary road and the military's ability to have a discussion in the future.

He said he would meet with the part-time forces in Pretoria on Monday. He said he would be glad to meet with the part-time forces in Pretoria on Monday.

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Army call-ups not on, says Kasrils

ARGUS 12/6/98 (254)

ARGUS CORRESPONDENT

The part-time forces of the SA National Defence Force are on the brink of collapse due to erratic recruitment and a lack of money.

But the Government will continue to rule out conscription, abolished in South Africa more than five years ago, in favour of a voluntary system of service

Deputy Defence Minister

Ronnie Kasrils said yesterday the Government could not allow PTF units "to simply fade away. We continue to want to go the voluntary road and this issue is a subject of further discussion in the Ministry of Defence."

He told the annual army conference in Pretoria that Defence Minister Joe Modise had, after a meeting of the Council on Defence last Friday, prioritised the need for funding the PTF in

order to enable it to end its decline

"We need PTF troops in many respects to help the police, with the elections next year and for area defence," Mr Kasrils said

But he also warned that the PTF had to change in keeping with the transformation of the SANDF and that new units from townships and rural villages should be established

Former liberation cadres question tribunal's fair play

BY JIMMY SEEPE

A TOTAL of 165 South African National Defence Force personnel - most of them former soldiers in the PAC's Azanian People's Liberation Army (Apla) and also a few former Umkhonto we Sizwe (MK) soldiers - escaped being thrown out of the army, following a military court marshal judgment on Friday.

But five others were not so lucky as the military court decided to fine them from the SANDF for having staged a mutiny against alleged unfair pay treatment in the defence force.

However, the military court, held in the Ladysmith military barracks in KwaZulu-Natal, fined each of the 165 members R600.

The decision to charge the SANDF members has caused an unease throughout the military establishment that former liberation movement cadres continue to receive unfair treatment in the force.

Military observers are closely monitoring the SANDF to see whether this year's court marshals would surpass last year's staggering 4 000 charges against former MK and Apla cadres.

South African Navy spokesperson Lieutenant Madeline Gill said on Friday, the SANDF members were charged with mutiny as well as unlawful defiance

of authority.

Gill said those who were fined R600 also received suspended sentences of 180 days in detention barracks and discharge from the SANDF.

She said the sentence has been suspended for three years pending good behaviour. "The members will only be fined R600 provided they do not commit any similar offence within the next three years."

Gill said the decision to discharge five members was influenced by other additional offences they were facing. "These members were found guilty of lawful defiance of authority as well as being absent without leave."

Some of the members who appeared at this week's hearing told City Press that they viewed the charges as a victimisation and an attempt to push them out of the SANDF.

They complained of lack of representation in the military court and said they were not given an opportunity to state their defence.

The soldiers said the charges followed their protest over no pay for three months.

They allege that an inquiry in this regard yielded the response that they should seek an explanation in Pretoria from the Minister of Defence, Joe Modise.

Parliament demands probe into the leak of intelligence report to media

By JIMMY SEEPE

THE chairman of the Parliament standing committee on defence, Tony Yengeni, has called for an investigation into a leaked police intelligence report.

The report suggested the possible involvement of former freedom fighters in the theft of arms from military and police bases.

Yengeni said it was of grave concern to him that the police were about to give a report flawed with inaccuracies to a special parliamentary sitting of the joint standing committee for defence, intelligence and safety and security.

Yengeni, who chaired the special joint parliamentary committee of the three portfolios, said he still

needed answers from the deputy police commissioner, Zola Lavisa, why he had chosen not to present the report to them.

He said he would call on the standing committee for safety and security to initiate a probe.

This week, national police commissioner, George Fivaz, said the reason Lavisa had not presented the report to MPs was because it had been overtaken by the arrests of three suspects, believed to have rightwing connections.

Lavisa had, at the start, asked that proceedings be held in camera later in the day, because of sensitive information he wanted to present.

When the committee met behind closed doors, Lavisa said he had no-

thing to add to what he had said in the open session.

Lavisa had apparently intended to inform the meeting of the contents of the intelligence report, which was subsequently leaked to the SA Broadcasting Corporation.

Yengeni said it was unacceptable that the report was not handed to the committee during its sitting but was leaked to the press.

It has since been established that the report was in fact handed to the chairperson of the standing committee for safety and security, Rapu Molekane, who rejected its contents outright.

But Yengeni feels that Lavisa had a responsibility to give it to the committee which he was chairing at the time.

Fivaz said the report was completed on June 2, to be presented to MPs, the following day, but was overtaken by the arrests. He said the document was merely the first step in a process of investigation.

The report had also mentioned the possibility of weapons being smuggled from Gauteng to Lesotho, via Ficksburg bridge, by former Umkhonto we Sizwe members.

A third assumption was the involvement of former PAC high command members.

Another possibility listed was the re-appearance of MKAPLA, an acronym from the MK and Apla which allegedly wished to destabilise the SA elections next year.

There is now speculation that the report could have been compiled

from interviews conducted by the police with apartheid's former alleged spy, Vusi Mbattha.

However, Fivaz denied rumours that Mbattha, reportedly the source of the Merring report, was also the source of information contained in the police report.

ANC spokesman, Ronnie Mamoeba, said claims that MKAPLA existed appeared to be part of an ongoing dirty tricks campaign aimed at undermining the ANC.

MKAPLA first made headlines in the early 1990s when discredited apartheid military intelligence reports linked the assassinated ANC/SACP leader Chris Ham to the formation and training of such an army in Zimbabwe, he said in a statement.

Mbeki has key to safe with chemical warfare data, says FW

THE STAR 15/6/98

Research data on the former government's chemical and biological warfare programme is safely under lock and key, according to former president F W de Klerk

Last week the Truth and Reconciliation Commission heard of an assortment of gadgets and products developed by the former regime's military scientists, including poison-laced beer and chocolate, and walking sticks that could fire deadly pellets

The TRC also heard about

research into a drug that could make black women infertile, and on drugs such as dagga, Mandrax and Ecstasy to control crowd resistance

De Klerk told Rapport newspaper the research data was locked in a safe that required two keys to open. After he stepped down as president, he gave one of the keys to Deputy President Thabo Mbeki, and the other was with a senior defence force official

De Klerk said he first heard of the chemical research pro-

gramme a month before South Africa's first democratic election in April 1994

"I was given the assurance that the research had been stopped for some time and that all the research was behind lock and key to protect its confidentiality," De Klerk said

"I was further assured that the research was aimed at enabling the defence force to protect the country against chemical warfare and that the aim was not to use aggressive chem-

ical warfare against other countries," he said

Mbeki's spokesman Ricky Naidoo could not be reached for comment yesterday

Naidoo accompanied Mbeki to France last week to attend Bafana Bafana's opening match against France in the World Cup, and it was not yet certain last night whether they had returned.

President Nelson Mandela's spokesman Parks Mankahlana said he knew nothing about the matter - Staff Reporter

WEAPONS DESTROYED, SAYS GOVERNMENT

We don't do chemicals? (a file)

CT 16/6/98 (a file)

JOHANNESBURG: South Africa's biological warfare programme has been terminated in compliance with international convention, the government announced yesterday.

SOUTH AFRICA's chemical and biological weapons (CBW) programme has been terminated and all material which could have been used for offensive purposes destroyed, the government said in a statement yesterday.

Government Communications Information Service spokesperson Joel Netshitenzhe said material produced under the programme had been destroyed in co-operation with countries that had the necessary expertise and in terms of international conventions.

The government was responding to last week's revelations at the TRC hearings in Cape Town into the chemical and biological weapons programme initiated during the apartheid years.

Netshitenzhe said the government practised a foreign policy based on "friendly, humane and peaceful engagement" with other

nations and had no interest in developing weapons of mass destruction.

"The government is also committed to ensuring that the knowledge and expertise gathered in this area should, under no circumstances, become available to any other country, individual or companies," he said.

Netshitenzhe said the government had approached the TRC during the hearings last week to ensure they were not conducted in a way that led to any proliferation, accidental or otherwise, of chemical and biological weapons.

"We are complying with the decision of the TRC on this matter, and shall continue monitoring the hearings to ensure that this principle is not violated," he said.

The government applied to have the hearings heard behind closed doors, but this request was

turned down by the TRC. The government then appointed a legal representative to be present during the proceedings.

"We wish to assure the nation and the international community that the information on the country's CBW defensive capacity is, as

allowed by the international treaties, safely kept under lock and key. The transfer of the keys from the previous government and its agencies has taken place," he said.

During last week's TRC hearings, evidence emerged of the development of an array of toxic substances that could have been used in offensive weapons.

These included devices that appeared to have been designed to dispense deadly poisons as a means of carrying out assassinations.

There was also evidence of the generation of diseases such as

cholera and anthrax and the manufacture of large quantities of drugs such as Mandrax and Ecstasy.

Netshitenzhe said the government was fully supportive of the hearings by the TRC to determine the extent to which the offensive weapons were used in South Africa and abroad. He said

the government was outraged by the revelations and was interested in the answers to the questions they had raised.

The TRC hearings continue on Thursday this week when the former head of

the SA Defence Force's special operations unit and mastermind behind the chemical weapons programme, Wouter Basson, is expected to testify.

Basson faces 10 charges, including instigation to murder, assault with intent to do serious harm and the manufacture and possession of mandrax and ecstasy — Sapa

SA practises a foreign policy based on friendly, humane and peaceful engagement

SA forces losing skilled personnel

Pule Moleheledi

100/7/6/98 (254)

THE SA Navy and SA Air Force are experiencing a drain of expertise as large numbers of skilled personnel, including engineers, flight engineers and pilots, move to more lucrative jobs in the private sector.

Three hundred people quit the navy last year due to poor salaries, navy spokesman Com Lilla du Preez said. She said of this number, 16 engineers and 22 technical officers had been lost since 1996 — a figure which was more than the total of the past five years.

Du Preez said obsolete vessels and equipment were factors in skilled staff leaving the navy as they became frustrated with not being able to work with modern technology.

R-Adm Steve Stead, chief of naval staff operations, said the navy was suffering due to budget cuts. Portnet was also attracting a number of navy staff by offering better packages.

SA Air Force spokesman Capt Louise Siebert said the air force was experiencing the same problem. Of 138 flight engineers employed by the force, 45 had quit during the past two years.

She said 179 pilots had left the force out of a total of 516 during the same period.

The reasons submitted, she said, were better job opportunities elsewhere and the failure to renew expired contracts. To a large extent, the resignations could also be attributed to remuneration, she said.

To train a pilot to operational standard over a period of four years differed depending on the aircraft category, she said, and also on the stage of training. However, the cost of training a fighter pilot was estimated to be R6m and of training helicopter and transport pilots, R2m. The cost to train engineers was not readily available.

Defence Minister Joe Modise told Parliament two years ago that the state had lost R1,1bn after 148 pilots left the air force within a period of six months. At least 104 out of 148 of the resigned pilots gave private sector opportunities as their reasons for leaving, he said.

To curb the exodus, Siebert said pilots were required to sign a contract with the air force for a certain period and were paid an incentive upfront, which had to be paid back should they decide to leave the force before their contracts had expired.

SA defence policy 'a massive waste of money'

DD 24/6/78 (254)

Pule Molebeledi

SENIOR Armscor official Andre Buys said yesterday that SA's defence policy, the Defence Review, was a "massive waste of money" and served only to legitimise the defence department.

At the Institute for Security Studies in Midrand, Buys warned also that if the trend to cut the defence budget continued, "we would be writing force designs every year."

The review was compiled after wide-ranging debates and consultations were conducted by Parliament with various defence role players. It was endorsed by cabinet last year.

The institute's executive director, Jakkie Cilliers, said the country had lost millions if not billions on the review, whose only purpose was to legitimise the defence department through consultations. "It has been a massive waste of money. We have got best policies in SA but we have poor implementation," he said.

Buys, a senior manager for planning at Armscor, agreed with Cilliers and said solutions were sought from the wrong place.

He said SA was a second world country without any military threat, and its primary target was to eradicate poverty, unemployment and crime. "I do not think that will change in the foreseeable future."

Buys said SA had a very personnel-heavy defence force of 94 000 people, caused by the integration of nonstatutory and statutory forces despite sharp defence budget cuts.

Government had to cut defence personnel or increase the defence budget. "I don't think that will come before next year's election," Buys said.

He said budget cuts meant major defence force systems could not be replaced, resulting in the decline of research development and exports.

Buys said there was no development of any major weapons like the G6 or the Rooivalk attack helicopter taking place at the moment in Armscor, due to budget cuts.

"This situation is already beginning to have an impact on the future of the defence industry," he said.

He said there were continuing talks with the trade and industry department to consider introducing incentives aimed at stimulating the defence industry's use of high technology.

While he expressed satisfaction with the national conventional arms control committee for being "very hands-on" in controlling weapon exports, Buys advised government to consider the rules and policy documents regulating the industry. He said at the moment the process was determined more by "political judgement" than by other considerations.

Military to choose own uniforms

(274) Star 2/7/98

By NORMAN CHANDLER

The military, as everyone in the army, air force and navy readily admits these days, is changing for the better

A range of buzzwords have taken over from the old blitzkrieg days of a sergeant-major shouting "you, you and you will volunteer" and "this rifle is your wife". Now it's politeness personified in a world of transformation, rationalisation, demobilisation, etc

The latest bastion to fall is the quartermaster's stores

From yesterday, it is no longer a case of being handed

ill-fitting uniforms by uninterested staff who regarded new recruits with disdain until they proved themselves otherwise

Now quartermasters will stand back and watch with more than a touch of nostalgia as recruits or old soldiers, airmen or sailors select their own uniforms in a store environment more in keeping with clothing stores on Main Street, South Africa

It is part of an experiment being launched today at 10 Depot of the SA Air Force at Thaba-Tshwane, near Pretoria

Officially designated as a

uniform maintenance centre (oh, well, the military can't seem to get away from official-sounding titles), the store will function "like a normal clothing store," says the SAAF.

"Air force members will be able to choose their own clothing and other uniform items from shelves and fit the clothing in their own time"

In the past, if the clothing fitted correctly, well and good; if not, it was a case of volunteering for the kitchens, where at least one could put on the weight needed to fill out so that uniforms would fit one day

Arms-theft witnesses 'fear for their lives'

Right-wing accused being held in isolation for safety

Star 2/7/98 (2/4)

SAPA
Bloemfontein

A policeman investigating the theft of arms from the Tempe military base said yesterday he could not divulge the statements of witnesses, because their lives would be endangered.

Captain Jurg Kruger was testifying at the bail application of Marius Swanepoel (43) in the Bloemfontein District Court.

Swanepoel is accused of the theft of almost 120 weapons from Tempe military base, near Bloemfontein in the Free State, in May and the hijacking of an ammunition truck on June 1.

Two soldiers were murdered during the hijacking.

Kruger told the court he did not want to divulge the contents

of certain statements because witnesses had been threatened. The threats, he said, were made before Swanepoel's arrest.

He said witnesses could be compromised before the trial, should their statements be used

Court to rule on satellite tracking as evidence

in the bail application

Under cross-examination by Swanepoel's lawyer Werner le Roux, Kruger said the investigation was at a sensitive stage.

Le Roux submitted that the evidence had to be heard so that

his client could be granted bail. He said Swanepoel would be safer out of prison, but Kruger replied that Swanepoel was being held in a cell on his own.

The policeman said Swanepoel was the leader of a right-wing group calling themselves "Die Volk" (The People) and that he had planned the heists and had given the orders.

Magistrate JB Koekemoer postponed the application to July 21 when he will rule on whether the statements should be made available. He will also rule on whether satellite-tracking reports will be allowed as evidence.

Swanepoel remains in custody at the Goedemoed prison outside Bloemfontein. Two other accused, brothers Hendrik and Petrus du Preez, are to appear on August 11.

The old guard is still running the show in South Africa's defence force, writes Mongadi Mafata

Rank outsiders: too little, too late as former cadres face a new struggle

(194) ARU 4/1/98

Transformation is just a token word in the South African National Defence Force, say soldiers of the process that started several months ago

Scores of troops interviewed at the Doornkop and Lenz army bases said their lives had not changed significantly and claimed "too little was happening too late"

Most of the soldiers, who spoke on condition of anonymity for fear of victimisation, also expressed anxiety about their future in the army in the light of impending rationalisation and retrenchments following budgetary cuts

Frank Lebiso (not his real name), a former Azanian People's Liberation Army cadre, was made a captain in 1994 when members of the non-statutory forces, comprising mostly former Apla and Umkhonto weSizwe guerrillas, were integrated into the SANDF. But he said the army was still being run by the old guard.

"Nothing has changed and the army's middle management is still dominated by the old SADF guard. These guys are withholding opportunities for promotion and course nominations to former members of the non-statutory forces," he said.

Mandla Dilwayo, also a captain at Lenz army base, joined the SANDF four years ago. He said there was a lack of urgency in addressing rank disputes. "I spent more than 10 years in exile and received training in Russia, the former East Germany and China. My rank does not correspond to the numbers of years I spent receiving training," said Captain Dilwayo.

"I lodged a complaint to have my rank reviewed and the answer I got all the time is that Minister Joe Modise still has to sign my papers. I don't buy that. It's just a smoke screen to keep me on my present rank as long as possible. Modise was one of us and he can't be seen to be delaying progress. There is somebody up there who is playing



OUT OF STEP - members of the post-apartheid defence force say that nothing has changed and complain that the organisation is still dominated by the old guard

generals were likely to be shown the door. "I believe retrenchments should start at the top. We have far too many generals compared to international trends," said Mr Ismail, who is to head the rationalisation process.

Other changes in the pipeline include devoting more resources to the South African Navy, which in the past received the smallest portion of the budget because those who controlled the purse strings had an army background and shifted most resources to the army.

Mr Ismail said another area that needed attention was military intelligence. Most of the old SADF operatives participated in covert wars and still thought along those lines.

"We're planning to weed out all elements that are non-democratic and we also need to bring greater co-ordination of all the structures and articulate a new form of professionalism," he said.

"Nyanda's appointment as head of the defence force has lifted morale and I believe transformation will be given a sense of urgency."

The defence force has been slowly re-introducing civilian control to redress the effects of apartheid that turned the country into a de facto military state more than 20 years ago.

"No defence force should make and implement policy. The old defence force was player, referee and linesman all in one and we're in the process of changing that," Mr Ismail said.

Mike Muedane, the secretary-general of the Pan Africanist Congress, said that although the PAC supported transformation within the defence force, it believed the process was based on the wrong values.

"The process is based on white values that are bordering on racism. There are people within

(754) ARJ 4/198

SS-11E

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Petrus Zwane, a corporal, said rank and file members bore the brunt of racist jokes and harassment from white non-commissioned officers, who forced them to go AWOL (absent without leave). "Whites do not want to reconcile and they still haven't accepted the present democratic change in the country," Corporal Zwane said.

Moemse Mofese, now a parliamentary service manager for Mulheho, was admitted to the defence force in July 1995, but left the army three months later because the integration process was taking too long. He had been



OUT OF STEP - members of the post-apartheid defence force say that nothing has changed and complain that the organisation's still dominated by the old guard given the rank of lieutenant.

"The integration process was not genuine. People were under-ranked and the process was too long. We came back with expectations of joining the army and earning a livelihood by defending our country, but were instead expected to sit in camps and make do with a pelfy R250 a month," he said.

One of the changes the soldiers would like to see is the transformation of the civilian perception of the army as a butchering machine to a people's army. They also say that the different races should all participate equally in the defence force and that affirmative action should be applied fairly.

Tony Yengeni, the chairman of Parliament's joint standing committee on defence, conceded things were moving a little slowly, but said the appointment of General Siphwe Nyanda as chief of the SANDF and the promotion of other senior black officers into key positions would go a long way to speeding up the transformation process.

"It won't be just one major event but a long drawn-out process which is sure to be a bumpy ride," Mr Yengeni said. He urged former members of the non-statutory forces to help look for a solution to the problems facing the defence force.

"The command structure faces a mammoth task in trying to integrate forces from different cultures and backgrounds while ensuring that there is proper training and maximum discipline within the defence force," he said.

Brigadier General Bill Sass, the former deputy director of the Institute for Security Studies, said General Nyanda had played a leading role in the integration and transformation of the defence force and was aware of the problems facing him in his new role.

"The transformed national defence force will move away from public jobs, and specialise in military assignments and build the staff into better soldiers," he said. Aboodaker Ismail, the chief of policy and planning in the Defence Secretariat, said the defence force faced major challenges, and time was not on its side.

generals were likely to be shown the door. "I believe retrenchments should start at the top. We have far too many generals compared to international trends," said Mr Ismail, who is to head the rationalisation process.

Other changes in the pipeline include devoting more resources to the South African Navy, which in the past received the smallest portion of the budget because those who controlled the purse strings had an army background and shifted most resources to the army.

Mr Ismail said another area that needed attention was military intelligence. Most of the old SADF operatives participated in covert wars and still thought along those lines.

"We're planning to weed out all elements that are non-democratic and we also need to bring greater co-ordination of all the structures and inculcate a new form of professionalism," he said.

"Nyanda's appointment as head of the defence force has lifted morale and I believe transformation will be given a sense of urgency."

The defence force has been slowly re-introducing civilian control to redress the effects of apartheid that turned the country into a de facto military state more than 20 years ago.

"No defence force should make and implement policy. The old defence force was player, referee and linesman all in one and we're in the process of changing that," Mr Ismail said.

Mike Muedane, the secretary-general of the Pan Africanist Congress, said that although the PAC supported transformation within the defence force, it believed the process was based on the wrong values.

"The process is based on white values that are bordering on racism. There are people within the defence force who are resisting transformation because they want to destabilise the country," he said. He quoted several examples of members of the non-statutory forces who had been unfairly treated in court martial. "In most cases there is no basis for a court martial. These are just perceptions created in the minds of white officers who find former liberation movement members too assertive for their liking."

The last word goes to the new army chief, Major-General Gilbert Ramamo. "The army is not a social club. It is an institution in which honour, integrity, duty, loyalty, courage and selflessness are cornerstones of its existence," he said.

SANDF faces its toughest battle

Former cadres tell of difficulties in implementing transformation

By MONGADI MAFATA

Transformation within the SA National Defence Force is just a token word, and the lives of soldiers have not significantly improved. That is how many soldiers interviewed by the *Saturday Star* outside the Doornkop and Lenz army bases summed up their feelings towards the process, started several months ago.

The soldiers, who spoke on condition of anonymity for fear of victimisation, claimed "too little was happening too late". Most of them also expressed anxiety about their future in the army in the light of impending rationalisation and retrenchments as a result of budgetary cuts.

A former Azanian People's Liberation Army cadre, Frank Lebitso (not his real name), who was made a captain in 1994 when members of the non statutory forces - consisting mostly of former Apla and Umkhonto weSizwe guerrillas - were integrated into the SANDF, said the army was still being run by the old guard. "Nothing has changed and the army's middle management is still dominated by the old SADF guard. These guys are withholding opportunities for promotion and course nominations from former members of the non-statutory forces."

Mandla Dliwayo, a colleague of Lebitso's at Lenz army base who joined the SANDF four years ago, complained about the lack of urgency in addressing rank disputes. "I spent more than 10 years in exile and received training in Russia, the former East Germany and China.

Smokescreen

"My rank does not correspond to the numbers of years I spent receiving training," Dliwayo said. He is a captain in the SANDF.

"I lodged a complaint to have my rank reviewed, and the answer I get all the time is that Minister Joe Modise still has to sign my papers. I don't buy that. It's just a smokescreen to keep me on my present rank as long as possible. Modise was one of us and he can't be seen to be delaying progress. Somebody up there is playing monkey tricks," said Dliwayo.

Petrus Zwane, a corporal in the army, felt the rank and file members bore the brunt of racist jokes and harassment from white non-commissioned officers who forced them to go absent without leave. "Whites don't want to reconcile and still haven't accepted the democratic change in the country."

Moemise Motsepe, currently working as a parliamentary service manager for MultiChoice, couldn't stand the uncertainty of integration. He was integrated in July 1995 and left the army three months later. Motsepe received a lieutenant's rank.

"The integration process was not genuine. People were under ranked and the process was taking too long. We came back with expectations of joining the army and earning a livelihood by defending our

country but were instead expected to sit in camps and make do with a paltry R250 a month," he said.

Some of the changes that soldiers want to see include changing people's perceptions of the army from a butcher machine to a people's army. Equal participation by all races and affirmative action should be applied fairly, some of the soldiers said.

Although conceding that things were moving quite slowly, Tony Yengeni, chairman of Parliament's joint standing committee on defence, said the appointment of General Siphwe Nyanda as chief of the SANDF and of other senior black officers into key positions in the military would go a long way towards speeding up the transformation process. "It won't be just one major event but a long, drawn-out process which is sure to be a bumpy ride," he said.

Yengeni urged former members of the non-statutory forces to be part of those seeking a solution to the problems facing the defence force.

"The command structure faces a mammoth task in trying to integrate forces from different cultures and backgrounds while ensuring there is proper training

force by trimming it into an efficient outfit boasting a new ethos that inculcated professionalism among its soldiers. At the end of the process, about 24 000 soldiers would have been retrenched from the force.

"The army should not be used as a political tool. It should support civil authorities by maintaining law and order when there's a major threat to the constitution. It should also be used to defend the nation from external threats that might exist," Ismail said.

Cuts in the defence budget meant a rationalisation process, which would start from the top, was being implemented. Some of the generals were likely to be shown the door.

"I believe retrenchments should start at the top. We have far too many generals compared to international trends," said Ismail, who is to chair the defence force's rationalisation process.

Other changes in the pipeline include devoting more resources to the navy, which in the past received the least money from the budget because those who controlled the purse strings had an army background and shifted most resources to the army.

Another area that needs attention, Ismail said, is military intelligence. Most SADF operatives took part in covert wars and they still thought along the same lines. "We're planning to weed out all non-democratic elements and we also need to bring greater co-ordination of all the structures and inculcate a new professionalism.

"Nyanda's appointment as head of the defence force has lifted morale and I believe transformation will be given a sense of urgency."

Referee

The defence force has been slowly reintroducing civilian control to redress the factors that turned the country into a military state more than 20 years ago.

"No defence force should make and implement policy. The SADF was player, referee and linesman all in one, and we're in the process of changing that," said Ismail.

Though the Pan Africanist Congress supports transformation within the SANDF, it believes the process is based on wrong values. Secretary-general Mike Muendane said "The process is based on white values bordering on racism. There are people within the force who are resisting transformation as they want to destabilise the country."

He claimed several members of the non-statutory forces were treated unfairly during courts martial. "In most cases there is no basis for a court martial. These are just perceptions created in the minds of white officers who find former liberation movement members too assertive for their liking."

The last word goes to the new army chief, Major-General Gilbert Ramano, who, commenting on the anxiety caused by transformation in the SANDF, said "The army is not a social club. It is an institution in which honour, integrity, duty, loyalty, courage and selflessness are cornerstones of its existence."



UNDER A CLOUD. A dejected soldier contemplates an uncertain future in the army.

and maximum discipline within the defence force," he said.

Brigadier General Bill Sass, former deputy director of the Institute for Security Studies, said Nyanda had played a leading role in the integration and transformation of the defence force and was aware of the problems facing him in his new role. "The transformed national defence force will move away from policing jobs and specialise in military assignments and build the staff into better soldiers," said Sass.

Aboobaker Ismail, chief of policy and planning in the Defence Secretariat, said the defence force faced major challenges and that time was not on its side.

"To the majority, the defence force used to represent forces of oppression run by people who did not respect human rights. Our challenge is to make people see it a force for the nation," he said. Some of the challenges included transferring the defence

NINETEEN years ago, on a chilly August night, I took my place in a column of three SA defence force infantry platoons and strode over a rustling barbed-wire fence that ran along the border between Angola and what was then South West Africa.

As a fence, it was quite pathetic — trampled and broken in many places, it stretched from the Kunene River and the Ruacana Falls in the west to the Kubango River in the east.

Cattle and donkeys strayed between the two countries. Those ambling southward into Owamboland were sometimes less fortunate than those that wandered into Angola — they'd drift into ambushes or step on landmines set for regulars of the People's Liberation Army of Namibia Swapo's armed wing.

At our base in Oshakati, we'd all heard stories about cows being shot to pieces or donkeys blown apart. Such tales did the rounds in the operational area, along with other apocrypha.

Now I can pretend that, crossing the fence, I thought of the Wilfred Owen poem "What passing bells for these who die as cattle" — "Or that I was struck by the fact that this feeble fence which lay at the heart of the matter that was 'the border' — that nebulous place to which white SA sent its conscripted teenage sons for 15 years or more — offered little in the way of resistance to the south-bound forces of change.

None of this occurred to me — I was terrified. I was 19 and trudging into the night to find war. Shortly after dawn, it found me. A Plan guerrilla, carrying his AK-47 like a fishing rod and apparently whistling to himself, walked straight into us. He never stood a chance.

By the time we moved again and I filed past the spot where he'd fallen, his body had been set alight. His personal belongings had been thrown on the fire. A Bible lay on the ground and in it I learned his name, Paulus. Inside the cover, Paulus, I presume, had written "Namibia shall be free, free, free!" and "Long live the People's Liberation Army of Namibia!"

There were more deaths in the days that followed — one, in particular, haunts me. Our platoon ran into a small group of guerrillas and, in the ensuing skirmish, one of them was wounded. Shot in the leg, he hadn't been able to escape into the bush like his comrades.

The intelligence officer who had been seconded to our patrol began interrogating him. Then he ordered our translator, a young Owambo volunteer with the South West African territorial forces, to kill him.

"Use his AK-47," he said. The translator hesitated, but the officer said "It's an order."

The translator picked up the AK-47 and fired a short, fatal burst into the wounded man. The officer unslung his own weapon, the newly developed R4 assault rifle, and fired a long burst into the dead man. Peering at the body, he said "I've always wanted to see what this could do to a person."

I mention all this only because Magnus Malan believes it is in our best interests that the Truth and Reconciliation Commission not waste its time with



GIVING WAR A CHANCE: General Constand Viljoen on the campaign trail. He, Magnus Malan and Jannie Geldenhuys would prefer the

A general sense

If SADF officers wish to show loyalty to their troops they should do so before

such matters

The former defence minister — along with two other ex-generals, Constand Viljoen and Jannie Geldenhuys — has called for general amnesty to be given to soldiers and officials from all sides in the apartheid struggle. This, they say, is the only way to deal even-handedly with human rights violations committed by both defence force members and liberation fighters alike.

The generals argue it is commonly accepted that the TRC would never be able to deal with all the abuses committed between 1960 and 1994. It would be impossible for either liberation fighters or defence force members to reveal each and every act they committed, thus they wouldn't be able to comply with the TRC's prerequisite of full disclosure for amnesty.

It's all very neat, but contemptible as well. In the way it would enable so much of what happened to conscripts to be conveniently swept aside

I don't think I'm alone in wanting my story heard, such as it is. There are those whose experiences were far worse than mine. However, these are stories that need an audience — and the TRC would have provided one. Through testimony on their roles in Namibia and later the townships, conscripts — and their families — would, I feel, come to terms with the past.

More importantly, testimony would finally lay to rest the staggering conceit that the generals were "our leaders." Viljoen, in particular, has in the past spoken of his troops' "loyalty" to him, and how he would not betray that "loyalty" by appearing before the TRC.

"Viljoen? I'd tie him to a pole in my yard with barbed wire. I'd keep him there and kick him in the face if I was in a good mood," an embittered former defence force member once told me. Such is a conscript's loyalty.

The truth may also reveal that the generals were — purely

in terms of military skill — not even good soldiers. Shortly after the defence force secretly invaded Angola in 1975, newspapers received reports (that they were barred from printing) of poor logistical support for ground troops at the front, of broken supply and communications lines, and of men being left to live off the land, fending for themselves for weeks on end.

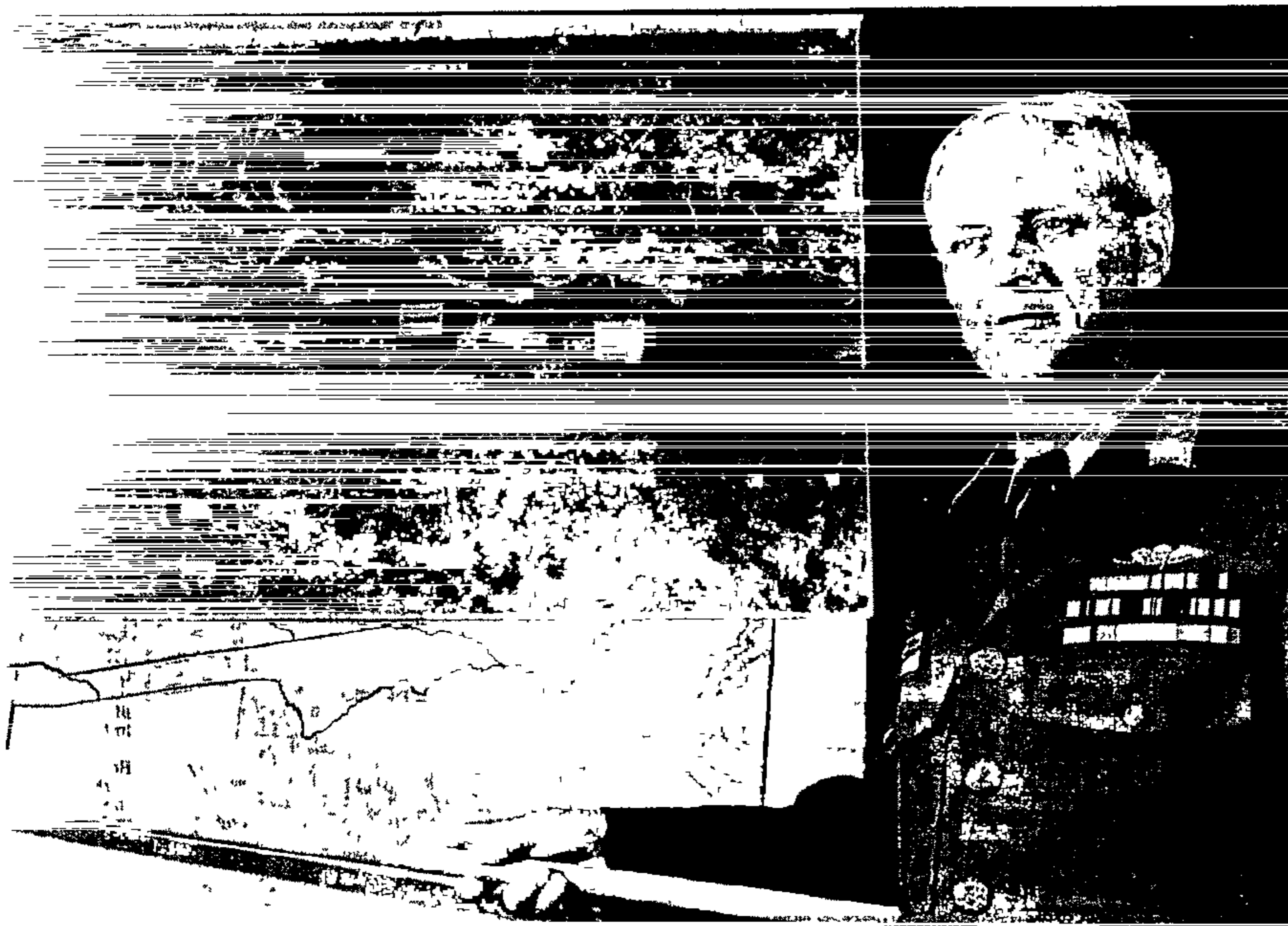
Certainly, the truth of what happened to some of us will be difficult to fathom. There were those who physically assaulted and tortured prisoners, those who tried to buy sex with cigarettes and cans of food from sick women attending clinics, those who shot up *cuca* shops and defecated in village water holes, those who used animals for target practice, and those who, after battle, reportedly mutilated corpses for "trophies" such as ears and fingers.

Most of us did nothing of the sort. Some of us believed our

cause was just, earnestly going about the business of winning hearts and minds with vitamin injections. Some of us who guarded prisoners gave them cigarettes and food. Some even came to realise the lie in all this, resolving to shirk our duties where possible, often at risk of punishment. Some sought respite in the Bible, others in alcohol, dagga and pills. And some of us were so traumatised, we will not speak of those

events — "A moral," Tim O'Connell, a that war nor a gesture — behaviour from ways — moral, do end of a — lifted, or

(274)



Magnus Malan and Jannie Geldenhuys would prefer the TRC not to hear testimony on military operations during the war in northern Namibia

sense of betrayal

air troops they should do so before the TRC, writes ANDREW DONALDSON

(274) ST 26/7/98

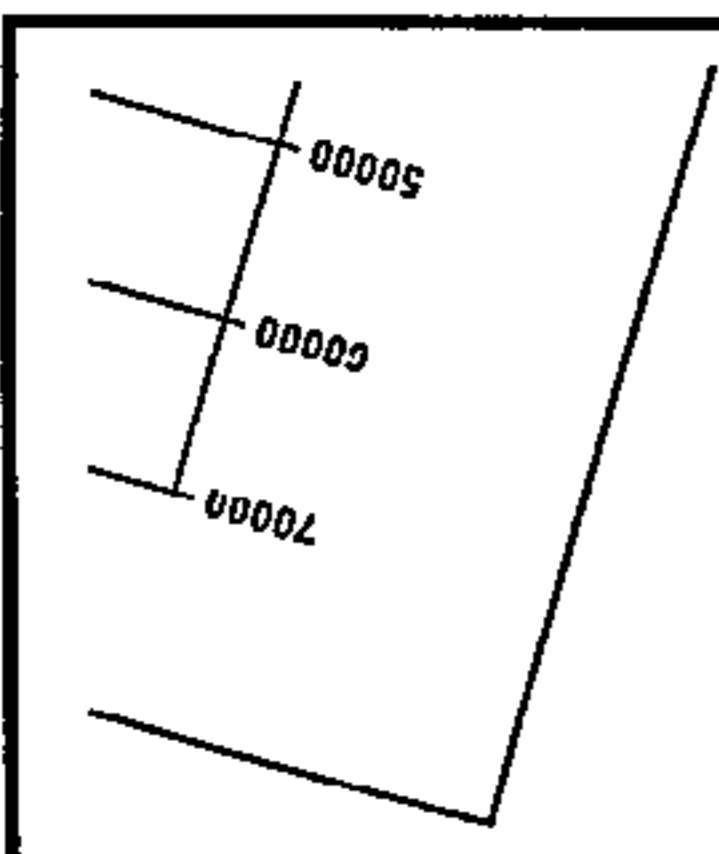
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where possible, often at risk of
punishment. Some sought
respite in the Bible, others in
alcohol, dagga and pills. And
some of us were so traumatised,
we will not speak of those

events even today. So it goes.
"A true war story is never
moral," wrote Vietnam veteran
Tim O'Brien in *The Things They
Carried*, a remarkable book on
that war. "It does not instruct,
nor encourage virtue, nor sug-
gest models of proper human
behaviour, nor restrain men
from doing things they have al-
ways done. If a story seems
moral, do not believe it. If at the
end of a war story you feel up-
lifted, or that some small bit of

rectitude has been salvaged
from the larger waste, then you
have been made the victim of a
very old and terrible lie. There
is no rectitude whatsoever.
There is no virtue."
In short, a true war story will
embarrass and shame its listen-
er with its allegiance to obscen-
ity and evil. It is a discomfort I
feel we can cope with.
The generals argue it would
be impossible for the TRC to
deal with every case of abuse

committed by those in uniform.
But each and every case the
TRC does hear will serve as con-
firmation that our service to
these old men — and, indeed,
some of their political oppo-
nents — is over. They must no
longer benefit from our silence.
It's as simple as that.
● Andrew Donaldson spent
1979 in the operational area as an
infantryman during his compulso-
ry national service. He is now
deputy editor of *Style* magazine.



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Italian Defence Minister Beniamino Andreatta and SA Defence Minister Joe Modise in Pretoria yesterday. Picture: BRETTELLOFF

Defence review awaits weapons acquisitions

Pule Molebeledi and Thembu Hlangani

THE date for the implementation of the defence review had not been finalised as government was still studying business packages for acquisitions, Defence Minister Joe Modise said yesterday.

He said the acquisition of new equipment for the SA National Defence Force could only take place when good business packages had been put on the table.

He was speaking after meeting Italian Defence Minister Beniamino Andreatta, who was accompanied by representatives of Italy's defence industry.

A number of countries, including Italy, Germany and France, are bidding for a multibillion rand contract to re-equip SA's defence force.

SA wants to buy four corvettes, four submarines, six maritime helicopters, 48 light fighter aircraft, 60 light utility helicopters and 108 main battle tanks.

It was mutually envisaged that proposals for the arms packages would go before Parliament next month and cabinet and the auditor-general in October.

However Modise said the dates had not been finalised.

He said the acquisition plan was designed to address the country's social needs, particularly job creation and investment.

"We are starting a partnership with our friends who will be supplying us. It is not just a question of selling arms. We are building a relationship that will last for many years," Modise said.

Italy offers peacekeeping expertise

Pule Molebeledi

THE Italian government had thrown its weight behind peacekeeping operations in Africa by offering to transfer technical knowledge to SA, visiting Italian Defence Minister Beniamino Andreatta said yesterday.

Andreatta said in Pretoria that SA and Italy shared a pre-occupation with the risk of military conflict and internal uprisings in Africa. "We are convinced that leadership in dealing with crises should be taken by Africa in future. Support may be given by European countries, but the units should be supplied mainly by African nations."

He said he had told SA Defence Minister Joe Modise that Italy was ready to transfer Italian know-how in peacekeeping operations to SA.

A team of Italian officers would be sent early next year to study peacekeeping programmes with senior SA National Defence Force officers and to offer their experience. Andreatta's emphasis on Africa's responsibility for policing itself reflects

a growing trend in Europe and the US

Italy suffered a major embarrassment during the 1993-94 United Nations humanitarian operation in Somalia when Italian officers were photographed torturing Somalis.

Modise said he had discussed the question of a peacekeeping force extensively with his Italian counterpart and announced that SA would be hosting the Blue Crane peacekeeping exercise in November. Blue Crane will feature military units from all Southern African Development Community (SADC) countries with the exception of Botswana, which will be taking part as an observer.

Modise said he was confident the R15m required for the exercise would be found. "We have approached a number of friendly countries to give us financial support because some SADC members cannot afford to bring their people here," he said.

"If it were not for the severe budget cuts my department faces, I would have shouldered this without appealing to friendly nations for help."

DN 21/7/98 (264)

Army irregularities to be probed

RD 22/7/98 (254)

Pule Molebeledi

A BOARD of inquiry has been set up by the SA army to investigate allegations of irregularities following claims that people who were earmarked for integration or demobilisation used false names to get into the SA National Defence Force

Newly appointed army chief Gen Gilbert Ramano ordered the inquiry a few weeks after the 18th intake of the nonstatutory forces of Umkhonto we Sizwe (MK) and the Azanian People's Liberation Army (Apla) at the Wallmanstall base outside Pretoria.

Names of people to serve on the board have not been made public

yet but the army said ex-Apla and MK officers would be represented

SA army integration director Gen Solly Shoke said they were investigating allegations that some recruits had used other people's names to get onto the integration list, while others were alleged to have bribed their way in.

"These are just rumours but one cannot take them for granted. We have to establish the facts," said Shoke. No time frames had been agreed yet

The army said that the latest intake of 929 former MK and Apla soldiers had gone smoothly and without any major hitches, despite the setting up of the probe.

The army said it had budgeted

to accommodate 1 300 intakes but only 335 female soldiers and 594 males had turned up.

A total of 65 intakes have been transferred to the SA Air Force and one to the SA Military Health Services. However 260 people were turned away by the army due to administrative problems. Some of them did not feature on the certified personnel register.

Shoke said significant progress had been made to rectify some of the serious integration problems identified by the British military advisers and training team report last year.

He said Ramano had committed himself to improving relations with the British team.

SA plays numbers game to beat bribery

WITH final decisions on SA's multibillion-rand arms package due soon, the jockeying for pole position to supply corvettes, submarines, trainer jets, fighters, tanks and helicopters to the armed forces is more intense than ever.

There has been a stream of visits from high-ranking politicians, senior officials and Gucci-shoed salesmen Swedish, German, Italian, Canadian, Russian, Czech, French, Spanish and British envoys have kept many a first and business class seat to SA warm in recent months.

They have arrived bearing gifts, largely in the form of countertrade, investment and soft loan proposals apparently bounteous enough to soften even the most intransigent pacifist's heart.

But what of that other classic sales method — bribery and corruption? Some European bidders can write the cost of greasing palms off against tax. But even if they could not, the prospect of a healthy slice of a cake valued between R15bn and R30bn would make a few million in a buff envelope look like peanuts.

That is the seemingly plausible theory. What of SA's realities? A fringe financial weekly has been buffing for weeks, suggesting that Defence Minister Joe Modise had been influencing the process in return for favours from prospective suppliers to organisations of former Umkhonto we Sizwe soldiers. Other manufacturers have tried to interest the local media in corruption stories implicating competitors.

Is any of it true? Hard to tell.

What is sure, is that there are

Is the evaluation of SA's arms package offers corruption-proof, asks Stephen Laufer

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third weighting, and financing and technical results a third each.

The final collation was done by the strategic defence offers committee, co-chaired by acquisitions chief Chippy Shaik and Armscor Committee GM Erich Esterhuysen. Armscor's weapons systems general manager, defence and Armscor finance chiefs, and majors general for the air force, army and navy.

These results were presented three weeks ago to the armaments acquisition steering committee. They presented final proposals to the acquisition council of Modise, his deputy Ronnie Kasrils, defence secretary Pierre Steyn, Armscor chief Ron Haywood, defence force chief Siphwe Nyanda, Erwin, and Shaik last week.

By August, the viability of countertrade and financial proposals in the final choices will be checked and refined, and questions asked of the bidders on the negotiability of price and adjustments to numbers of particular systems. Best offers could go to cabinet as early as September.

Here things could change. Besides the internal viability of the package, the cabinet must assess the impact of purchases on SA's socioeconomic agenda and its external relations. If, as seems possible, some peripheral countries do not win, there could be diplomatic fallout. Deputy President Thabo Mbeki would be keen to avoid. Still, if he and his ministers decide to stick to the package as it has emerged, he will at least be able to argue with some certainty that the choices were the product of a thorough and even-handed evaluation.

to be checked against criteria such as the number of jobs created in the SA arms industry; technology transfer; export potential for local military products; equity investment; marketing support and soft loans for local partners; and the empowerment of previously disadvantaged groups.

The civilian industrial participation catalogue compiled at the department of trade and industry lists 22 areas in which SA is seeking investment and countertrade. They range from aluminium, cast iron and stainless steel foundries to jewellery, and medical and automotive manufacture.

The technical evaluation teams include representatives of the relevant arm of service, Armscor and the defence department's acquisition unit. Their catalogues have been approved by the chiefs of the navy, army, or air force as fitting.

Financial evaluation is done by Armscor, defence, and state expenditure representatives. They check financing offers against the proposed length of first payment deferral, cash flow projections, interest deferrals, and internal rates of return of the projects including their offset components.

All bidders were given the opportunity to meet the assessment teams to discuss ambiguities in their offers. The meetings were video-recorded.

Once the project teams had completed their evaluations, the sectors were amalgamated, giving civilian and defence investment a

tion, financing, and the technical detail of the system on offer.

The evaluation was done by four independent groups, some divided into several teams. They judged the offers against catalogues agreed, bound and sealed before the first tender document was opened.

The catalogues were known neither to the bidders nor to the ministers involved — Modise, Finance Minister Trevor Manuel and Trade and Industry Minister Alec Erwin. Once they had been agreed, nobody could change them, ministers included.

The defence industrial participation catalogue requires offers

at least two guaranteed ways of excluding corruption.

The first parallels the story of the New York judge who opens proceedings by announcing that he has received \$10 000 from the plaintiff and \$15 000 from the defendant. Having returned \$5 000 to the latter, he can announce that both sides are starting equal.

The SA authorities have chosen the other method: involve a large number of people, split the decisions among working groups, and allow cabinet members to get involved only once the groups have made their choices, which are based on an exhaustive catalogue of technical, financial and

and civilian industrial participation

One that got away — British Upholder submarines are no longer on offer

investment criteria. To get around the system which would have to involve at least four members of government and officials from at least three ministries and a parastatal.

This is how it works: final offers were received from short-listed makers of corvettes, fighter jets, maritime and light utility helicopters, tanks and submarines in May and from the makers of lead-in jet fighter trainers in June. The short lists had been created by the same teams charged with evaluating the final offers. They include proposals on defence

Why R15bn arms package is an explosive issue for

BD 9/1/98 (254)

SA

WITHIN the next few months, the cabinet will be called on to make the biggest single purchasing decision in SA's history. It may yield the biggest injection of direct investment yet seen by the new SA. It may also be the most wasteful investment ever made. It may be the most far-sighted. It is sure to be controversial. It is what has become known as "the package".

This consists of a huge spending binge on arms, probably the biggest purchase of foreign-made equipment in SA's history.

Its exact contents are not yet clear, but it is thought to consist of four corvettes, four submarines, six maritime helicopters, 60 light utility helicopters, 30 attack aircraft, 20 jet fighter-trainers and more than 100 battle tanks.

All this for a country at peace with itself and its neighbours. The amount normally mentioned for the package ranges between R10bn and R15bn, but defence contractors who have looked at the prices of the contending

equipment say this is way off the mark and the final figure is much more likely to be in the region of R25bn — before the recent devaluation of the rand.

At first blush, such a purchase looks like insanity incarnate, especially in the midst of an economic crisis. What, you may ask, have those guys at Armscor been smoking? In fact, defence experts say its terms are so favourable, the time-frames involved so long and the counter-trade consequences so advantageous that the package needs to be carefully considered, even by those who hate the idea of nonproductive arms purchases. It is precisely because of SA's lack of direct investment that it needs to consider the package carefully.

SA's exact security needs, coupled with the nature of developing countries' defence requirements in our brave new world, is still a

highly debatable issue. No one doubts the need to modernise SA's defence capability. But despite the recent defence review, the nature of the potential threat is still hazy.

There are still enough desponds around — many in Africa — to worry even the most complacent analyst. The developed world may come to the aid of developing countries, but such is the fickleness of world opinion, it may not. SA must defend its coastline and, in circumstances of uncertainty, all countries must prepare for the worst.

Advocates of the package say it must be borne in mind that its cost will be spread over 14 years and many of its items will only be delivered in 2014. This is a long time away, and for a variety of strategic reasons, it would be prudent to start thinking about SA's defence requirements now.

The Department of Defence started the bidding process with three major requirements: there must be a three-year payment holiday, payment must take place over 12-14 years and offsets must take place on a rand-for-rand basis. In other words, for every rand spent, there must be a rand's worth of investment.

Arms contractors say these terms are extraordinary. The length of the payment period, double the industry standard, and the extent of the counter-trade make the package unique in arms contracting history.

Intense lobbying efforts by government have been made for their arms producers with one exception. The US, by far the biggest arms producer in the world, is out, partly because of lingering animosity over US legal action against Armscor which extended

into the term of the new government, and partly because of US suspicion about SA's military links with old US foes.

The countries that are "in" are the UK, France, Germany, Italy and Sweden.

Spain, even though they were the winners of the original contract for corvettes, Canada, Russia and the Czechs are thought to be outsiders, mainly because they are lesser trading partners and so much emphasis is being placed on the investment spin-offs.

Contractors are on tenterhooks, guessing who will win what. Initial guesswork and some leaked reports suggest a scenario, one of many during the rounds, that looks something like this: Saab of Sweden and the UK will win the roughly R6bn contract for Gripen fighters, and British Aerospace the R1,5bn contract for the

Hawks France will win the contract for the Le Clerc tanks, beating out the UK's Challengers. Italy may well win the order of the submarines which, at R6bn, is the second biggest order and Germany, the order for the corvettes and other equipment.

If this does result, it will be a disappointment for the UK arms industry, which has strong, if expensive, contenders in all categories and which argues that it is a more militarily reliable ally than its European counterparts.

However, this is all just guesswork, based on the supposition that SA will want to slice the pie evenly. Many considerations are involved, including the financing arrangements, while procurement of individual items may be split between countries with, say, the missile systems going to one country with the aircraft order going to another.

Whatever the case is, the arguments about "the package" are in earnest.

SA's defence industry to get R300-m boost

By **NORMAN CHANDLER**
Defence Correspondent

South Africa's defence industry is to receive a R300-million a year shot in the arm with the signing of an international joint venture agreement.

The agreement is between Germany's Daimler Benz Aerospace (DASA) company and Grintek Comms, of South Africa, for the manufacture of state-of-the-art high frequency radios for defence forces.

The radios are a development of the frequency-hopping radios pioneered by SA during the Angolan war. They prevent military commands being picked up by opposing forces.

It is planned to obtain a 10 to 15% share of the international market in these products. The global sales are worth about R3-billion a year, and SA's share will be about R300-million, company executives claim.

Apie de Jager, managing di-

rector of Grintek Comms, said the agreement would allow both parties to "complement existing product ranges and offer unique features at competitive selling prices".

He said the range would meet the requirements of soldiers, command posts, and headquarters and specific government departments.

Wilhelm Lehmann, DASA general manager, said this important development once again recognises South Africa as a valid technology partner within the global environment, and is further testimony of the willingness of German companies to invest in this country.

Zoli Kunene, one of the Kunene brothers who control Grintek, and chairman of the Aerospace, Maritime and Defence Association, said the project was equal to the best in the world, and that "we are poised to be a major player in the high frequency radio market".

(254) Star 14/7/98

Naval HQ returning to Simon's Town

BY NORMAN CHANDLER
Defence Correspondent

The South African Navy is to move its operational headquarters from Pretoria back to Simon's Town naval base. Administrative headquarters will remain in Pretoria.

The decision has been taken by the Department of Defence following intensive debate as to how to save money due to cuts in the defence budget.

Rationalisation of all units, bases and flotillas is scheduled to take place, but no details have

been released as yet

A decision on rationalisation might be formalised this week when a Navy 2001 design plan is presented to Secretary of Defence Pierre Steyn.

The office of the chief of the navy will remain in Pretoria and a Flag Officer Fleet is to be appointed in Simon's Town to oversee operational matters and provision of trained personnel.

The return to Simon's Town comes 21 years after naval headquarters and operations were transferred to Pretoria.

Star 14/7/98 (254)
Navy chief Vice-Admiral Robert Simpson-Anderson has told personnel that staff numbers are to be reduced from 9 000 to 8 100, and that this had to be achieved by the year 2001 through "a process of restructuring, rationalisation and simplifying our processes".

Rationalisation of the army, air force and medical commands is already under way. Most headquarters staff will be situated in the Armscor building in eastern Pretoria, along with the Ministry and Department of Defence, and the defence force's command structures.

Molebeledi

DEFENCE Minister Joe Modise had approved the appointment of eight officers to spearhead transformation and finalise plans for the formation of a new SA army, Lt-Gen Ramano, the new army chief, said in Pretoria yesterday.

Ramano said the army was making good progress with its transformation process, and several changes in its roles and functions would take place in due course.

Eight officers to spearhead army transformation

"We are at an advanced stage with regard to these processes and as soon as we have finalised our planning and received approval from the minister, we will announce them," he said.

Ramano, who took over recently from retired army chief Gen Reginald Otto, said Modise had, however, approved certain appointments with effect from July 1, which would

be in line with the structural changes taking place in the army.

May-Gen Roland de Vries had been appointed the new deputy chief of the army, Maj-Gen Godfrey Ngwenya from the North West command had been appointed the new chief director force preparation, and Brig-Gen Leon Wessels director for force preparation.

Brig-Gen Chris Venter, who will

be promoted to the rank of major-general, will be the new chief director planning and force structure while Brig-Gen Barney Hlatswayo becomes director for planning Gen Themba Matanzima takes over as chief director force support and Brig-Gen Andre Kruger as director for force support.

Ramano said the latest Wall-manstal intake of more than 800

former non-statutory forces consisting of Azaman People's Liberation Army and Umkhonto weSizwe members was progressing well, said Ramano.

However, problems were currently being sorted out related to the 250 people who went straight to the base without following the necessary procedures, and others who were not on the intake list.

He said the staggered intake, in manageable groups, was to avoid previous problems with processing a group of 9 000 all at once.

SAFETY

BD 15/7/98

Budget cuts mean a leaner Defence Force

CT 15/7/98

(254)

NORMAN CHANDLER

PRETORIA: The army is planning to change its territorial command system because of budgetary restrictions affecting the whole of the South African National Defence Force (SANDF).

It could mean that the nine commands would be cut to five, says General Gilbert Ramano, the Chief of the Army.

He also disclosed here yesterday that Major-General Roland de Vries, former commander of the SA Army College and 7 SA Division, has been appointed deputy Chief of the Army.

Though there had been an earlier decision by the Department of Defence to eliminate the posts of deputy in the various arms of service, it had been found that the 59 000-strong army — comprising permanent force and part-time force components — required a deputy chief.

Other new appointments are: Chief Director (Force Preparation) Major-General Godfrey Ngwenya; Director (Force Preparation) Brigadier-General Leon Wessels; Chief Director (Planning and Force Structure) Major-General Chris

Venter;

Director (Planning) Colonel Barney Hlatshwayo; Chief Director (Force Support) Major-General T T Matanzima, and Director (Force Support) Brigadier-General Andre Kruger.

Ramano, a Russian-trained former member uMkhonto weSizwe who took over the post of army chief last month, said: "The biggest challenge in restructuring is not to reduce staff divisions but to find the best way to restructure because of costs."

Ramano said territorial commands would be changing but for the moment the existing nine — Gauteng, Orange Free State, Eastern Transvaal, Eastern Province, Western Province, Natal, Headquarters, Far North, and Northern Cape — are to continue until transformation of the military is completed in about three years time.

New units are also planned, as well as the standing down or abolishment of some units.

The new units would reflect the cultural history of South Africa and in particular the history of the liberation armed forces such as those of MK and the Azanian Peoples' Liberation army (Apla).

Pretoria navy chief's post to be abolished

Pule Molebeledi

BD 16/7/98 (254)

IN A move aimed at establishing a leaner and meaner SA navy, the post of chief of naval operations based in Pretoria would be abolished to allow for the creation of a flag officer fleet command located in Simon's Town, navy spokesman Capt Brian Hoffman said yesterday.

However, he denied media reports that the naval headquarters would move to Simon's Town.

He said under the navy 2001 design plan, the navy chief would head a small naval division within the defence ministry and alongside the army, air force, medical services and other divisions.

Hoffman said the navy chief would retain administrative command of the navy and would be responsible for planning, policy, budgeting and control. The flag fleet officer, who has not been appointed yet, would be responsible for day-to-day activities necessary to provide operational vessels, the provision of trained personnel and for the logistical support of ships and submarines.

The flag fleet officer would run the activities from Simon's Town.

The navy 2001 design plan still has to be approved by defence secretary Pierre Steyn and chief of the SA National Defence Force Lt-Gen Siphwe Nyanda.

"Until their approval has been given, further details cannot be made public," he said.

The present proliferation of bases, flotillas and units would be rationalised into two naval centres based in Simon's Town and Durban with logistics and personnel formations and squadrons of ships.

Hoffman said the navy design plan would serve as part of the transformation process to make the navy leaner and meaner.

Massacre on a lonely road

M+G 17-23/7/98

Stuart Hess (254)

Jackson *se pad* (Jackson's road) is not known to many South Africans. But for one of the oldest peoples of Southern Africa, the San bushmen, it is the scene of one of the darkest moments in their history.

Jackson se pad is the name given to a road in southern Angola on which an assault occurred in 1979, when four members of the bushmen community employed by the former South African Defence Force (SADF) were killed because they refused to continue doing the dirty work of their apartheid bosses.

This week the Truth and Reconciliation Commission heard from two witnesses about the massacre. "Jackson" refers to a Captain Jackson, former commanding officer at the Omega base in the Caprivi.

Staff Sergeant Mario Mahongo and Corporal Paulo Chimbenda testified about the massacre, which took place after about 140 bushmen soldiers were told they were to be returned to Bushmanland.

"We were loaded on to the trucks like sand bags," said Chimbenda. After a few hours Jackson received new instructions and they turned around and drove back towards Omega, but instead of stopping there they continued north into Angola, where the assault occurred.

The first of the four to be killed, Katrika Kameia, was beaten to death by four white soldiers, using the butts of their rifles. Paulino Dala and Chimbenda's brother, Fernando Kapuso, were then beaten and shot.

The fourth victim, Augustino Cambinda, was ordered to get off the truck.

"Jackson told him to walk, but the sergeant [Cambinda] refused to walk, saying Jackson would shoot him if he did. But eventually he got off the truck and started walking," said Chimbenda.

When Cambinda was a few hun-

dred metres away, Jackson shot him.

"Jackson told the rest of us to get off the truck and start walking back to the camp. We walked for two days before reaching the border of the Caprivi," recalled Chimbenda. When they returned to the camp, the survivors told their story to their leader, Mahongo.

"I was very upset and I couldn't sleep," said Mahongo. He told a Major Dupisani about the assault. Dupisani referred him to Colonel Piet Hall, commander of 31 Battalion.

The next day the bushmen were asked on parade if they were unhappy about the incident. "We were disarmed and surrounded by fully armed white soldiers. They told us that if we were unhappy, we should raise our hands and we could follow the same road [*Jackson se pad*] as the other four

One by one we were asked by the white soldiers if we were unhappy, but no one put up their hands," said Mahongo.

The four victims of *Jackson se pad* were buried in unmarked graves in southern Angola.

Six senior members of the former SADF have been implicated in the attack, three of whom are still alive. Mahongo said the assault was one of many on the bushmen, who were seen as the "lowest of the low" in the SADF.

Today they remain unpopular because they are seen as having fought for the wrong side. The bushmen were employed by the SADF because of their expert tracking skills.

Mahongo said he is happy about finally having the opportunity to testify. "Now the world knows about our suffering," he said.

Roger Chennells, lawyer for the South African San Institute, said no official documentation exists of the massacre and families of the deceased have still not been informed of the whereabouts of the graves.



By JIMMY SEEPE

New army chief pledges to heal rift with British

(274)

CP19/7/98

THE NEW Chief of the South African Army, Major-General Gilbert Ramano (pictured above), has pledged to heal the rift caused by the attack his predecessor launched against a British group of military advisers who are in the country to help transform the army.

In an interview with City Press this week, Ramano said the attack on the British Military Advisory and Training Team (BMATT) by his predecessor, General Reginald Otto, was an unacceptable slap in the face for people who had contributed enormously towards the military transformation.

The attack on BMATT by Otto, followed the release of a report by the advisory group on transformation within the South Africa Army. This led to the minister of defence, Joe Modise, attacking Otto.

Modise - incensed by Otto's response to a question before the Parliamentary Committee on Defence - said he was dissatisfied with Otto's comments and rejected allegations that the author of the BMATT report, Brigadier Davis, had put his own subjective interpretation into it.

The defence minister said Otto was "totally unjustified in launching an unsubstantiated

personal attack on the integrity of the BMATT officer, Brigadier Davis, by accusing him of waging a personal vendetta".

Modise at the time said he had the highest regard for the integrity, objectivity and professionalism of Brigadier Davis and the BMATT - and added that he regretted Otto's "unacceptable" remarks.

Ramano, unlike his predecessor, says he plans to have a good working relationship with the BMATT until the integration of the army is complete.

"BMATT is a useful link in the integration process in the country," says Otto.

"Their information has been valuable to both the army and the government."

Ramano says he had been in touch with officers in BMATT.

"We would like to correct the misinterpretation that could have been created in the past about their role in the country," says Ramano, without directly referring to the problem the advisory group had with Otto.

He says the relationship that exists between the army and BMATT needs to be nurtured.

"BMATT came to the country on a government programme. We cannot as an army start to float stated government programmes by questioning the intentions of advisory groups."

Defence department, air force cross swords

Stephen Laufer

A BATTLE is raging behind the scenes over the SA Air Force's next generation of jet trainers and fighters, with the SAAF and the department of defence apparently taking different positions.

The tenders for the aircraft form part of the multibillion-rand defence package currently under assessment by task teams from Armscor, the services, and the departments of defence, trade and industry, and finance

Final proposals could go to the cabinet as early as September

At issue is the choice of lead-in fighter trainer ("Lift") and the time-frames for the acquisition of the more expensive advanced light fighter aircraft ("Alfa").

Concerned that the cabinet might defer the Alfa purchase, the air force is apparently pushing for a pure and comparatively cheap trainer such as the Italian Aermacchi MB339FD. The reasoning behind this is that the pure trainer cannot be used as a fighter, and its choice would put pressure on the cabinet to buy the Alfa as well.

Many strategists within the department of defence favour a solution that would give the air force a dual-role fighter-trainer such as the British Aerospace Hawk 100.

This would be on the understanding that it would be augmented by the Alfa, even if it were only to come later, perhaps in the form of the Swedish Gripen or the German AT-2000.

The combination would give the SAAF bigger numbers of combat

aircraft and help ensure regional air dominance.

The SAAF, on the other hand, is apparently trying to keep an ace up its sleeve. It appears it would like to revise its recommendation and opt for a combined fighter-trainer, understood to cost upwards of 30% more than such planes as the Aermacchi, if the cabinet defers the Alfa purchase.

Dual-role aircraft such as the Hawk cost more because they can be used as trainers and — with few modifications — as fighters. Pure trainers cannot take to the air in combat roles.

Pride and military doctrine seem to be at stake. The SAAF is the second oldest air force in the world. It argues that it has its own training regimes and that it needs to keep up its skills through in-house training.

Using the Alfa for training would not make sense. At anything from \$30m an aircraft, and with running costs at R15 000 a flying hour, the planes are too expensive to use and the risk of putting them in the hands of inexperienced jet pilots is too great.

Some defence experts believe that SA could most easily achieve a cost-effective mix by outsourcing initial jet training, for example to Bombardier in Canada.

Many North Atlantic Treaty Organisation air forces do the same, saving capital costs on a whole jet segment. In SA's case, not buying the jet trainer could save anywhere between R1,5bn and R2,5bn.

Evaluating arms packages: Page 11

Cubans waged germ war on SA Troops

Soldiers 'defenceless' against chemical weapons, says

Cuban troops used chemical weapons against South African soldiers in Angola, Wouter Basson told the Cape High Court today.

Dr Basson, head of the apartheid government's chemical and biological warfare (CBW) programme, said he had been told by the former Defence Force in the early 1980s to research the establishment of a defensive chemical weapons capacity.

This was because Cuban troops in Angola had chemical weapons and

had started using these in the Angolan war against South African troops, among others, he said.

At that stage, the SADF had been at a seriously disadvantage because it had "absolutely no defensive capabilities" against such weapons.

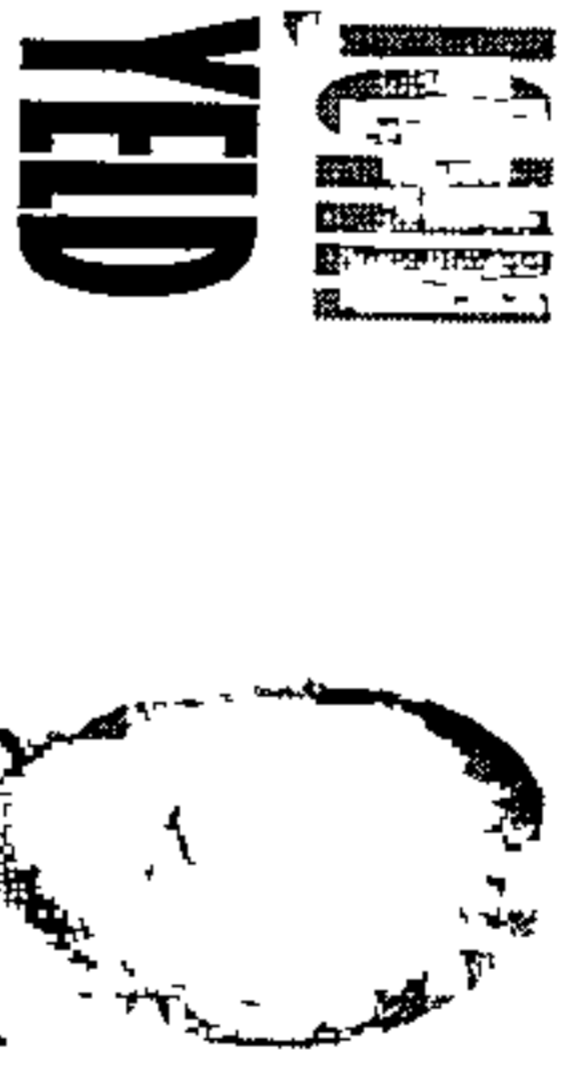
"Members of the SADF were furthermore absolutely defenceless against any such onslaught," said Dr Basson.

His evidence was in the form of an affidavit in his application to the court that he should not be forced to

testify to the Truth Commission before the end of his criminal trial, scheduled to start next month.

He did not appear in person. The Truth Commission has brought a counter-application, asking the court to order Dr Basson to testify before the TRC on Wednesday about the CBW programme.

In his affidavit, Dr Basson said a further problem was that it had been "virtually impossible" to co-operate with the international community regarding defence against chemical



YELD
ON THE TRUTH COMMISSION

weapons because of South Africa's political situation.

"I had to do virtually all external research in a clandestine manner and

official passports with false identities were issued to me.

"For example, I went out of the country under cover of being someone avoiding national service," said Dr Basson.

All equipment from overseas had to be acquired with the greatest secrecy and payments had to be made in a way that couldn't be traced back to South Africa.

"I want to make it very clear to the court that some of this equipment which was bought is of such a sensi-

biological war boss

27/7/98

five nature that it would have huge international repercussions if it came to light that South Africa had obtained it in the face of the various sanctions and penalties from the United Nations security council and other internal legislation of the specific countries," said Dr Basson.

Dr Basson allegedly had \$40 million in Vatican bearer bonds during one of his foreign trips. This is one of the issues which the Truth Commission wants to question him about, according to an affidavit by the head

of the commission's investigative unit, Dumisa Ntsebeza.

Other questions related to the reasons for Dr Basson buying 500kg of methqualone, the active ingredient in the drug Mandrax, in Croatia during one of his foreign trips, said Mr Ntsebeza.

His affidavit forms part of the commission's application to the Cape High Court today in its tug-of-war with Dr Basson over whether he will testify before it about his role in the programme.

Basson

Arm Scor report discloses R6,3m decrease in income

Pule Molebeledi

ARMSCOR had reported a R6,3m decrease in net income for the period 1997/98, against figures for the previous financial year, as a result of a significant drop in funds allocated to it by government, the corporation said in its annual report released in Pretoria yesterday.

The net income was also affected by the combination of an increase in the profits of Arm Scor's subsidiaries; an increase in net interests and a decrease in operational expenditure, plus legal and marketing costs.

Defence Minister Joe Modise said the rand's decline would give the country's defence industry a needed boost as arms sales were conducted in dollars.

SA has invited tenders from outside countries to bid for a multibillion-rand contract to equip the defence force.

Arm Scor executive chairman Ron Haywood said performance was influenced by a shift from large development orientated contracts to smaller maintenance type contracts.

The corporation received R162m from the state for the 1997/98 financial year in the form of a defence budget allocation. This was R28m less than what it had received previously. About R153,3m of this amount was used to defray operating ex-

penditure, R7m for technology development and R1,7m for the acquisition of assets.

Haywood said the R28m decrease in government's allocation was due to defence budget cuts which had also resulted in

a drop in requests for acquisition. However, acquisition still remained part of Arm Scor's primary function and the acquisition cash flow for the 1997/98 period amounted to R2,7bn.

The department had under-

taken three major acquisitions, namely the purchase of 38 Cheetah aircraft, medium transport helicopters and training aircraft.

Haywood said the third prototype of the attack helicopter, the Rooivalk, had made its first flight and commenced with test flying.

In the combat systems, the G-6 self-propelled gun had undergone a lengthy re-engineering phase, Haywood said.

He said one of the corporation's successes was registered through countertrade credits, linked with Arm Scor's acquisitions, which increased from R152m in the previous financial year to R313m in 1997/98.

The report also showed that the net value of the group's assets of R363,3m had shown an increase compared with the previous year's figure of R362,9m.

Haywood said that the corporation had also generated income through the marketing of SA National Defence Force surplus stock.

During the year in review, Arm Scor effected sales of stock to the value of R83,4m against a target of R50m.

Modise said he was planning to increase the amount of the budget available for capital costs from under 10% at present to 30% over the next three years.



Arm Scor executive chairman Ron Haywood hands the corporation's 1997/98 annual results to Defence Minister Joe Modise in Pretoria yesterday.

Picture ROBERT BOTHA

SA peace force 'needs public support'

Pule Molebeledi

(2974) 00 29/7/98

ment in peace-keeping and peace support operations in Africa.

SA WOULD become involved in peace-keeping operations beyond its borders only if there was adequate parliamentary and public support, Parliament's defence committee chairman Tony Yengeni said in Midrand yesterday.

At an the African defence summit meeting he said that the public and the military were still cautious about committing resources to such operations.

There was particular concern about the financial costs and the potential risks to military personnel.

Yengeni gave the summit an outline of SA's vision of its possible involve-

ment in peace-keeping and peace support operations in Africa. He said the operations had to be authorised by the United Nations Security Council and that if they were in the southern African region, they should be sanctioned by regional states and undertaken in tandem with other regional armies.

The operations should have a clear mandate, vision and objectives, and realistic criteria for termination.

SA has come under increasing pressure from the international community, especially the US, France, Britain and Italy, to play a leading role in peace-keeping operations in Africa and

to avert crises such as the Angolan civil war, showing signs of erupting again.

Yengeni said that while the defence force might be a large one by African standards, its capabilities were modest when assessed objectively.

He cautioned that the country would be ill advised to mount a major external military operation until the integration and rationalisation of the defence force was complete.

Yengeni said SA's participation in peace support missions should occur only when there was a clear threat: a breach of international peace and security; a major humanitarian disaster, or causes of conflict that might cause

long-term instability if not addressed.

He ruled out participation in any "patently under-resourced" mission that did not have sufficient means to achieve a set mandate.

He said no special structures for such operations would be created since peace operations were not a primary function of the defence force. The force would, instead, provide for such missions within its existing structure.

Two motorised infantry battalions were being prepared for peacekeeping operations. The SA Air Force, navy and medical services would not provide a dedicated force for peace operations, but would be trained appropriately.

Lobbyist against army challenged on views

Pule Molebeledi

A LEADING campaigner opposed to the military was yesterday rapped over the knuckles by joint parliamentary defence committee chairman Tony Yengeni for his persistent questioning of the need for a defence force for the country.

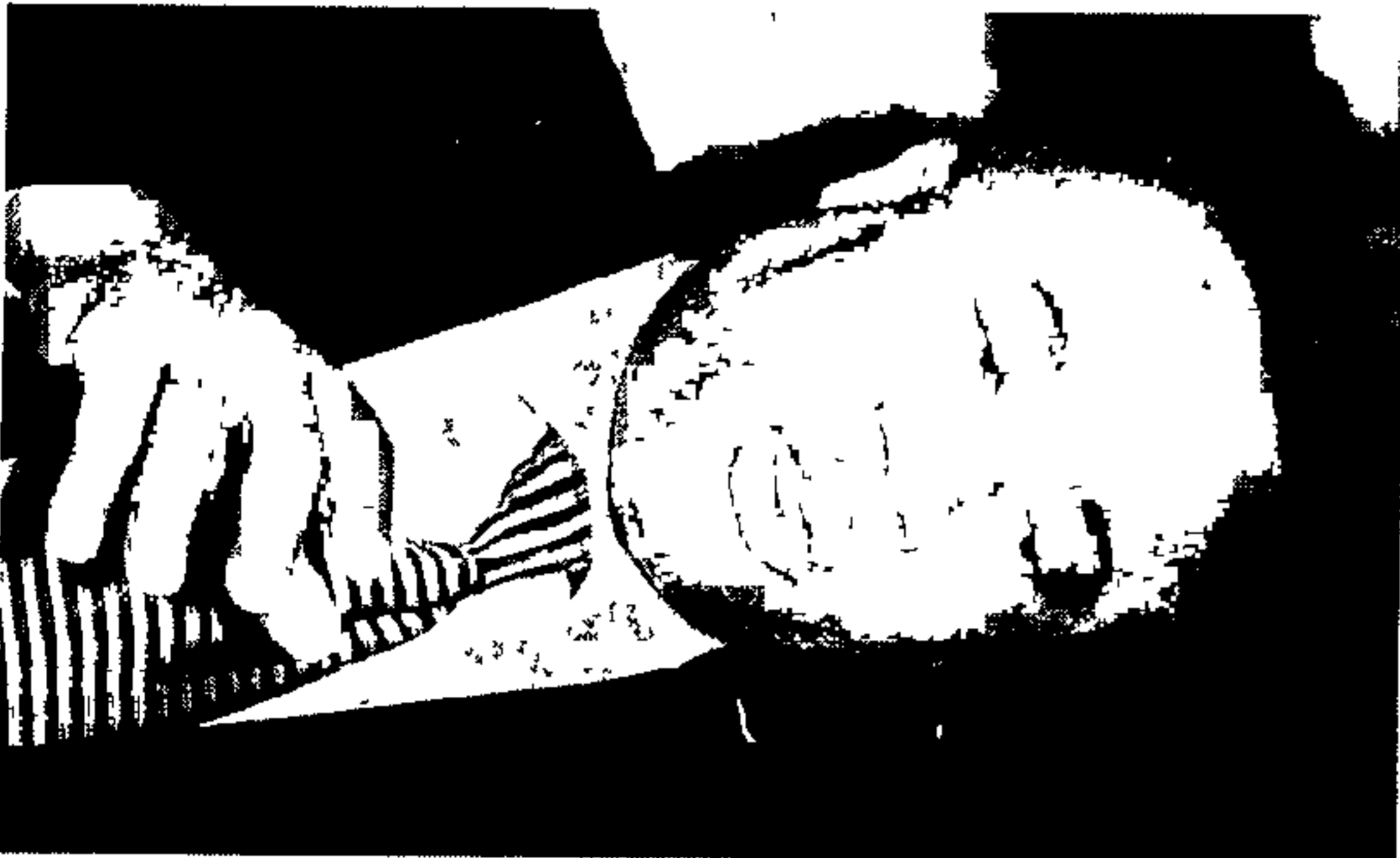
Terry Crawford-Browne, the chairman of SA Economists Allied for Arms Reduction, raised Yengeni's ire during a panel discussion at an African defence summit meeting in Midrand yesterday after he said there was no future for the armaments industry which lacked social ethics.

"It's a dirty business," he said. "The assumption that the armaments industry was highly lucrative and that in the real world morality was irrelevant was nonsense, he said.

Crawford-Browne said there was no foreseeable foreign military threat to SA. "The very real threat to this country's security is poverty, not foreign invasions... human security takes constitutional priority over military security."

What use were fighter aircrafts, tanks or submarines when SA needed clean water, education, health services, housing and jobs, he asked. The promotion of human rights internationally and domestically would give SA far more security than a shiny new corvette, he said.

Yengeni said the country resolved to have a national defence force through its democratically elected representatives. He did not understand why people who claimed to be patriots would ask government to dismantle the force as it would result in severe job losses.



Joint parliamentary defence chairman Tony Yengeni, left, and Carol Reed, right, editor of the UK-based Fight International magazine, were among the speakers at a two-day African defence summit meeting in Midrand yesterday.

Picture ROBERT BOTHA

ST 2/8/98

Denel chief quits in row with Stella

THABO KOBOKOANE

A LONG-running dispute with Public Enterprises Minister Stella Sigcau over the pace of privatisation led to the sudden resignation on Friday of Seshi Chonco as chief executive of state arms manufacturer Denel.

Chonco's resignation came barely a year after he was appointed. He blamed a "conflict of interest" for his departure, but insiders say his resignation has been on the cards for some time because of Sigcau's opposition to his privatisation programme.

Tensions between the two came to a head early last month. After Chonco had presented Denel's masterplan at a company bosberaad, Sigcau reportedly rose to admonish him for "moving too fast" on privatisation.

Further indication that Chonco's resignation was fuelled by differences of opinion over the pace of privatisation, is contained in the statement

from Denel ⁽²⁵⁴⁾ announcing his resignation. In it the acting chief executive, Flip Botha, committed himself to continuing Chonco's privatisation plan "regardless of consequences".

Chonco has been an outspoken supporter of privatisation at Denel since joining the arms manufacturer three years ago. He has repeatedly said he believes Ariel Technology, the information technology arm formerly called Denel Informatics, and Denel Aviation are ripe for privatisation, but that this has been hampered by the lack of clear political direction from Sigcau.

She said yesterday she had noted reports about Chonco's resignation, but would await more details from the Denel board before commenting.

Chonco's departure may lead to a mass exodus of executives at a bleak time for Denel. It is expected to show a R320-million loss for the year ending March 1998, from a profit of R82-million the year before.

Budget cuts hit SA arms industry

DEFENCE SPENDING

By SHERILEE BRIDGE

THE defence industry in South Africa is in a crisis, says senior Armscor official André Buys

The industry has been facing the onslaught of global competition while trying to manage severe defence budget cuts which have put a clamp on both government and private sector spending

Buys says the industry has been in a state of decline for about five years with the rate of change enforced on the industry the real killer.

The state of the local defence industry is reflected in Armscor, the state procurement agency, having to cut capital spending on arms and equipment for security forces by R750-million last year.

"At the moment we are under severe pressure," says Buys. "We are stuck between budget restraints and the need to maintain a core defence capability."

Most of the state's capital budget was fed into maintaining an overstuffed SA National Defence Force, with personnel costs now claiming 60% of the available money, leaving very little for armaments purchases, says Buys.

However, government had said that it is planning to increase the amount of budget available for capital costs from less than 10% to 30% within three years by cutting back on troop strength.

The industry's shining hope is the planned R15-billion defence equipment shopping spree to replace and upgrade some of SA's ageing defence assets. The local industry is poised to benefit from the countertrade agreement which will feed money and technological expertise into South Africa.

Offers are being evaluated by the ministries of defence, finance and trade.

Buys says no announcement is expected in the immediate future.

20 2/8/98
**Denel board
backs Sigcau**

Business Day Reporters
(254)

DENEL's board of directors defended Public Enterprises Minister Stella Sigcau's record on privatisation last night in the wake of allegations surrounding Friday's resignation of Denel CE Seshi Chonco

Reports yesterday alleged Sigcau had admonished Chonco for moving too fast on Denel's privatisation

Denel's board defended her, saying privatisation was a function of the cabinet and not of an individual minister

Reports also noted a possible conflict of interest in Chonco's involvement with Elixir Technologies

A Denel group executive director, Flip Botha, has been appointed acting CE.

Danisa Baloyi, the board's acting chairman, also said an unsigned statement purporting to be issued on behalf of Sigcau did not emanate from the minister or her office

Defence industry urged to form alliances

Pule Molebeledi

80 3/8/98 (254)

THE key to promoting SA's defence industry in the international defence and civil markets is to form alliances, according to Carol Reed, editor of the UK-based Flight International magazine.

Speaking at a two-day African defence summit meeting in Midrand last week, Reed said economic necessity was forcing defence industries around the world to compete and to co-operate across frontiers. Shrinking defence budgets worldwide and the high costs of weapon development required economies of scale and technology sharing, she said.

Reed said many US and Euro-

pean defence industries were increasingly looking to expand their market share and to gain economies of scale in technology and manufacturing. This was done via mergers and acquisitions, strategic alliances and joint ventures at national and international levels.

Reed said the countries' governments had aided the process through the privatisation of state-owned companies, the liberalisation of merger policy and other incentives for rationalisation.

She said globalisation meant companies could not keep their technology out of the hands of competitors, especially as many companies relied on a range of

vendors. "You cannot do without the technology and skills of others. You cannot even keep your own technology for long," she said.

However, she cautioned that many alliances did not take off, either because of fears that they meant easy access to domestic markets or because they were viewed as a "quack and dirty" means to access foreign markets.

Reed said the US was spearheading the globalisation trend while the pace of consolidation of the supplier base in Europe had been slow and piecemeal.

Intra-European arms transfers between 1984 and 1994 amounted to \$17,4bn while US arms imports registered \$45,1bn.

Fluoridation gets thumbs-up

Business Day Reporter

80 3/8/98

THE SA Dental Association supported the health department's plans to add fluoride to SA's water supply to prevent tooth decay.

Tooth decay was expensive, with "millions" of school and work hours lost due to treatment.

Extensive scientific documentation confirmed that worldwide fluoridation of public water supplies was the "safest and most cost-effective, community-based measure of combating tooth decay."

SALES AND MARKETING

HOTEL PROMOTIONS

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Statements not valid — Denel

(254) CT 7/8/98

JOHANNESBURG: Denel's board of directors yesterday queried the source of three published statements pertaining to the resignation on Friday of the arms manufacturer's chief executive, Seshi Chonco

The board said in a statement that an unsigned media statement purportedly issued on behalf of Public Enterprises Minister Stella Sigcau did not emanate from her or her office.

"The board has no idea who issued this statement and apologises to the minister for any inconvenience caused," Danisa Baloyi, acting chairperson of Denel, said in the statement

He said that in the unsigned statement Sigcau was alleged to have praised Chonco's economic genius.

Denel also denied having issued another statement supposed to have come from its office, which the directors became aware of only after it was published

Denel also queried the source of yet another statement that quoted Defence Minister Joe Modise saying Chonco's resignation "is a sad event in South Africa"

Denel added that on Saturday night Modise had called the statement a fake, saying he had made no such media release

On Chonco's criticism of the pace of privatisation, Denel said: "Government policy on privatisation is not the individual function of one cabinet minister. The pace, nature and content of privatisation is a collective function of cabinet, in particular the inter-ministerial cabinet committee on the restructuring of state assets"

The arms manufacturer added

that on May 26 Chonco and the previous board of Denel had discussed the issue of his stakeholding in Elixir, a company which could potentially compete with Denel

The board asked him to resolve the apparent conflict between his shareholding and chairmanship of Elixir and his stewardship of Denel

Denel said Chonco resigned at a meeting of the new board on July 31.

It added that Sigcau was on her way to London on Saturday night to visit aerospace industries and to hold meetings with the British Minister of Trade regarding issues of privatisation and restructuring and other areas of common interest

"Dr Seshi Chonco and the board of Denel parted company in amicable circumstances and we wish him the best of good fortune in his future endeavours"

Chonco said on Saturday that he resigned because of a conflict of interests "I am a substantial shareholder in an information technology company called Elixir. Denel also has a subsidiary information technology company, Ariel Technologies, and that becomes a conflict of interests"

"Elixir doesn't compete with Denel on the open market, but because it is very successful there is a perceived conflict of interests. My trust and authority as chief executive officer then becomes suspect"

He added that he believed he had achieved what he set out to do — to leave Denel with a clear programme for restructuring

He denied that he and Sigcau had parted on bad terms — Sapa

SA dogs of war will be collared, says Kasrils

24
25
Mercenaries believed to be in Angola receive firm warning that the law will show them no mercy

AFP
Cape Town

Deputy Defence Minister Ronne Kasrils yesterday warned South Africans signing up as mercenaries for the looming war in Angola that they would be prosecuted under strict new laws.

He was reacting at a parliamentary media briefing to press reports that South Africans were among 300 men recruited by Angola's Unita movement in the escalating conflict against government troops.

The Star, quoting intelligence sources in Angola, France and South Africa, revealed that the dogs of war were being recruited by an unnamed security group with business interests in the US, South Africa, France and Britain. Kasrils warned that the

Government would not hesitate to prosecute South Africans signing up to fight in Angola.

Under the Foreign Military Assistance Act, South African soldiers for hire, who have a history of involvement in African conflicts, are prohibited from participating in armed actions on foreign soil. Contraventions are punishable by unspecified fines or jail terms.

Also addressing the briefing, Defence Minister Joe Modise said any official South African involvement in Angola would be solely in peacekeeping operations, in response to requests by the United Nations.

Modise said that according to the information South Africa was receiving, both sides in Angola - the government and Unita - were preparing to go back to war. "It is no secret that Unita



Taking a tough line... Kasrils hands out a warning.

has been on the offensive for some time and has taken a number of villages and towns," Modise said, adding that reports of massacres by Unita soldiers had also been received. He said South African soldiers were currently involved in mine-clearing operations in Angola at the request of



Peace is the goal... Modise says no unilateral action.

the United Nations. South Africa's involvement in further peacekeeping operations would be guided by initiatives launched by the UN, the South African Development Community and the Organisation of African Unity, he added. Speaking on the same issue, Kasrils said South Africa

wanted to see the US, Russia and Portugal playing a more energetic role in helping to resolve the conflict.

All three countries sponsored the Lusaka Protocol signed between Unita and the ruling MPLA in Lusaka in November 1994.

It provided for a political and military settlement of the devastating civil war that followed independence from Portugal in 1975.

The Star's Parliamentary Bureau reporting from Cape Town quoted Modise as saying South Africa was ready to help in any peace initiatives in Angola but only at the invitation of the international community.

He said no action could be taken unilaterally. "Our involvement will definitely be in peace operations, and those operations will be carried out once requested by the UN and supported

by the OAU"

He said Angola was on the brink of war and South Africa was already involved in international diplomatic efforts to avert conflict.

As part of this, senior officials were leaving for Luanda in the next 48 hours as part of a multilateral effort to investigate the situation first-hand, and find ways of stopping the conflict.

Meanwhile, UN special envoy Lakhdar Brahimi met Angolan President Jose Eduardo dos Santos in Luanda to discuss the country's faltering peace process, an official said without elaborating.

Brahimi, an Algerian known as an experienced UN trouble-shooter, arrived in Luanda for talks on Friday. He was due to meet Unita leader Jonas Savimbi today at the latter's Andulo stronghold in central Angola.

English for the army leaves FF speechless

BY JOVIAL RANTAO
Political Correspondent

Cape Town - The Freedom Front yesterday stormed out of a committee meeting to discuss the future language policy of the South African National Defence Force, after an ANC MP had made jokes about the Afrikaans Language Monument.

An angry Dr Pieter Groenewald, a representative of the FF on the joint standing committee, walked out of the meeting after committee head Tony Yengeni had ruled his emotional outburst out of order.

Groenewald had objected to comments by ANC MP Gabriel Loots.

Loots questioned why the institution which protected the welfare of Afrikaans was called a monument, and said some people said it was a sexist monument.

It was at this point that an outraged Groenewald objected "Are we playing games? The language monument is very dear to me as an Afrikaner I will not allow it to be turned into a joke."

"The constitution protects Afrikaans and Afrikaner cultural monuments, and these should be respected

by all .. I can also start to make some things a joke," he said.

Loots later apologised to the FF and other Afrikaans-speakers for the offence. "I want to apologise I'm an Afrikaans-speaker and would not do anything to disrespect the language I was doing this in a light-hearted manner," he said.

The spat between Loots and Groenewald came when MPs were given an opportunity to put questions to Jake Louw from the Afrikaans Language Monument, who argued against the SANDF's proposal to have English as the medium of instruction.

Louw argued that Afrikaans, which has been widely used in the SANDF, should be the choice for the main language because it was widely spoken in the Western Cape, Gauteng and the Northern Cape.

"Afrikaans is easy to understand and learn. The SANDF will unempower members if it chooses English," he argued.

His argument was, however, opposed by ANC MPs, who said speakers of other languages could use the same points to push for their languages to be elevated within the SANDF.

Procurement programme might give the economy a rocket boost

Arm Scor bullish on jobs link

LYNDA LOXTON

PARLIAMENTARY CORRESPONDENT

Cape Town — The government's multibillion-rand armaments procurement programme had attracted "incredible offers" and

looked set to be a major boost for the economy, Ron Haywood, the chairman of Arm Scor, said yesterday.

Speaking at a parliamentary briefing for the media and diplomats, Haywood said the counter-trade and offset elements contained in the programme were among the most ambitious ever attempted anywhere in the world and could result in large-scale investment and job creation in South Africa.

Although Cabinet still has to give the final go-ahead for the programme, Haywood said "we have been made offers that we

cannot refuse. In two to three years' time, they are unlikely to exist, and we may have to import 100 percent of our needs in certain product areas, paying in foreign currency."

He said that although Joe Modise, the defence minister, had insisted the industrial participation programme should offer a R1 return for every R1 spent, "offers in the order of R2 for every R1 spent have been received".

He put this down to "Madiba magic" and the fact that there were people out there in the world who wanted to help South Africa increase jobs, develop joint ventures and become an international player.

But, he added, the good offers made to South Africa could also be pinned on the fact that the world arms industry was facing tough times. Major mergers and acquisitions were taking place "and as they are consolidating, so they would like to keep their places alive. This could be a 10- or 15-year contract."

"That is also why they are interested in joint ventures with us because it may give them an extra product range."

The shake up in the arms industry made this "an ideal time to look at partnerships" for Arm Scor subsidiaries such as Denel, which had been considering various privatisation possibilities.

Jobs were expected to be created in Simon's Town, which would benefit the depressed Cape Flats area, as well as in the Eastern Cape, KwaZulu Natal and Gauteng both in defence and non-defence industries.

CT (Mk) 4/8/98

(274)

Offers of the order of R2 for every R1 spent have been received, says Arm Scor chief

Chippy Shakh of the defence secretariat said that how the finance department had indicated defence could bank on a budget of 1,5 percent of gross domestic product, there was greater certainty about finance. The defence force was restructuring itself accordingly and this could involve the privatisation of part of Denel by around 2001.

Shakh said part of the programme would be to encourage the defence industry in South Africa to diversify from defence-related production while supporting an industry that could maintain defence force equipment.

Defence force approves 11 558 resignations

Pule Molebeledi

(254) MD 6/8/98
THE SA National Defence Force (SANDF) had approved voluntary severance packages for 11 558 employees who had opted to resign over the past two years, defence force spokesman Col John Rolt said yesterday.

Rolt said the figure included applications processed from August 1996 to June this year and covered all arms of services.

The defence force said in its belated 1996/97 annual report released recently that it had paid out R424m for voluntarily severance packages by the end of March last year. The force had received 11 593 applications for voluntary severance packages by that date.

About 9 206 of these were recommended for approval, 2 014 were rejected and 373 withdrawn by members.

The report said 13,11% of the approved 5 347 applications were from officers, 57,58% from noncommissioned officers and 29,3% from civilians. The effects of this had been felt by all arms of services.

The army, for example, had had to contract 162 tradesmen and operators at the cost of R23,4m in order to fill the void created by an exodus of expertise as a result of the severance packages and the loss of personnel through natural attrition.

The report said the SA Air Force's total strength of actively flying pilots by the end of the 1996/97 financial year

was 359. When measured against the required operational strength of 486 pilots, this figure was "alarmingly low".

The defence force predicted that it would have only 249 pilots by the end of the current financial year. This meant the air force would be unable to respond to requests for air support.

The report said the air force had experienced a critical loss of air traffic controllers to the private sector. Out of 122 posts, only 71 were manned at the end of the 1996/7 financial year.

Of the required 58 approach controllers, only 25 were available.

The air force said it was unable to establish an experienced engineering work force due to the continued resignation of its engineers.

The air force had lost 53 engineers over the past four years, with 13 qualified engineers and seven learner engineers having resigned during the 1996/97 financial year.

The SA navy had, despite losing technical personnel, had to contend with the escalating natural attrition rate among its most experienced personnel.

During the 1994/95 financial year, natural attrition went up to 395, in 1995/96 it rose to 625 and amounted to 636 in 1996/97.

The navy said it had lost eight engineers and 10 naval technical officers during the 1996/97 financial year and these posts had been difficult to fill.

NIP calls for Nyanda to face trial for bombing

Letter submitted to Deputy President for his reaction

(254) EP 9/8/98

The National Party on Friday called for SA National Defence Force chief General Siphwe Nyanda to be brought to trial or provide proof that he had applied for amnesty for a bomb blast at the Johannesburg Magistrate's Court in 1987.

Thus follows testimony to the Truth and Reconciliation Commission's amnesty committee in Johannesburg this week that Nyanda ordered the bomb attack that killed four policemen, and injured 14 other people.

African National Congress spokesman Ronnie Marmoepe told Sapa that Nyanda had in fact applied for amnesty together with a number of other ANC members and would appear before the TRC at a later stage.

At the time of the bomb attack Nyanda was Transvaal commander of the ANC's armed wing, Umkhonto we Sizwe. "The NP wants to know whether he applied for amnesty

and, if so, we request that a copy of such an application be handed to us immediately," NP spokesman Henne Smit said. "If he did not apply for amnesty, we demand that the necessary steps be taken in order to bring him to court."

The NP had forwarded a letter to Deputy President Thabo Mbeki on Friday for his reaction, Smit said in a statement.

AP Landman, who represented Nyanda as well as the three former MK members who applied for amnesty for the bomb attack, told the hearing that the SANDF chief was not contesting the testimony implicating him in the explosion.

Former MK cadres Joseph Koetle, Solly Shoke and William Mabele told the commission this week that they carried out the bombing on Nyanda's orders.

Police constables Weyers Botha, Christoffel Botha, Kobus Wilkens and Andre

Duvenhage were killed when the 100 kg car bomb detonated. Koetle told the TRC he was responsible for planting and detonating the car bomb, while Mabele, only 19 at the time, was used as a driver to get Koetle to and from the court building.

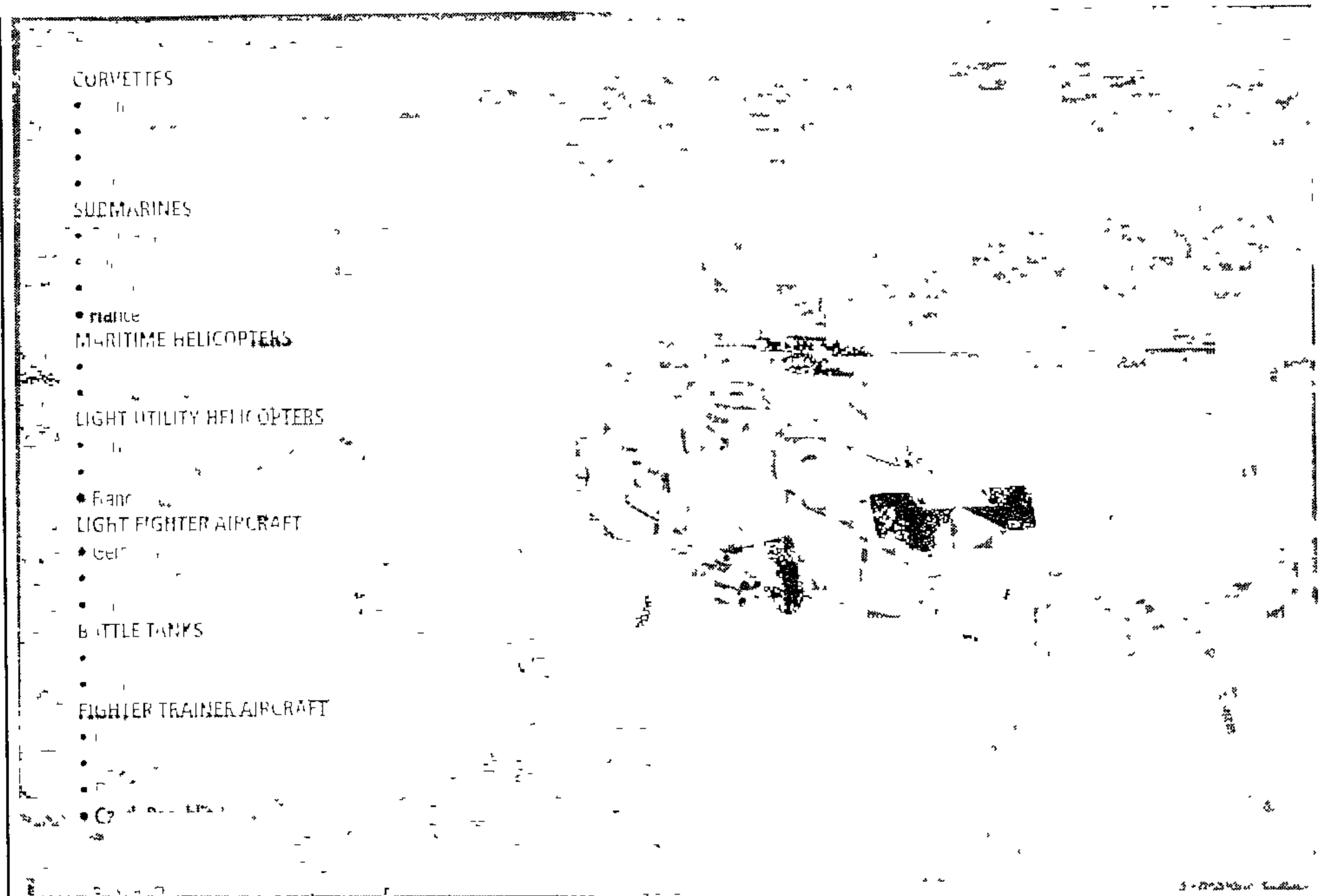
Shoke was responsible for supplying the bomb material. Landman told the

commission there was no doubt Koetle had acted under Nyanda's instructions. Koetle, now a senior SANDF officer, testified that he had been briefed on the operation by Nyanda, who was in Swaziland at the time.

Landman said Nyanda was in a position to give such orders without consulting higher structures.

One of those injured in the bombing, Captain Chris Esterhuizen, said he would not oppose the amnesty application. Constable Wilkens's mother said she too would not oppose it. Sapa

TRIAL SOON? . . . SANDF chief General Siphwe Nyanda



CORVETTES

SUBMARINES

• France
MARITIME HELICOPTERS

LIGHT UTILITY HELICOPTERS

• France
LIGHT FIGHTER AIRCRAFT

BATTLE TANKS

FIGHTER TRAINER AIRCRAFT

Countertrade deals the key to victory

(254) (ST) 9/8/98

DEFENCE FORCE TENDERS

By DON ROBERTSON

THE eight countries which tendered for the SA Defence Force's R12-billion arms procurement programme will have to sweat it out until the end of the year to see who has been successful and in which category.

The tender has been described as possibly the world's largest government to government deal ever.

On Monday, Armscor chairman Ron Haywood told Parliament the tenders had been evaluated and the process was now in the political approval stage. Defence Minister Joe Modise said a decision could be made before the end of the year.

Countries in the running are Germany, the UK, Spain and France for corvettes, Italy, Sweden, France and Germany for submarines, the UK and France for maritime helicopters and Italy, Canada and France for light utility helicopters.

Germany is also in the running

for light fighter aircraft along with France and a UK/Swedish group, while the UK and France are bidding for tanks. Fighter trainer aircraft will be contested between the UK, Italy, Italy/Russia and the Czech Republic.

"The tender process, we are told by international groups, has been one of the most demanding they have experienced, particularly our requirements for contractual obligations in countertrade programmes. At the same time they say it has been one of the most transparent," says Haywood.

Captain Siegfried Netzband, local representative of the German Submarine Consortium which is offering its U209 submarines, says coming up with the package was extremely difficult, "but we have substantially exceeded the countertrade and

offset requirements"

Confident of winning his part of the contract, Netzband recently arrived in South Africa to extend the services offered by Ferrostaal SA, which acts as the "trading house" for GSC.

Countries which have offered the most attractive countertrade deals — expected to benefit SA by R20-billion — will be successful.

Armscor initiated the tender process in October last year and bids were submitted between May and June for corvettes, submarines, maritime helicopters, light utility helicopters, light fighter aircraft, battle tanks and fighter trainer aircraft.

The requirement was that for every R1 equivalent spent overseas, the same amount or even more be invested in South Africa.

In many instances these requirements have been considerably exceeded and in some

cases more than a R2 equivalent has been achieved.

Haywood says it is obvious the world wants to help South Africa to sell products as well as become part of the new South Africa by assisting in research and development, increasing the number of jobs, the development of joint ventures and helping South Africa become an international player generally.

"We have also had the remarkable situation of the single largest offset programme, probably in any country in the world," he says.

These packages have the potential to ensure that South Africa is established once and for all in many new sectors of industry, including the defence industry, says Haywood.

Projects that have been identified range from steel and motor manufacturing through to advanced transport systems and transfer of technology.

SANDF to train laid off soldiers

(254)

DD 13/8/98

Pule Molebeledi

THE SA National Defence Force's (SANDF's) service corps has begun to use its Taiwanese sponsored multimillion rand training centre in Pretoria which was suspended last year by SANDF leadership following the downgrading of Taiwan's diplomatic relations with SA.

The deputy chief of the service corps, Gen Zohle Ngqose, said the Atteridgeville-based training centre, which was closed as a cautionary measure last year following the diplomatic tiff between the two countries, had been partially reopened.

SA's decision to sever ties with Taiwan and resume full diplomatic relations with China last year prompted Taiwan to threaten to withhold most of its funding to a number of projects it sponsored in SA.

This led to uncertainty about the future of these projects, including the service corps which was earmarked to receive R146m from Taiwan for its vocational training.

The recipients of the course would have been demobilised soldiers and those who had not made it into the SANDF during the integration process.

Gen Ngqose said Taiwan had not taken any of its R40m worth of high tech equipment it had donated to the service corps during the time in question.

Part of this included equipment for manufacturing car parts and electrical gadgets.

It had transpired that there were ongoing talks with Taiwan on this matter, with the country's representative to SA, Ling Tu having indicated the projects would resume in the meantime.

Refurbishment

In terms of the plans, the project was to be implemented in two phases starting with the refurbishment of buildings and the acquisition of training material for 12 trades.

This was to be followed by a further acquisition of sophisticated machinery for training in 19 additional trades as well as by the building of hostels and workshops to accommodate 1 500 trainees.

Despite this uncertainty, Ngqose said the corps had done its homework and was prepared to resettle the expected 20 000 people to be laid off during the planned SANDF rationalisation programme.

The corps, which had mostly received funding from some rolled over SANDF projects, had been allocated R80m for this process.

"If this money is not adequate, due to the fact that we are dealing with such an issue for the first time, we will have to go back to the chief of the SANDF to request more money," he said.

He said the corps would outsource most of its programmes to institutions accredited by the labour department to help them deal with the enormous number of demobilised staff.

Unlike the previous group, which was "poorly educated with low potential and angry" because it had not made the grade in the SANDF, Ngqose said they would be able to accommodate the 20 000 people because their level of education was slightly better.

Those in the infantry battalions, Ngqose said, would be encouraged to consider the security industry since the country was experiencing a massive security problem.

Absenteeism, theft plague SANDF

Pule Molebeledi

(254)

THE SA National Defence Force is facing a serious problem of indiscipline, with high rates of absenteeism and an increase in vehicle accidents and theft.

According to the defence force's 1996/97 annual report on military trials, the most common offence was that of soldiers who went absent without official leave (AWOL).

The offence accounted for 80% of the 15 184 cases handled under the military discipline code.

Incidents of AWOL were nevertheless lower than in 1995, when 15 112 AWOL cases were reported. The report also showed that adherence to the disciplinary code in the last year was a lot better than in 1995.

The report said in 1996/7, 12 367 soldiers went AWOL, 1 128 were charged with disobedience, 825 for drunkenness and 864 for other menial offences.

Despite the improvement, however, the report said the force had had to meet new challenges in maintaining discipline because of an increase in the number of members.

Defence force officials expressed concern over the rising number of the force's vehicles involved in accidents.

There had also been an increase in vehicle theft. Officials attributed the thefts to growing uncertainty among members about their future in the force. A rationalisation scheme is due to come into effect which will reduce the 90 000-strong force by 20 000 people.

BD 17/8/98

Surplus apartheid-era weapons pose a risk, says SANDF report

Wyndham Hartley

19/8/98

CAPE TOWN — Huge surpluses of apartheid-era weapons are still in circulation in the defence force and these are a significant security risk, particularly when combined with poor management and inadequate storage facilities, an SA National Defence Force (SANDF) report on weapons thefts has found.

The report, commissioned by newly-appointed defence chief Siphwe Nyanda after

the recent theft from Bloemfontein's Tempe base, was submitted to Parliament's joint standing committee on defence yesterday.

It contained alarming reports about too many weapons in circulation, including about 43 000 R1 rifles whose precise location cannot be confirmed. They are apparently on their way to 91 ammunition depots but a shortage of staff means that the receipt of these weapons cannot be finalised.

The fate of 47 crates of weapons sold to old South West African units had still not

been decided.

In addition, 60 000 of the SANDF's 719 705 weapons are in limbo: either "en route", "in transit for repair" or in "transit (but) not yet dispatched".

Gen Pieter Coetser, the SANDF's head of logistics, told the committee that in most cases the storage of weapons and ammunition was satisfactory.

He said, however, that some units had reacted to the weapons theft at Tempe by "backloading" their surplus weapons to de-

pots so that they would be safe. This was causing a bottleneck as the second-line depots were unable to get the weapons to the fourth-line depots fast enough and thus was a security risk.

Coetser said the investigation had found that too many weapons and ammunition stores still had no form of alarm system, or had no maintenance contracts for their alarm systems.

The "turnaround" time with the public works department was too long and thus

created significant security risks.

The report also found that lighting both inside and outside buildings and hangars was often inadequate and that some old buildings were not up to standard as places for the storage of weapons. In some cases the absence of adequate storage facilities had led to containers being used and this was not acceptable.

Coetser said surplus weapons must be identified and returned to depots "yesterday if possible". He said that most weapons

thefts by members of the SANDF were for financial gain.

However, the 44 parachute battalion thefts and the murder of two soldiers in the Free State showed that there was a political dimension emerging which the counter-intelligence division should investigate.

He told the committee that the report recommended the urgent establishment of a task team to compile, implement and evaluate a single policy for weapons and ammunition in the SANDF.

SAYS SANDF REPORT

SANDEF pledges tie down loose cannons

KERRY CULLINAN
PARLIAMENTARY BUREAU

THE SA National Defence Force yesterday conceded there were "far too many" of its weapons in circulation, and pledged their return to secure depots.

Between January 1997 and May 1998, over 900 SANDEF guns went missing — 480 R4 rifles, 198 R1 rifles and 234 9mm pistols, Lt-General Pj Coetzee told Parliament's joint defence committee.

Goetzee added that the SANDEF's security measures were aimed at preventing theft from "the outside" but that the new threat was "theft from the inside".

The committee requested the briefing after SANDEF members had been arrested in connection with the arms theft at the 44 Parachute Battalion in Bloemfontein, in which 117 weapons were stolen. But cutting back on the arms in circulation would require a "culture change" in the defence force,

(254) of 19/8/98

said Coetzee. Harking from the days when the force was active, officers "feel comfortable having extra weapons nearby" and were reluctant to return it to secure bases. As a result, surplus weapons were spread across 432 "self-accounting units" which were often not sufficiently secure. Logistics was working to ensure that only 27 properly secure bases would be able to keep surplus arms. Coetzee added that some of the weapons listed as missing were not

stolen but that they had simply been lost in the administrative backlog caused by the fact that every time a single weapon was moved, this movement had to be logged in a ledger.

He said investigations into personnel who had lost their weapons were often so inadequate as to rule out disciplinary action.

The committee also wanted counter-intelligence reports on what the intentions were of those who had stolen army weapons.

AT R1799, THE HP DESKJET 690C LOOKS TERRIFIC.



Focus on SA's nuclear industry as it moves into a new era

SAW 31/8/98 (264)

BY ADRIAN HADLAND
Parliamentary Correspondent

Government reluctance to intervene in the management of South Africa's nuclear industry has resulted in significant costs to the country and a range of urgent problems, according to nuclear policy expert Thomas Auf der Heyde.

In a paper which was presented this weekend at the National Nuclear Technology Conference in Mafikeng, Auf der Heyde argues that since 1983 an "almost complete lack of co-ordination on nuclear technology matters" within government has caused a policy vacuum which has dire consequences for the country.

The department of mineral and energy affairs, which is responsible for the planning and management of the nuclear industry, has "little or no capacity" to fulfil its mandate while government itself has been reluctant to intervene in the management of the sector, says Auf der Heyde.

The opinion of the Technikon Witwatersrand academic is one among many presented by 200 local and international experts at a conference designed to drag South Africa's nuclear industry into the post-apartheid era.

Observers believe the conference will play a critical role in determining the future of the industry which has cost the South African taxpayer in excess of R10-billion over the last 20 years.

Says conference organiser Mofalefa Murphy "The lack of a coherent policy threatens not just nuclear power generation but all the associated applications of nuclear

and the National Accelerator Centre in Faure complained that the AEC was not only operating under an unacceptable apartheid framework, but was also professionally incapable of prioritising and selecting projects for IAEA funding.

While the department of mineral and energy affairs has largely declined to participate in preparations for the conference, it was left to the department of arts, culture, science and technology to resolve the dispute and appoint a panel of experts to draw up a draft IAEA policy.

In a paper on radioactive waste management, three researchers from the AEC claim South Africa has done little about planning a long-term solution to the disposal of an increasing stockpile of radioactive waste.

"The permanent solution to the spent fuel issue has not been debated to any extent in South Africa and the danger is that the problem could be left for our future generations to solve," the paper says. "This violates one of the fundamental principles of radioactive waste management."

"The public must receive assurance that the nuclear industry has, or is working towards, the answers for the cradle-to-grave approach to the long-term safe disposal of the total spectrum of radioactive wastes. Public confidence levels cannot be built on the basis that spent fuel high level waste (HLW) disposal will only be dealt with in the next century, implying that the industry does not have the answers."

"South Africa must be proactive and undertake studies to determine long-term disposal options for spent fuel and HLW to allay public fears."

In another paper, Lars Melin

from the Millennium Think Tank argues that the development of South Africa's nuclear industry is of vital importance to the country's ability to remain at the cutting edge of technology.

"The rapid growth of technology, especially in the nuclear field, is of the utmost importance to a nation wishing to maintain a competitive edge in the future globalised economy."

Gittus concludes that the Pebble Bed Modular Reactor developed with South African enterprise has the potential to relaunch nuclear power.

Murphy says government's declaration of 1998 as the Year of Science and Technology (Yeast) has presented an ideal opportunity for concerned stakeholders to put nuclear science and technology on the national agenda.

"The historical developments in South Africa's nuclear industrial domain have undermined the credibility of nuclear science and technology," he said.

"This is particularly pronounced among black people whose lack of representation in the current debate is an undesirable legacy of their deliberate exclusion during the era of apartheid."

"It is for this reason that the South African nuclear community has consciously seized the opportunity to celebrate Yeast with humility and frank deliberations."

"These are underpinned by a genuine quest to raise nuclear technology consciousness and to develop technical capacity, particularly among the traditionally disadvantaged communities," he says.

Earlier forecasts of continued expansion in nuclear generating capacity have proved to be optimistic and presently it is only in China, Japan and South Korea that significant expansion in nuclear capacity is actually occurring," he says.

"The pace of new nuclear power construction is in fact about equal to the pace of plant closures worldwide and so world nuclear capacity has reached a plateau."

Gittus concludes that the Pebble Bed Modular Reactor developed with South African enterprise has the potential to relaunch nuclear power.

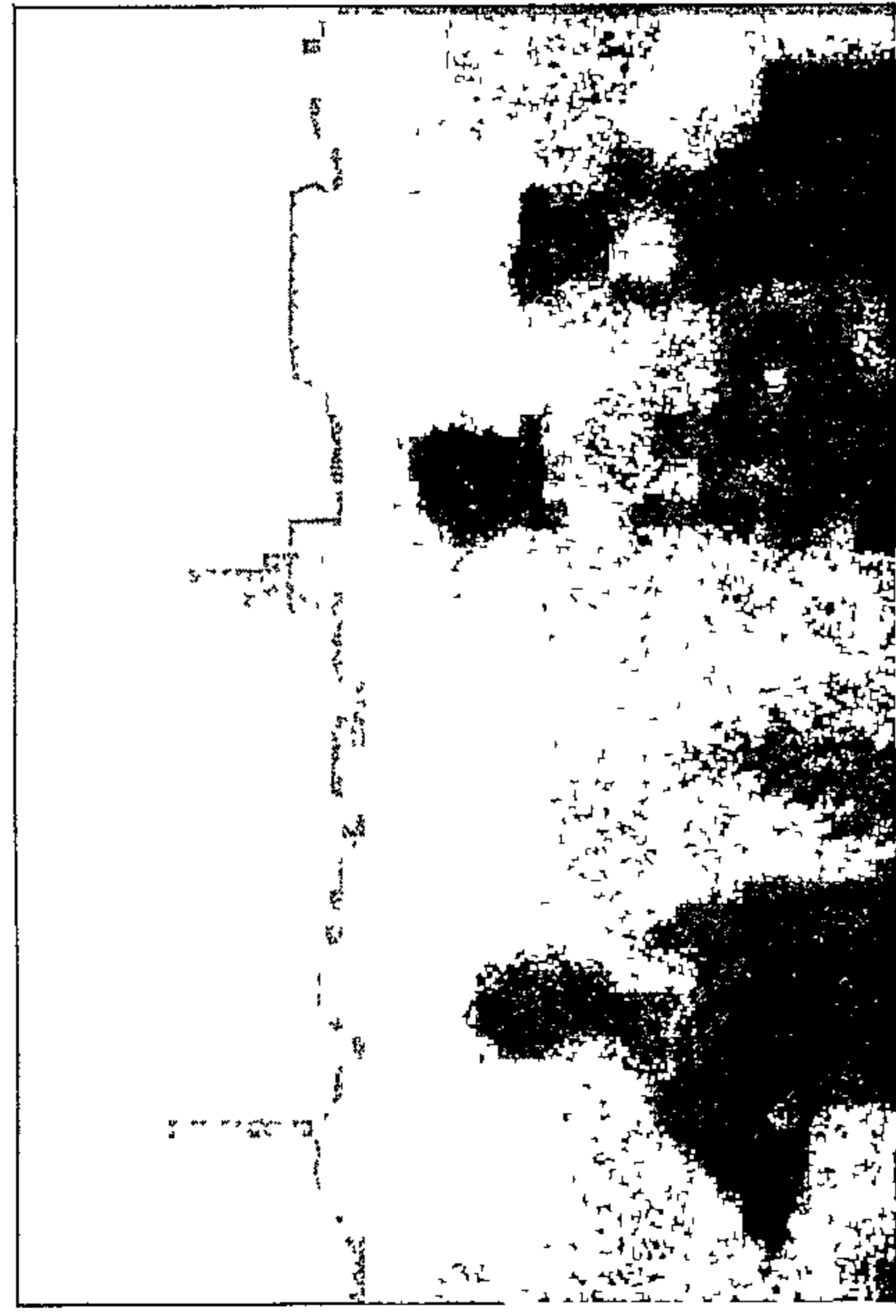
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"These are underpinned by a genuine quest to raise nuclear technology consciousness and to develop technical capacity, particularly among the traditionally disadvantaged communities," he says.



Outside looking in a view of Pelindaba Nuclear Station. It has been said that the lack of representation in the current debate by black people is an undesirable legacy of apartheid

technology including agriculture, medicine, water provision, food security, research and education."

But the conference, which was to map out South Africa's future relationship with the International Atomic Energy Agency (IAEA), has itself been the subject of almost a year of wrangling between government departments the Atomic Energy Corporation (AEC) and local nuclear scientists and researchers

The battle over who should host and organise this weekend's proceedings formed part of a case in the Transvaal High Court in November last year and had a bearing on the suspension of one of the AEC's top black managers.

At present, all applications for the funding of projects and technical assistance from the IAEA have been channelled through the AEC which pays the R5 million a year member-

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Focus on SA's nuclear industry as it moves into a new era

By **ADRIAN HADLAND**
Parliamentary Correspondent

Government reluctance to intervene in the management of South Africa's nuclear industry has resulted in significant costs to the country and a range of urgent problems, according to nuclear policy expert Thomas Auf der Heyde

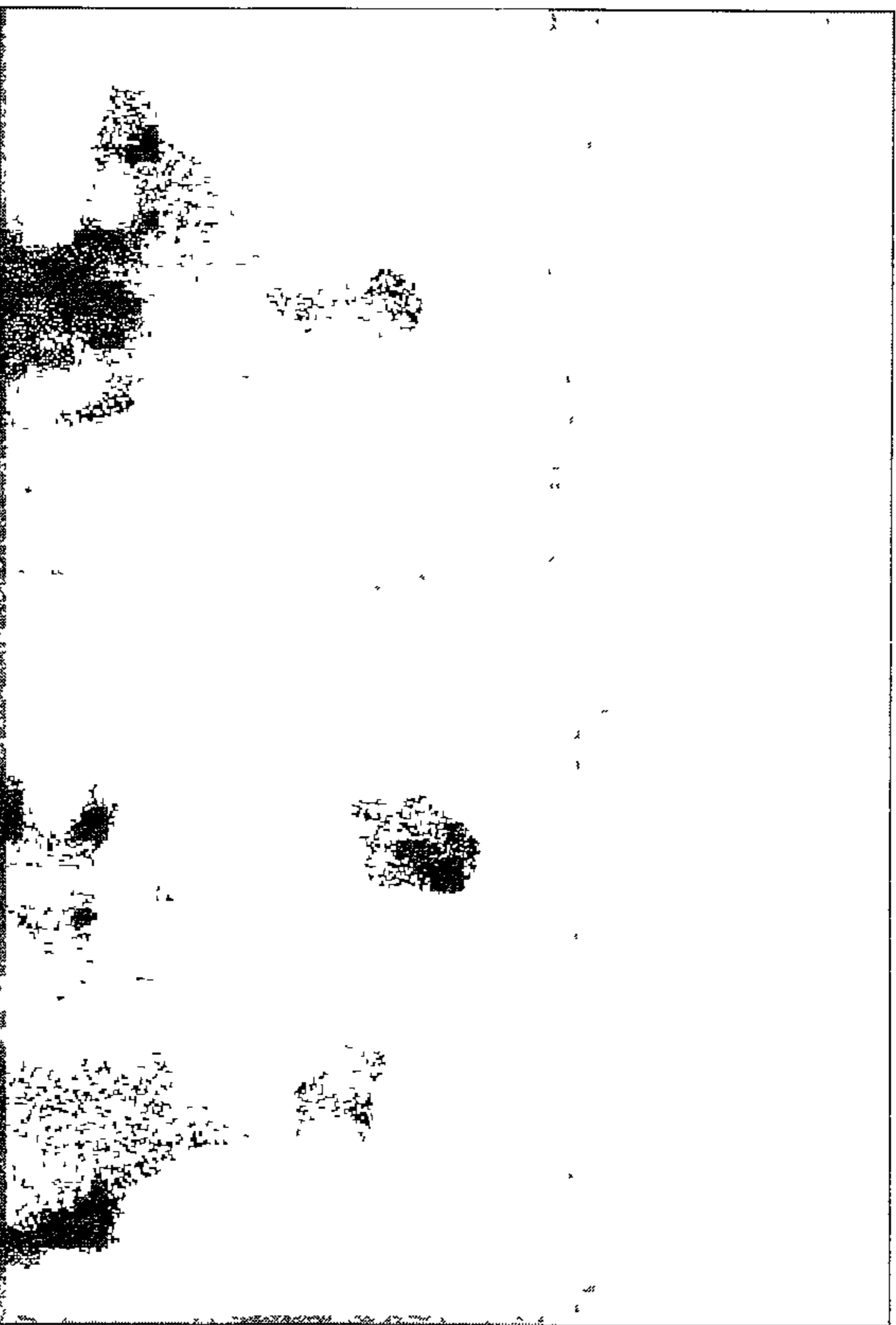
In a paper which was presented this weekend at the National Nuclear Technology Conference in Tlokweng, Auf der Heyde argues that since 1993 an "almost complete lack of coordination on nuclear technology matters" within government has caused a policy vacuum which has dire consequences for the country

The department of mineral and energy affairs, which is responsible for the planning and management of the nuclear industry, has "little or no capacity" to fulfill its mandate while government itself has been reluctant to intervene in the management of the sector, says Auf der Heyde

The opinion of the Technikon Witwatersrand academic is one among many presented by 200 local and international experts at a conference designed to drag South Africa's nuclear industry into the post apartheid era

Observers believe the conference will play a critical role in determining the future of the industry which has cost the South African taxpayer 1 excess of R10-billion over the last 10 years

Says conference organiser Moleleka Murphy "The lack of a coherent policy threatens not just nuclear power generation but all the associated applications of nuclear



Outside looking in .. a view of Pelindaba Nuclear Station. It has been said that the lack of representation in the current debate by black people is an undesirable legacy of apartheid.

technology including agriculture, medicine, water provision, food security, research and education "

But the conference, which was to map out South Africa's future relationship with the International Atomic Energy Agency (IAEA), has itself been the subject of almost a year of wrangling between government departments the Atomic Energy Corporation (AEC) and local nuclear scientists and researchers

The battle over who should host and organise this weekend's proceedings formed part of a case in the Transvaal High Court in November last year and had a bearing on the suspension of one of the AEC's top black managers

At present, all applications for the funding of projects and technical assistance from the IAEA have been channelled through the AEC which pays the R5-million a year member-

ship fee. This has led to consistent claims from applicants that AEC decisions on IAEA grants, such as a current project on the Cape fruit fly, have borne little relation to current needs and objectives in a post-apartheid society

The department of arts, culture, science, and technology was forced to intervene in March this year when a group of researchers from the University of the Witwatersrand and the National Accelerator Centre in Faure complained that the AEC was not only operating under an unacceptable apartheid framework, but was also professionally incapable of prioritising and selecting projects for IAEA funding

While the department of mineral and energy affairs has largely declined to participate in preparations for the conference, it was left to the department of arts, culture, science and technology to resolve the dispute and appoint a panel of experts to draw up a draft IAEA policy

In a paper on radioactive waste management, three researchers from the AEC claim South Africa has done little about planning a long-term solution to the disposal of an increasing stockpile of radioactive waste

"The permanent solution to the spent fuel issue has not been debated to any extent in South Africa and the danger is that the problem could be left for our future generations to solve," the paper says. "This violates one of the fundamental principles of radioactive waste management

"The public must receive assurance that the nuclear industry has, or is working towards, the answers for the cradle-to-grave approach to the long-term safe disposal of the total spectrum of radioactive wastes

Public confidence levels cannot be built on the basis that spent fuel high-level waste (HLW) disposal will only be dealt with in the next century, implying that the industry does not have the answers

"South Africa must be proactive and undertake studies to determine long-term disposal options for spent fuel and HLW to allay public fears" In another paper, Lars Mein

from the Millennium Think Tank argues that the development of South Africa's nuclear industry is of vital importance to the country's ability to remain at the cutting edge of technology

"The rapid growth of technology, especially in the nuclear field, is of the utmost importance to a nation wishing to maintain a competitive edge in the future globalised econ-

66 SA must be proactive and undertake studies

omy of the world and a reputation for technical competency. This is vital if we are to increase exports of our raw materials in a benefited form

"South Africa has a daunting task ahead in the new millennium in providing even the basic needs of a growing population

"To achieve this, every opportunity must be exploited to build our gross domestic product and our foreign earnings "

Visiting British professor John H Gitus points out that after a promising start, in which nuclear power was expected to become a critical source of electricity worldwide, the industry has "reached a crossroads".

"Earlier forecasts of continued expansion in nuclear generating capacity have proved to be optimistic and presently it is only in China, Japan and South Korea that significant expansion in nuclear capacity is actually occurring," he says

"The pace of new nuclear power construction is in fact about equal to the pace of plant closures worldwide and so world nuclear capacity has reached a plateau "

Gitus concludes that the Pebble Bed Modular Reactor developed with South African enterprise has the potential to relaunch nuclear power

Murphy says government's declaration of 1998 as the Year of Science and Technology (Yeast) has presented an ideal opportunity for concerned stakeholders to put nuclear science and technology on the national agenda

"The historical developments in South Africa's nuclear industrial domain have undermined the credibility of nuclear science and technology," he said

"This is particularly pronounced among black people whose lack of representation in the current debate is an undesirable legacy of their deliberate exclusion during the era of apartheid

"It is for this reason that the South African nuclear community has consciously seized the opportunity to celebrate Yeast with humility and frank deliberations

"These are underpinned by a genuine quest to raise nuclear technology consciousness and to develop technical capacity, particularly among the traditionally disadvantaged communities," he says

Military marches to the same beat

By Willie Bokala

AFTER four years of governance, the African National Congress says it is satisfied with the loyalty and effectiveness of the South African National Defence Force

But the organisation feels that the pace of transformation in the armed forces has been very slow

Deputy Minister of Defence Ronnie Kasrils told a recent media meeting that the ministry's vision was to transform the army to reflect the character of South Africa's democratic society and to ensure an affordable defence

To bring the armed forces in line with South Africa's democracy, he said, the ministry's policy was to transform the defence structures from top to bottom in order to achieve proper representation at all levels

"This process is affecting the structure, design and force levels of our defence force as well as its posture, doctrine, value system and institutional culture," said Kasrils

"And we are recording considerable progress with regard to representivity"

He said that only a percent of all the officers in apartheid's South African Defence Force (SADF) was black

This year 29 percent of all officers are black (last year the figure stood at 22 percent)

In this regard Kasrils pointed out that the SANDF was led by General Siphwe Nyanda, General Gilbert Ramano was chief of the army, General Moreti Motau was chief of defence intelligence, and General Themba Masuku was chief of the military health service

He also said the defence force had appointed Brigadier-General Jacky Sedibe as its first female general. She is the SANDF's director of equal opportunities

Kasrils said that the overall restructuring programme of the SANDF was producing

- The creation of a single, integrated headquarters for all defence services,
- The phasing out of some of the nine existing territorial commands previously made up of the two liberation armies of Umkhonto we Sizwe and the Azanian People's Liberation Army, the SADF, the armies of the former Transkei-Bophuthatswana-Venda-Ciskei areas and the defence structure of former KwaZulu,
- The reduction of army bases and facilities,
- The merging of certain units to obtain greater cost efficiency,
- The creation of a joint operations command, and
- The transformation of defence intelligence

Kasrils said that key to the ministry's restructuring was to ensure that civilian control over the military was consolidated and that discipline was instilled in the ranks of command so that officers were at all times committed to implementing government directives and policy

He said it was essential for new democratic attitudes and values to be instilled in the military, and a programme on affirmative action and equal opportunities had already been established to advance this policy

Apart from achieving the broad representivity needed, the implementation of the programme would enhance the position and role of women in the SANDF

"Among other notable achievements was building national consensus through the adoption of the White Paper and Defence Review processes and starting the civic education pro-



Deputy Minister of Defence Ronnie Kasrils says his ministry's vision is to transform the army to reflect the character of South Africa's democratic society and to ensure affordable defence.

(254) *Journal 31/8/98* PIC PETER MOGAKI

"We've had joint exercises on land, at sea and in air with our neighbours and we have hosted regional military personnel at our training colleges"

gramme," Kasrils said at the media meeting

"This programme further works to reformulate defence doctrine and give great impetus to transforming values and attitudes"

He said that Defence Minister Joe Modise had recently given instructions for the creation of a monitoring committee to report directly to him on progress and problems such as prejudice and discrimination in the force

He acknowledged that there had been problems, areas of resistance from several of the SADF's old guard and setbacks such as the theft of arms by forces opposed to democracy

But he said the SANDF had changed from an aggressive, destabilising, provocative and pre-emptive force of the past to a nonracist, non-sexist force loyally serving a democratic order and proudly reinforcing the African renaissance

"Their duties have been to provide an essential service to society. An example is their support to the South African Police Service in the fight against crime and violence in areas such as Richmond, the Cape Flats, Qunu and Tsolo," said Kasrils

He also told the media meeting that the Defence Review, the Defence Act

and a military disciplinary code were being rewritten by a working group consisting of experts from civil society and the Ministry of Defence to create a totally new Act

He further said that the present Government had inherited a "top-heavy" defence force with a bloated administration

"It is in these areas that we need to reduce and, indeed, we are noting a trend of many officers opting for early retirement via the severance package route," Kasrils said

He said that in down-sizing the force from its current level of 93 000, the ministry would pay special attention to the situation of ordinary soldiers because they did not have adequate savings and pensions or alternative skills

"As long as they are young, fit, keen and disciplined, we do not want to sacrifice them to cost-cutting," he said

Kasrils also said that the Ministry of Defence was about to finalise its Military Veterans Bill, which would provide for a veterans' council to represent the interests of those people in the defence force

He added that the SANDF was continuing with preparations for its peace-keeping and peace-support role in the Southern African Development Community region, and was ready at all times to assist in other countries in Africa if requested to do so

"To give practical effect to our policy of common security, we have hosted regional military personnel at our training colleges, exchanged visits with our neighbours and have had joint exercises on land, at sea and in the air," Kasrils said

'No way' SANDF can survive cuts

(254) CT 119198

ANDRE KOOPMAN
PARLIAMENTARY BUREAU

THE standing committee on defence was told yesterday that it would face an accumulated shortfall of R2,67 billion by the year 2000.

This was said in a Department of Defence briefing attended by its chief of finance, Jack Gründling.

There was "clearly no way in which the SA National Defence Force, as part of the Department of Defence, could survive under the present medium-term expenditure framework (MTEF) of a three-year budget cycle", stated a report before the committee.

Given current budgetary constraints, the army would be unable to support the police during the 1999 elections and no major conventional exercises could be conducted in 1999/2000.

Training of Voluntary Military Service members would have to be suspended and this would have a "negative impact on corps staffing and consequently the state of pre-

zero tangible output in terms of service delivery to the nation for the SA Army over the period of the MTEF".

Committee chairperson Tony Yengeni expressed grave concern about the briefing and its strategic implications, noting the "continuing deterioration" of the internal stability of regional states, particularly the Democratic Republic of Congo.

A spokesperson for the SA Navy said that at this stage there were no army personnel available to support the police during the elections because of budgetary constraints.

The Department of Defence would have to be funded separately from the normal budget for these functions, and this would be demonstrated in the next few weeks during submissions for additional budget allocations.

The air force would have to reduce patrols of the Economic Exclusion Zone by 75% because of the cutbacks and would be unable to conduct peace support operations. He said that the backlog in

the replacement of capital equipment was "causing a bow-wave which may become insurmountable and compromise safety standards".

The continuous scaling down of allocations to the SA Navy would "contribute to the ultimate demise" of the navy.

While the navy needed 18 operational vessels, in June this year only six vessels were operational and at one stage there were only three.

The navy, by refusing to participate in international naval exercises as a result of cutbacks, would send a message that "we are unable to execute peacekeeping functions".

Meanwhile, Gründling told the joint standing committee on defence that the defence force faced a shortfall in its capital budget of about R770m this year.

While severe cuts had been made to the defence budget over the past few years, the defence force could not cancel existing contracts. To do so would cost R985m.



GRAVE CONCERN: Tony Yengeni

paredness", since the Voluntary Military Service was the most important feeder for the part-time force.

In further bleak news, the committee was told that "no fuel will be available, making it impossible for the SA army to function at all".

The implications of the budget cuts would translate into "a virtual

ARMS manufacturer Denel plans to strengthen its stake in the IT and telecommunications business

The state-owned group is speeding ahead with its privatisation plans with the announcement that its 20 divisions will be rationalised into four core business groups — aerospace, light armaments, heavy armaments and a commercial and IT division

The company wants to boost revenue by shifting some of its core business to non-military production and services. It is also looking to build export markets for its arms.

Acting CE Flip Botha says Denel is considering the partial or full privatisation of all companies within the group. He says it is almost certain that Denel Aviation and Ariel, the IT subsidiary, will be among the first to go.

Denel is planning to enter the telecommunications market as a supplier.

Botha says the establishment of manufacturing facilities is also on the cards.

Earlier this year Denel considered the formation of a telecommunications subsidiary that would bid for SA's additional cellular licences.

It has, however, withdrawn its negotiations with black empowerment groups to form a bidding consortium, among them the Telecommunications Empowerment Corporation.

Botha says the plans to bid for the licences have been put on hold owing to high investment costs, but future participation as an equity partner in one of the networks has not been ruled out.

Denel's arm is pointing to IT and telecoms

After earlier hitches, privatisation plans at the weapons manufacturer are gaining momentum, writes SHERILEE BRIDGE

(254) STCP 6/9/98

Botha says the focus on the high-growth telecommunications and IT industries is a hedge against declining military markets.

Denel, reeling from government cutbacks in defence spending, sees its longer-term future in IT and in commercial manufacturing projects.

Already the diversification of Denel's military technology for civilian use has been shown to be a profitable exercise.

The group's production now stands at 60% military and 40% commercial.

Its goal is to increase commercial business to 80% and focus its military products more on the international market.

In the interim, the market awaits a clear move on Denel's privatisation, which has been plagued by problems, not least of which is the resignation of former CE Seshi

Chonco, who allegedly stepped down because of a difference in opinion with the government on the pace of privatisation.

Coert Vorster, CE of Debis IT Services SA (a joint venture with Ariel) resigned this week, strengthening the brain-drain that began when former Ariel CE Tony Kaleb left the group earlier this year.

Botha believes the sale of Ariel is imminent.

The on-again, off-again nature of privatising the IT arm has been fuelled by confusion over the company's involvement with the just-launched State IT Agency (Sita).

Sita was set up in an effort to improve the performance of information technology within the public service. However, one of Denel's other IT-related subsidiaries, Infoplan, is expected to become part of Sita — leaving Ariel to compete in the private sector.

Steyn leaves over 'dissatisfaction'

(254) BD 14/9/98

Pule Molebeledi

PERSONALITY clashes and dissatisfaction with the manner in which he carried out his duties were viewed to be the main reasons why defence secretary Pierre Steyn left his position before his contract was up, industry insiders said yesterday.

Defence Minister Joe Modise said on Friday he had approved Steyn's application to leave the defence force at the end of November. Steyn, 55, was expected to retire next September. Modise thanked Steyn for the valuable contribution he had made in transforming the defence department over the past four years.



STEYN

Some government officials and the Democratic Party expressed surprise and concern at his sudden resignation.

The DP said it would introduce a motion in Parliament today calling on Modise to give a full explanation on Steyn's resignation. It claimed that frequent resignations at senior level contributed to a climate of uncertainty.

Industry insiders said it became apparent to the defence ministry during 1996 that Steyn was not the right per-

son for the position "as he lacked the imagination to push the transformation agenda forward".

He was seen to be too close to the old order securocrats and appointed members of the old guard to senior positions. This gave the perception held by the majority of the former liberation armies officials that it "was business as usual" and transformation had failed.

Another insider said Steyn was ejected by change itself as "he was pigmentally challenged".

Steyn said yesterday he was "sad" to leave and denied that his resignation had anything to do with personality clashes. He opted to take up a position in the bank-

ing sector. He refused to disclose any additional information but industry insiders speculated that he might be heading for the SA Reserve Bank.

Steyn said he had decided to leave after Modise told him that he was not in a position to guarantee that his contract would be renewed when it expired next year. "I am sorry to leave but would like to assure everybody con-

Continued on Page 2

Steyn

Continued from Page 1

cerned that there was no sinister motive behind my resignation I have been given another opportunity to extend my career. I understand the anxiety, but I had to consider my future."

He said his relations with senior defence force leaders, including Modise and Lt-Gen Sphiwe Nyanda, chief of the SA National Defence Force, were sound "Nyanda is my friend"

Industry insiders said Steyn was not really hired for his administrative skills but was crucial for strategic reasons to the African National Congress government. The former chief of defence force staff, who is resigning for the second time, was valuable due to the damning report he authored in 1992 about illegal military operations which led to the suspension or resignation of 23 officers, including two generals and four brigadiers.

The sources said he was likely to be replaced by deputy secretary for defence, Mamatu Netsiyanda.

Denel and UK firm to share £100m British army order

(254) CT (BR) 15/19/98

JONATHAN ROSENTHAL
INDUSTRIAL EDITOR

Johannesburg — Denel, the state-owned arms producer, is negotiating a work-share agreement with Royal Ordnance, the British armaments manufacturer, over a two-year £100 million British Army order, it emerged yesterday.

Royal Ordnance was Denel's main competitor for specially packed artillery shell charges, with Team MACS, the competing US consortium, believed to have been excluded early in the test. Somchem, a division of

Denel, is believed to have won the bid, the results of which have yet to be announced, on technical and cost grounds.

Andrew Jeacock, a spokesman for Royal Ordnance, said yesterday "the technical solution that was proposed by Denel seems to be the one the government will proceed with".

Earlier this month, British Aerospace, which owns Royal Ordnance, warned it could close its last factory producing artillery propellant if the British government awarded the contract to Denel. Jeacock said

Royal Ordnance was now looking for a compromise solution in which it could keep the plant open if some of the contract work remained in Britain.

"We are hoping to ensure there is enough valuable work in the UK in order to ensure that the plant stays open and the UK has a strategic base for this propellant," he said.

Jeacock said the deal would probably include a technology transfer, but could open up export opportunities to markets not traditionally served by Denel. In July Royal Ordnance won a

\$163 million contract to operate the Holston Army Ammunition Plant in Tennessee as the supplier of high explosives for shells and warheads to the US army.

Denel and Royal Ordnance manufacture modular charge propellants which replace traditional bagged propellant charges and are used to provide the explosive power to shoot an artillery shell out of a gun barrel.

Modular charges are easier to transport, less wasteful and more cost-effective than bagged propellants. The charges, developed for the G5 and G6 family of long-

range guns, would be used in the British army's fleet of AS90 self-propelled artillery systems.

Denel was unable to comment on the deal yesterday.

Jeacock was also unable to comment on market speculation that Royal Ordnance is in talks with Fuchs Electronics, the South African fuse manufacturer, over the possible rationalisation of Royal Ordnance's fuse business. He said the group was talking to a wide range of fuse manufacturers and had not made a decision on which company it would partner.

Apartheid lingers in military intelligence

16/9/98

(254)

KERRY CULLINAN

LITTLE has been done to transform military intelligence, which is still "dominated by apartheid operatives", according to a report by Parliament's joint standing committee on intelligence

Furthermore, military intelligence had not explained who authorised the destruction of records of apartheid's covert operations nor given an account of which records were destroyed, said committee chairperson Nosiviwe

Mapisa-Nqakula

The committee is also "angry" that Secret Service members may have been involved in "the looting and smuggling of Zairean wealth and the infiltration of former Zairean generals into the country"

Numbers headache for SANDF planners

(254) ARG 19/9/98
ADRIAN HADLAND

With more than 43 000 people now claiming to have been members of the armed wings of the ANC and PAC, the South African National Defence Force has called in independent auditors to sort out who the real combatants were.

In August the British Military Advisory and Training Team, which is helping the defence force to integrate the liberation forces, said there were problems in the "validation of reporting integratees".

The use of battle names, a lack of identity or military documents, and incomplete records were all blamed for delays in identifying and either integrating or demobilising former liberation forces members.

Parliament's consideration of legislation for the payment of pensions for former combatants is believed to have encouraged a rash of new applications for inclusion on the Certified Personnel Register.

The register, closed for integration purposes in October 1996, lists all those who claim to have been members of either the ANC's military wing, Umkhonto weSizwe (MK), or the PAC's military arm, Apla.

But while initial estimates indicated that the total number of names on the register was expected to amount to just over 10 000, the list is now more than 43 000 names long.

This is believed not only to have placed great strain on the integration process but to have hampered a defence force wish to recruit new members with specialised skills.

Colonel John Rolt, defence force spokesman, said the names on the register included 33 321 former MK members and 9 894 former Apla members.

Of these, 7 725 had been demobilised, 22 000 integrated and 12 580 were of uncertain status.

Auditor General Henri Kluever had consequently been asked to handle the inquiry but may subcontract the work to an audit firm.

Defence force reputation in tatters

Serious questions are being asked about the state of South Africa's defence forces following the Lesotho intervention, writes Howard Barrell

The public, defence and security analysts and African National Congress and opposition politicians have expressed concern over the past 10 days about the coherence of the young South African National Defence Force (SANDF) after it apparently struggled to pacify 1 000-odd mutinous soldiers in Lesotho.

The comparison has been drawn with the seeming effectiveness — some defence analysts maintain "mythical effectiveness" — of the old South African Defence Force (SADF) of the PW Botha years. And the result of the debacle in Lesotho seems certain to be far closer public scrutiny of the SANDF's performance in future.

Richard Cornwall of the Institute of Security Studies has voiced several searing criticisms. He says the intelligence available for the operation was clearly defective. Orders for the mission given to Colonel Robby Harries, the commander of the 600-strong force that initially went in, were imprecisely phrased, with the result he had few clear objectives.

The force was told to expect little to no resistance. And the rules of engagement soldiers were given, ordering them to use minimum aggression and minimum force, meant each went into battle "with one arm behind his back", according to Cornwall.

This week senior army officers including the deputy chief of the army, Major General Roland de Vries, and the chief of special forces, Brigadier General Borries Bortmann, were highly critical of the operation, blaming politicians for the botch up. Bortmann said: "The wrong people were sent in and there was a lack of intelligence. Our troops could not adapt to the terrain."

Analysts across the board, a number of whom spoke to the *Mail & Guardian* on condition they were not identified, are far freer in criticising what one called "the fundamentally strategic decision" to mount what was basically a "peacekeeping" operation in Lesotho.

One said: "You didn't need informants on the ground to know Lesotho would fight back. You just had to read the previous week's *M&G*." A number are mystified at South Africa's failure to employ the kind of strategy used effectively in the past by the SADF: the gradual

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ratcheting up of threats. The SADF used to send private warnings of military action to parties in a neighbouring state, which were often followed by public warnings, the threat was then ratcheted up to the level of a show of military strength such as increased troop deployments along a common border or overflights of the neighbour's capital, before eventually deploying forces aggressively on foreign territory.

The picture some analysts paint of the situation in the SANDF is alarming. Official figures released by the government seem to bear it out. Analysts say the SANDF is being dangerously run down by a combination of swingeing budget cuts, an inability legally to retrench surplus soldiers, decrepit equipment and a lack of clarity on what the force's main roles are.

They believe the attempt to integrate the former SADF, the variousbantustan armies, Umkhonto weSizwe (Umk) and the Azanian People's Liberation Army (Apla) has so far mainly been a success.

Several thousand formerbantustan soldiers joined the SANDF at its inception. By the beginning of this year, more than 17 000 former members of Umk and Apla had joined and stayed on, according to the Department of Defence's latest annual report.

The integration of the former SADF complement involved the retention of an already bloated, overstuffed military bureaucracy. And only 9 000-odd soldiers applied successfully for voluntary severance packages. In total there are now about 90 000 members of the SANDF, 20 000 more than it wants or can afford.

But, over this period, Parliament has continued to cut the defence budget. Since 1990 the budget has been cut by more than half in real terms. The decline has not eased during the ANC's four years in power.

Since 1994, the defence budget as a proportion of total government spending has fallen from 8.7% to 5% this year. Measured as a proportion of total South African economic activity (gross domestic product), over the same four-year period defence spending has fallen from 2.7% to 1.5%. This is considered by many analysts to be a very low level of defence spending for a country with South Africa's resources.

The financial squeeze to the SANDF personnel has distorted the force's shape. The defence department now spends an astonishing 57% of its budget on personnel costs alone, according to a department representative.

Another 35% of the budget goes on day-to-day operating costs. And a meagre 8% remains for purchases of new equipment.

The budget cuts have played havoc with the SANDF's attempts to maintain, operate and replace equipment. A vast amount of money designated or needed to pay for equipment is

HTG 2-8/10/98

being redirected into paying salaries. Currently, defence equipment worth about R5-billion — measured either in terms of purchase or replacement value — is in storage, not operational or out of commission because of the cuts, according to the Deputy Minister of Defence, Ronnie Kasrils.

This equipment includes nine Transall freight aircraft worth R300-million, 22 Mirage fighters worth R500-million and two naval strike craft with a combined replacement value of R1 200-million.

"There is quite literally a danger that one or more of our ships is just going to sink one of these days," says James Selfe, the Democratic Party's defence representative in Parliament.

There can be no solution to this distortion in the SANDF until it tackles the issue of how to get rid of the 20 000 unwanted soldiers. But it cannot do so in the near future because the government has not yet devised a legislative framework

for getting rid of the soldiers — or what are called "employer-united retrenchments".

Until this framework is available, the SANDF's plans to re-equip itself via a huge composite weapons deal abroad must be considered to be in danger, according to analysts.

Moreover, if South Africa does not abide by various smaller arms purchase agreements already entered into, it faces cancellation penalties running into hundreds of millions of rands.

The overhang of staff also makes it almost impossible for the SANDF to reorganise seriously for the roles the government wants it to play, which include fighting crime and guarding "borderlines and polling booths."

"We can afford to employ 90 000 full time members of the SANDF, but we cannot afford to deploy 2 100 in the fight against crime. Surely something's wrong," says Selfe.

It's all change as army takes on 'new spirit'

Soldiers will be encouraged to question
decisions taken by officers (2/11/4)

show 5/10/98

By **NORMAN CHANDLER**
Defence Correspondent

Soldiers are for the first time in South African military history being encouraged to question decisions taken by officers in difficult situations as the pace of change in the army is dramatically stepped up.

Officers will, however, continue to have the final say after considering the input.

"The past is a foreign country where people did things differently. We are creating an army with a new spirit," Major-General Roland de Vries, Deputy Chief of the Army, said last week. "Everything is being changed in one fell swoop."

De Vries said there had been resistance within the army to change but that this was slowly coming to an end.

"The people who resisted change have already left and those still in two minds will also cop out as the days go on," he added.

Change starts this month with a start to the disbandment of the nine territorial commands, to be replaced by five regional headquarters as part of an army plan to complete the army's transformation by April next year.

De Vries told The Star that personnel were informed this week of new command structures and proposals for the appointment of staff positions.

Army headquarters personnel will be cut by about 1 200 to 214 people and in future will be a directorate within an integrated Department of Defence headquarters staff along with the navy, air force and medical services. Retrenchment and employer-initiated retrenchment as well as natural attrition will be utilised to bring down the numbers.

The territorial commands are to be replaced by 18 support bases and five regional headquarters which, in turn, would eventually also close as the need fell away for internal security measures involving the army.

Various regiments and units are being disbanded and others integrated as part of the rationalisation and integration process.

The leadership of the army has also been told by the Chief of the Army, Lieutenant-General Gilbert Ramano, of the need to be a dedicated group in charge of a force which is "trained and ready to make a difference in Africa".

The officer echelon has been told to "clear their minds" and focus on being leaders who inspire the troops.

"Leaders must unleash the potential of subordinates by teaching them to think independently, be creative, and challenging them to think in new and innovative ways," he added.

SLOW drums underscored the scorching Ramakguri heat as the gun carriage rolled with its burden towards the weed-ridden township graveyard. A river of people in their Sunday best spilled over the rocky hillside to get a better view of the sombre military procession below.

At any other time it would have been an image heavy with the freight of the past, an uneasy collage of our deeply divided lives white soldiers tramping the dust of the former Bophuthatswana.

But the atmosphere at last Saturday's funeral of Rifeman Albert Tiale Mangogape, 23, of Ramakguri, Thaba N'chu — killed in a skirmish for a Lesotho base guard post — was palpably different.

A new sense of purpose added fire to the eyes of his comrades, survivors of the brief but intense intervention in Lesotho the previous week — the bleeding had played midwife to the birth of a truly integrated defence force.

The men who swooped out of the sky on Maseru on September 22 for democratic South Africa's first exercise in "gunboat diplomacy" easily dismissed the political storm over whether or not Operation Boleas was properly mandated.

Not so easily dismissed, however, was the charge of rape laid by a woman against a rifleman last Saturday, the murder of an Awol soldier during a fight in a shebeen the same night, Amnesty International's description of their roughing up of looters as "cruel, inhuman and degrading" and the tongue-lashing they received this week from the Chief of the Army, Lieutenant General Gilbert Ramano, over fraternisation with Basotho women.

Nevertheless, these reports have angered the men. "We did our duty. We damn-well bled here. Now people are talking all sorts of crap about us," one soldier patrolling

Maseru grumbled. But at Ramakguri, soldiers and civilians, black and white, stood shoulder to shoulder, united by a comradeship forged in grief.

Sure, there were the curious honours being heaped on the fallen man. And there were startled giggles at the fervour of a moustachioed sergeant-major's farewell salute.

But it was more like a solemn family occasion, unobtrusively presided over by Defence Minister Joe Modise. At the service, Modise told the young soldier's parents that "a hero has disappeared amongst us" and a preacher recalled the military exploits of ancient Israel.

But the speaker who had everyone nodding their heads was Captain Meyer Jooste, 26, the young Afrikaner who had trained the dead man and who in the early light of September 22 had led the first armed foray at the head of 85 parabats.

Jooste, commander of 1 Parachute Battalion's support company, was shot through the neck at 6.20am, barely 35 minutes into the action, but he refused to leave his men through almost 12 hours of running combat with heavily armed rebel soldiers of the Lesotho Defence Force.

"He was so pumped up and so worried about his guys that he just wouldn't go," said the spokesman for Free State Command, Lieutenant Colonel Margaret Neethling.

"Eventually, the medics had to force him to get out of there." He reluctantly left the field by helicopter at 5.30pm.

"If you don't feel pain and you're still able, why leave the battle?" Jooste said this week as he arranged the funerals of three more of his men, men whose names will soon appear on the brigade's parade-ground monument alongside those of 43 other paratroopers who have fallen in

Say 'hoozit' to the army's new spirit

Operation Boleas has forged a unified SANDF, reports MICHAEL SCHMIDT

ST (OT) 11/10/98 (2/4)

combat since 1961. South Africans first saw service as paratroopers in World War Two, mostly with 2 Independent Parachute Brigade Group in Italy—France and Greece. One Parachute Battalion was established at Tempe, Bloemfontein, in 1961 with 15 British-trained soldiers.

The addition of extra airborne units led to the 1978 formation of 44 Parachute Brigade, which now comprises paratroopers from the former Transkei, Ciskei and Bophuthatswana.

The parabats' reputation for being the "first in and last out" stems from more than 20 years of border operations in South West Africa/Namibia, Angola and Rhodesia/Zimbabwe.

The maroon berets led the opening battle of the campaign

against Swapo and the MPLA with a hell-borne assault on an insurgent base on August 26 1966, and closed the war with the last skirmish in the Kaokoveld in April 1989 — the last time the old SANDF saw action on foreign soil.

The Lesotho conflict was no less fierce than anything the parabats had encountered in the past. Jooste said that as soon as the parabats arrived in Lesotho "all hell broke loose as we came under anti-aircraft machine gun fire from the front, the rear and the sides".

And so the battle raged on against fierce resistance. When the Ratsel arrived at the base, they gave covering fire and ferried the wounded to safety.

"It was normal mechanised infantry working with us. The camaraderie built up as we

need each other". From infantry to armour, from medics to military police, all were united in the SANDF's first test of courage under fire. Neethling agreed: "There has been a change, not only among the fighting soldiers, but among the support troops too."

Lieutenant Colonel John Brooks, chief of staff for 44 Parachute Brigade and former officer commanding the subsidiary 1 Parachute Battalion, confirmed there was a new upbeat mood among the troops, whom, he said, had gone through their battle-drill correctly, even heroically.

"The guys are a helluva lot more closely bonded than was the case before," he said, adding that combat had knitted them together as they relied on each other for survival.

"They set the standard for the way paratroopers should operate in the future."

Richard Cornwell, "point-man on Lesotho" for the Johannesburg-based think tank the Institute for Security Studies, said criticism of Operation Boleas from deputy army chief Major General Roland de Vries and high-ranking infantry officers "could have driven a wedge in the command structure".

But on the ground, troops revelled in their camaraderie.

Their bullishness has also expressed itself in surprising ways. When SANDF chief Siphwe Nyanda visited Frefly, as the new command sector of Maseru is code-named, Ratal crews lounging against their vehicles reportedly greeted him with surfer gestures in lieu of salutes and cries of "Hoozit, general".

But then combat-zone casualness is another, less widely acknowledged, military tradition. And the men believed they had earned the right to stand easy.



TOP BRASS: Colonel Robbie Hartsjief, Lieutenant Colonel Jorrie Jordaan, and SANDF chief Siphwe Nyanda meet in Lesotho after the three-day conflict

GUNNING FOR PEACE: SANDF troops guard weapons and ammunition at the Makanyane Base after it was captured from rebel Lesotho Defence Force soldiers. Pictures: NICKY DE BLOIS

Deal on salary increases for military personnel clinched

By NORMAN CHANDLER
Defence Correspondent

An early Christmas bonus awaits thousands of military personnel who will receive salary increases from November. These increases will be backdated to July.

The increases range from 5% to 10,5%, but those in the top salary brackets will not share in the bonanza until a decision is taken by the Public Service and Administration Department.

The increases will add about R400-million a year to the De-

fence Department's salaries bill.

They follow an agreement reached between the Defence Department, public service unions representing civilian workers, and government negotiators in the Public Service Bargaining Council to improve conditions of service for the more than 120 000 military personnel.

This figure includes full-time personnel and volunteers or part-time personnel.

In terms of the Defence Act, uniformed staff are not allowed to join trade unions, and nego-

tiations on their behalf were conducted by the chief of personnel at defence headquarters.

The increase, which was negotiated over several months, is comparable to that agreed upon by the Government last month for other public service workers.

The increases are to be paid out of the R10,9-billion defence budget allocation and comes at a time when the cash-strapped department is already paying out more than R5,4-billion on salaries in the 1998-99 financial year. This will drop to about R3,8-billion by the year 2003 due to

rationalisation measures begun in 1994.

"The agreement provides for a differentiated increase to personnel on salary levels 1 to 12, and later for personnel who are defined as professionals (mostly in management)," a department spokesperson said yesterday.

In addition, the Government Employees' Pension Fund has agreed to increase the pensionable years of service, or implement other measures, for employees disadvantaged by racial or gender discrimination in the past.

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Buy butter rather than guns - Asmal

Opposition grows to planned R30-billion armaments purchase

By THAMI NGIDI

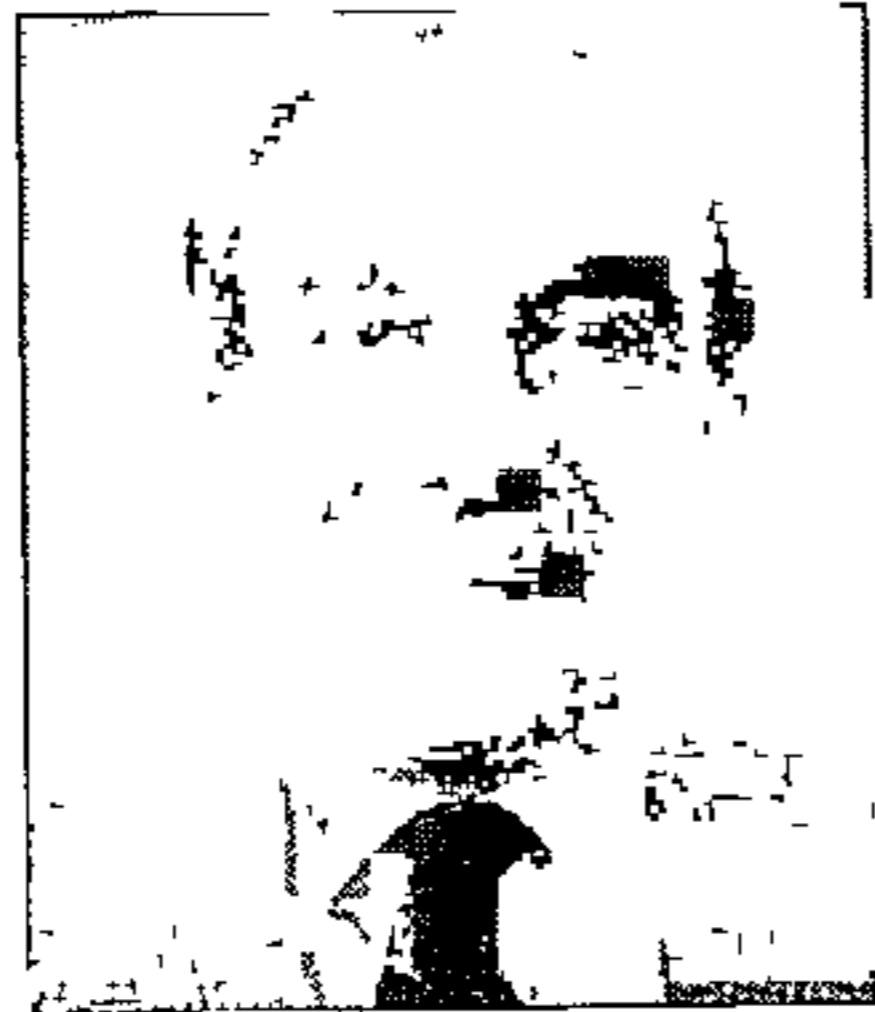
Water Affairs and Forestry Minister Kader Asmal has added his voice to criticism of South Africa's planned purchase of arms worth R30-billion.

Asmal, who also chairs the National Conventional Arms Control Committee, said he would prefer the government spending to be focused on the provision of basic services rather than on armaments.

But he noted that the Cabinet had agreed to the sale and that he was bound by the Cabinet's decision.

Asmal stated his preference during an interview aired on Swedish television recently in which he said he would opt for butter rather than guns. The winners of the R30-billion arms bid, for which several European countries are vying, are to be announced shortly.

In making the statement, Asmal joins a growing band of



HUMAN NEEDS FIRST Water Affairs and Forestry Minister Kader Asmal

high-profile South African figures who are opposed to the arms package from European manufacturers, and are instead calling for the use of such funds for social upliftment.

The National Conventional Arms Control Committee, a Cabinet-level committee formed in 1995, has committed itself to avoiding trade in arms if this is to contribute to the heightening of tensions in the region or used in the violation of human rights.

The Ministry of Defence argues that the deal, which has been endorsed by the Cabinet, will bring to South Africa both the guns and the butter, so to speak.

Asmal said, however, that he would be happy if the stress was on the provision of basic services such as housing, health and education instead of the acquisition of arms. "I prefer butter before guns, we have to meet the human needs first," Asmal said during the programme, entitled *Striptease: The Naked Truth*.

Asmal noted that, as part of the Cabinet, he went along with the majority view which said South Africa had to defend itself and also satisfy, in the process, the needs of the poor.

In his opposition, Asmal joins local and international figures such as Nobel Peace Prize winner and Truth and Reconciliation Commission chairperson Archbishop Desmond Tutu and Anglican Church head Njongkulu Ndungane.

It is believed that the South African Council of Churches will also be publicly voicing its opposition to the arms deal.

Tutu said in a letter he wrote to the Swedish government recently that South Africa did not face any immediate military threat from outside, and therefore should not be buying weapons.

He said the threat came from inside. "I am totally opposed to the trade of weapons and armaments, especially in the case of South Africa, where the greatest threat to the stability of our country lies in the desperate poverty of the majority of our people."

The former head of the Anglican Church said South Africa should instead export what this country was good at - "human rights, dialogue and reconciliation."

Organisations which have criticised the package include the Coalition for Defence Alternatives (Cape Town), Ceasefire and the broader Christian churches.

SA's R30-bn arms deal with Europe comes under

THAMINGIDI

Water Affairs and Forestry Minister Kader Asmal has added his voice to criticism of South Africa's planned purchase of R30-billion worth of arms

Mr Asmal, who also chairs the National Conventional Arms Control Committee (NCAACC), said he would prefer government spending to be focused on providing basic services rather than on arms

But he noted that the Cabinet had agreed to the sale and that he was bound by its decision

Mr Asmal stated his preference during an interview aired on Swedish television, in which he said he would opt for butter rather than guns "I am bound by Cabinet, but I have my own personal preferences on the matter"

The winners of the R30-billion arms bid, for which all the major European countries are vying, are to be announced soon

In making the statement, Mr

Asmal joins a growing group of high-profile South African figures who are opposed to the arms package from European manufacturers, and are instead calling for the use of such funds for direct social upliftment

The NCAACC, a cabinet-level committee formed in 1995, has committed itself to avoiding trade in arms if these are used to violate human rights or increase regional tension

The Ministry of Defence argues that the deal, which has been endorsed by the Cabinet as a whole, will bring South Africa both guns and butter

Mr Asmal said, however, that he would be happy if the stress was on providing basic services such as housing, health and education

"I instead of the acquisition of arms "I prefer butter before guns, we have to meet the human needs first," Mr Asmal said during the programme entitled Strip-tease, The Naked Truth

Mr Asmal noted that as a cabinet member he went along with the

majority view, which said South Africa had to defend itself while serving the needs of the poorest of the poor

"In his opposition Mr Asmal joins a list of local and international figures such as Nobel Peace Prize winner and Truth and Reconciliation Commission chairman Desmond Tutu, and Anglican Church head Njongonkulu Ndungane, who have voiced their fierce opposition to the militarisation of South Africa

It is believed that the South

African Council of Churches will also be voicing its opposition publicly to the arms deal

Archbishop Tutu said in a letter he wrote to the Swedish government recently that South Africa did not face any immediate military threat from its neighbours or from outside, and therefore should not be buying weapons

He said the threat came from within "I am totally opposed to the trade of weapons and armaments, especially in the case of South Africa Here

the greatest threat to the stability of our country lies in desperate poverty of the majority of our people

"I call on the international community to say no to arms sales that fuel greed and the abuse of power and the further marginalisation of ordinary people," said Archbishop Tutu

The former head of the Anglican Church argued that arms sale were not neutral and that South Africa should instead export what this country was good at, "human rights, dialogue and reconciliation"

Fire from Asmal

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Union seeks changes in Defence Act

Stephané Bothma (254)

PRETORIA — The constitutionality of the Defence Act, which prohibits permanent force soldiers from joining a trade union and from staging public protests, came under attack in the High Court yesterday.

The SA Defence Union launched an application on behalf of its 14 000 paid-up members and other soldiers who wish to join the union but fear prosecution by the defence force.

The union is applying to have sections of the act declared invalid.

The union was established in 1994 and has members of all ranks.

In its application, the union did not ask the court to extend all the labour rights afforded to unions operating in the public and private sectors and said certain rights, such as the right to strike, were clearly inappropriate in a defence force environment.

Gilbert Marcus SC, representing the union, asked the court to review a

decision by Defence Minister Joe Modise refusing to recognise the SA Defence Union as a "professional or vocational institute, society, association or like body".

Marcus told Judge Wilhe Hartzenberg that the Defence Act violated the constitutional rights of soldiers to form and join a union and to participate in the activities of a union.

Marcus said the act also violated soldiers' right to freedom of association and the right to equality.

The court heard that the majority of permanent force uniformed members of the defence force were personnel engaged in support services.

They include architects, nurses, plumbers, engineers, bookkeepers, mechanics, electricians and drivers.

"These people are hit by the ban on trade union membership in exactly the same way as combatant permanent force members," Marcus said.

It was also common cause that the civilian component of the defence

department comprised 21,17% or 19 971 members, of whom about 60% were unionised.

"It is clear therefore that civilian members are entitled to join unions but not permanent force members. It is contended that this distinction is irrational and violates the guarantee of equality in the constitution."

He said that the only basis suggested by the defence minister for differentiating between civilians and soldiers was that uniformed personnel could be deployed at any time in the defence of SA and were obliged to perform their functions during operational deployment.

Marcus said service benefits within the defence force had slowly been eroded since 1994.

There were issues, such as the annual increases in mess fees, which affected soldiers and which should have been collectively dealt with by them if they had been allowed to openly participate in union activities.

SANDF critical of Lesotho foray

(254) #167 #101
IN A brutally frank post-mortem on its foray into Lesotho, the South African National Defence Force claimed yesterday that the Government lacked a clear national security policy, and revealed that the units involved had not been combat ready. It also disclosed that the incursion, codenamed Operation Boleas, had cost R24 million to date.

In a briefing to a joint sitting of Parliament's foreign affairs and defence portfolio committees in Cape Town, SANDF spokesmen also said the psychological and media war "has been lost at all levels", and blamed the Department of Foreign Affairs for a "lack" of operational coordination.

"The weakness of Operation Boleas includes too short a time for proper planning in the absence of a contingency plan, and too short a time for deployment drills," the SANDF's joint operations chief, Lieutenant-General Deon Ferreira, told the committee.

The briefing came as the first South African troops to be withdrawn from Lesotho crossed into home territory, and as Lesotho's national assembly debated the second reading of a Bill to set up an interim political authority including government and opposition representatives.

SANDF chief General Siphwe Nyanda told the committee that Operation Boleas - a Southern African Development Community operation carried out with the Botswana defence force - had cost the army over R24 million from September 22 to date.

These costs included more than R6,2 million for personnel allowances, R1,3 for civilian transportation, and R2,7 million for air support services.

Ferreira said the operation had depleted the army's already strained budget.

Too little time had been allowed for planning, preparation and rehearsals by the soldiers involved, and the right people were not informed in time.

"This resulted in insufficient support for the operation," he said.

Participating units were not combat ready and stock level planning for operational reserves was not done, resulting in a strain on supplies.

Nyanda said the troops were also keen to know from SADC what to do with confiscated Lesotho Defence Force weapons and ammunition, and how they should disarm the country's civilian population.

He said that despite all the problems they had experienced, the SADC troops had done "exceedingly well" in restoring law and order in Lesotho.

Deputy Foreign Affairs Minister Aziz Pahad, who is scheduled to address the National Assembly on Lesotho this afternoon, said the intervention had brought about a political agreement among Lesotho's rival political parties.

An interim political authority could now prepare for fresh elections in the country, due within 18 months.

"But there is need for us to be vigilant of elements which may want to destabilise the mountain kingdom again," he told the committee.

Brigadier-General Solly Shoke, a member of the recently established Civilian Military Operations Centre, warned there were still many challenges before Lesotho could return to normality.

These included illegal weapons in civilian hands, especially the youth, and the Lesotho government's lack of confidence in the country's security structures.

The civil service was also over-politicised.

Shoke said although the situation in Lesotho was relatively stable, and that there was no immediate military threat, the number of illegal weapons in the wrong hands posed a security threat not only to Lesotho, but also to South Africa.

Reacting to the briefing, the Democratic Party said it had failed to answer the question whether the action was necessary in the first place.

"The briefing was not informed about any attempts to apply sanctions, which might have achieved stability without military intervention," DP spokesman Mr Douglas Gibson said after the meeting.

The first of 800 South African troops to be withdrawn from duty in Lesotho left Maseru yesterday - Sapa

newspaper 11/11/98

R1,7-bn corvettes set for Cabinet go-ahead

HUGH ROBERTSON
POLITICAL EDITOR

The SA Navy is to get its four new corvettes as a matter of urgency and at a cost of R1,7-billion, but the rest of the R15-billion plan to buy new submarines, jet fighters, helicopters and battle tanks may be put off because of budget curbs.

That is the word from senior MPs familiar with budget projections and defence planning, who say a Cabinet announcement on the new procurements is imminent.

They confirmed this week that the corvettes were regarded as the most urgently needed of the long list of new weapons for the SA National Defence Force.

And they said that although it was possible an announcement might be made of the Cabinet's choice of foreign companies that have bid to supply fighters, helicopters, tanks and other equipment, there would be a delay of "perhaps some years" in the execution of any such contracts.

Under the agreements the SANDF has entered into with companies tendering for

the supply of new weapons, South Africa will not have to pay immediately for them.

"But even so, we've never had such tight controls over spending generally, and the SANDF has borne the brunt of it," an MP said.

Because the contracts for supplying the SANDF are tied to counter-trade investments here by the winning companies, some MPs suggest that the actual cost of the new weapons could be recovered through exports generated by these investments.

But that was dismissed by others as

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"wishful thinking". The navy was now regarded as being "more or less non-operational", because the previous government had failed to equip it properly.

But there was now an urgent and growing need to patrol the country's coastline because of the growth in organised crime and illegal immigration, and to protect its fishing resources.

Consortiums from several countries have put in bids to build the corvettes. The final selection is to be considered by the cabinet before the end of the year.

Government calls for probe into shredding of defence

CLIVE SAWYER
POLITICAL CORRESPONDENT

The Government has been urged in Parliament to redouble its probe into the illegal shredding of defence intelligence documents, and to take disci-

plinary and legal steps against those responsible

The call was made by African National Congress MP Luwellyn Landers during a National Assembly debate on the annual report of the joint standing committee on intelli-

gence. A commission on the transformation of defence intelligence has been set up and is due to report by the end of the year.

The committee report noted that the destruction of the files, which former defence force chief Georg Meir-

ing said in 1995 was done in terms of the Archive Act - a claim rejected by the committee - had confounded attempts to probe covert operations set up by the former regime.

Mr Landers told the Assembly that General Meiring's attitude had fil-

tered to senior management in defence intelligence who had a "hands off" attitude to the mechanisms of accountability.

The absence of defence intelligence leadership from yesterday's debate was indicative of this attitude,

intelligence documents
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he said. Defence intelligence was one of the state structures responsible "for some of the dirtiest operations which included human rights abuses and even murder".
The destruction of records was cited in both the intelligence committee report and the Truth and Reconciliation Commission report.
Mr Landers said no official application had been made in terms of the Archives Act for the destruction of the records, as General Meiring had claimed.

Intelligence Service Under fire

Report cites heists, Lesotho incursion leaked information and absenteeism as reasons for poor marks

By CLIVE SAWYER
POLITICAL CORRESPONDENT

Continuing dissatisfaction at the state of South Africa's intelligence services has emerged during a National Assembly debate

The annual report of the joint standing committee on intelligence expressed concern about a wide range of issues, including the slow pace of transformation in key areas of the intelligence services, leaking of secret information to the media, and continued failure to appoint an inspector-general of intelligence

Andries Beyers of the National Party said lack of progress in investigating cash heists and inadequate intelligence prior to the recent defence force foray in Lesotho were evidence of the unsatisfactory state of the services

He urged that matters be brought before the committee more quickly than was the case currently

Phathakge Malwéla of the ANC

said the challenge to develop a new patriotism in the public service was even greater in the security services

Nevertheless, a foundation had been laid

Deputy Safety and Security Minister Joe Matthews of the Inkatha Freedom Party said that while the R800-million intelligence budget seemed high, it was not

Much more would have to be spent on intelligence services, especially if they were to be used effectively in the fight against crime

Media leaks

Pieter Groenewald of the Freedom Front said the leaks to the media made it embarrassing to be a member of the intelligence committee and that it was embarrassing to learn about issues affecting the services by reading about them in newspapers

Louis Green of the African Christian Democratic Party said members failed to come to the committee regularly at their own initiative, and had to be summoned to appear in reaction to "sensational reports in newspapers"

The government has also been urged in Parliament to redouble its probe into the illegal shredding of defence intelligence documents, and to take disciplinary and legal steps against those responsible

The call was made by ANC MP Luwellyn Landers during a National Assembly debate on the annual report of the joint standing committee on intelligence

The debate provided a rare public forum for issues dealt with by the committee, which, by law, meets behind closed doors with its members bound by an oath of secrecy

The committee's report said it was "not happy" with the slow pace of transformation of defence intelligence

A commission on the transformation on defence intelligence has been set up and is due to report by the end of the year

The committee report noted that the destruction of the files, which former defence force chief George Meiring said in 1985 was done in terms of the Archive Act - a claim rejected by the committee - had confounded attempts to probe covert operations set up by the former government

Landers told the Assembly that General Meiring's attitude had filtered to senior management in defence intelligence who had a "hands-off" attitude to the mechanisms of accountability

Defence intelligence was one of the state structures responsible "for some of the dirtiest operations which included human rights abuses and even murder"

Landers added that the destruction of records was cited in both the intelligence committee report and the Truth and Reconciliation Commission report

He said no official application had been made in terms of the Archives Act for the destruction of the records, as Meiring had claimed

"How much damage could have been prevented had those records been preserved?"

"How many private intelligence and security companies that exist today were established as a result of the National Party's privatisation of defence intelligence front companies prior to South Africa's first democratic government?"

Mandrax

Landers added that the preservation of the records could have prevented military bio-chemist Wouter Basson "from dumping millions of Mandrax tablets he produced through Project Coast in our townships of Thokoza, Soweto, Manenberg and Elsie's River"

It was the activities of certain private intelligence and security companies, and the impact of the drug trade on townships, which made the intelligence committee's call for a thorough probe understandable, he said

Army chief aims at overhaul to help with transformation

By JIMMY SEEPE

(254)

THE SOUTH African Army faces an overhaul which will see the appointment and staffing of senior posts into its top structure

SA Army chief, Lt Gen Gilbert Ramano, took over in July, following the retirement of Gen Reginald Otto. He said the appointment of senior posts would help the army add value to the development of a new structure that is being introduced within the division

Speaking at the SA Army gala evening to award medals of excellence to various individuals within the army, Ramano said the one force concept should be visible in the manning of the new top structures. Since July, the transformation process has gained momentum with the army's new structure being finalised and approved and it has become necessary to streamline and create a more effective general staff

Since taking over, Ramano has worked tirelessly to transform the army structure to make it representative of South African demographics in its top executive, assembling a leadership team consisting of senior staff to focus on providing the army with visionary leadership, strategic direction and to develop a leadership strategy that would enable the army to carry its functions into the future.

He said a joint communication and changed management, strategy and plan, as well as a new vision for the SA Army had been formalised

He identified certain shared values which need to become part of the new army. He said these values included military professionalism, human dignity, integrity, visionary leadership, loyalty, accountability and patriotism, but he told the audience that he was disturbed by a small number of troops who were part of the SA Development Community deployment who he found not to have lived up to these values

He said the unprofessional conduct and total lack of discipline that some South African soldiers displayed whilst conducting operations in Lesotho had caused a lot of damage to the good name of the Army.

"Such actions are reprehensible and neither I, nor any leader of men, shall tolerate or condone such behaviour," he said "The recent courts martial have showed our disapproval of such behaviour. Soldiers must be people that communities can look up to for guidance and protection and must not be people that are feared and disrespected."

Plans unveiled for new, lean army

ART 13/11/98

ARGUS CORRESPONDENT

(274)

Pretoria – The new, lean South African Army is on the way to becoming a reality.

Army chief Lieutenant-General Gilbert Ramano and his deputy Major-General Roland de Vries yesterday unveiled the plan and schedules which will see the backbone of the SA National Defence Force trained and ready to achieve its mission of providing combat-ready forces, while playing the leading role in sustaining a joint landward defence capability.

This vision entails the disappearance of the army's nine territorial commands to be replaced by five

regional task forces, the creation of an army office in place of army headquarters to be staffed by a maximum of 220 people as against the 1 800 previously and, from April 1, the disbanding of 7 Division.

The nine territorial commands – one in each province – will be replaced by five regional task forces by January 1, 2000.

Senior staff officer (transformation) Colonel Kobus Smit said the new force design would also see staffing levels cut to the 70 000 recommended by the Defence Review.

As far as the army was concerned this would see a personnel cutback of about 20 000 members, broken down into 13 700 leaving through two

groups of employee-initiated retrenchment, 5 200 by natural attrition (deaths and non-renewing of contracts, among others) and 1 100 taking voluntary severance packages.

This scenario, Colonel Smit stressed, still had to be approved by the Cabinet.

The regional task forces will be based in Pretoria (Central covering Gauteng, Free State and North-West), Durban (KwaZulu-Natal and a maritime zone), West (Cape Town covering Western Cape, Northern Cape and a maritime zone), South (Port Elizabeth and a maritime zone) and North (based in Pietersburg and which would cover Mpumalanga and Northern Province).

Arms and the man

MAX SISULU finished his job as Parliament's chief whip last Friday night and reported for duty at arms manufacturer Denel first thing on Monday morning

Such promptness wasn't just about enthusiasm for the job, but more about the ease with which he has been able to make the change from one role to another

A former exile and economist by training, he has been an academic, spent the last four years in politics and is now ready for the practical experience as deputy chief executive officer (CEO) of Denel

The corporation has had an acting CEO since the resignation of Seshi Chonco in July and Sisulu is expected to take over the top post soon

In his first three days on the job he has been "snowed under", he says, but since he did not want to go back to Parliament and has been looking for a new challenge, he is keen on working in a completely new arena

"While I was proud and honoured to be part of the first democratic Parliament, I now need a new challenge," he told *Sowetan*

He believes that the African National Congress-led Government has largely accomplished the task it set itself

"We wanted to transform Parliament and put a new system in place. Since the beginning of this year more than 135 pieces of legislation have been passed. Now the major tasks have been done," he says

Sisulu was first approached about the Denel position in June but had to complete his parliamentary schedule first

Not having a predecessor on hand to learn from was a "pity", he says, but adds that some of the restructuring that started was well advanced and would continue

Now Sisulu's task is taking the company into the next century

"I had no particular interest in arms except of course as a member of MK (Umkhonto we Sizwe) when I had to use a gun," he admits. "It never occurred to me that I would one day be at Denel. But then I did not think that I'd even be in Parliament"

Now that he is in the driving seat of one of the more important parastatals, he hopes the years of studying economics will stand him in good stead. "I now put into practice what I have learnt"

His "deployment" in the industry was necessary, he says

"It's unwise for all the cadres to be in one place (Parliament). The entire country has to be transformed and people have to go where they are needed"

At the turn of the century Denel will have

(254)
New Denel deputy CEO Max Sisulu says the arms industry is vital to the SA economy and in need of transformation. **Sharon Chetty** interviewed him



Max Sisulu - the new man at the helm of Denel.
PIC SHARON CHETTY

certain advantages because it is export-oriented, he says. The industry will be forced to maintain global standards in order to compete in the international marketplace

Such requirements ensure that it adds to its technological base, thus helping the country become more competitive, and although Denel is merely one of several players in the armaments industry, some of its products are world leaders, he says

"It's important that Denel succeeds in putting its foot in the door of the world industry. Its competitors will be from the more developed countries like the United States, Britain and the rest of Europe"

Despite the global scaling down of the armaments industry, there was no chance of it becoming redundant in South Africa, he maintains

"Besides providing employment to thousands, its technological capacity is important for the country"

His priorities will include restructuring the corporation to ensure that it is profitable, he

says. "I want to ensure that Denel is an efficiently run corporation that grows its market share"

Privatisation is definitely on the agenda and eventually the industry will be opened up for more local and foreign involvement, he says

"We also have to become more focused. For example, in aviation, there's SAA, Denel and others in the industry. There's no reason why we should not be looking at bringing together the different players"

Other sections (such as an information division) are likely to be closed down or moved to other Government departments where they will fit in more comfortably, he says

Other concerns will include regular consultation with staff and a sensitivity to the environment

Another task will be the transformation of the parastatal. Sisulu points out that in Denel like most other parastatals and industries, only about 20 percent of the management is likely to be black

It is no use changing institutions like Parliament if the major players in the economy remain unbowed, he adds

"There has to be affirmative action. We know from experience that those who are privileged will not give it up unless forced to do so," he says, referring to the ongoing debate about racial quotas

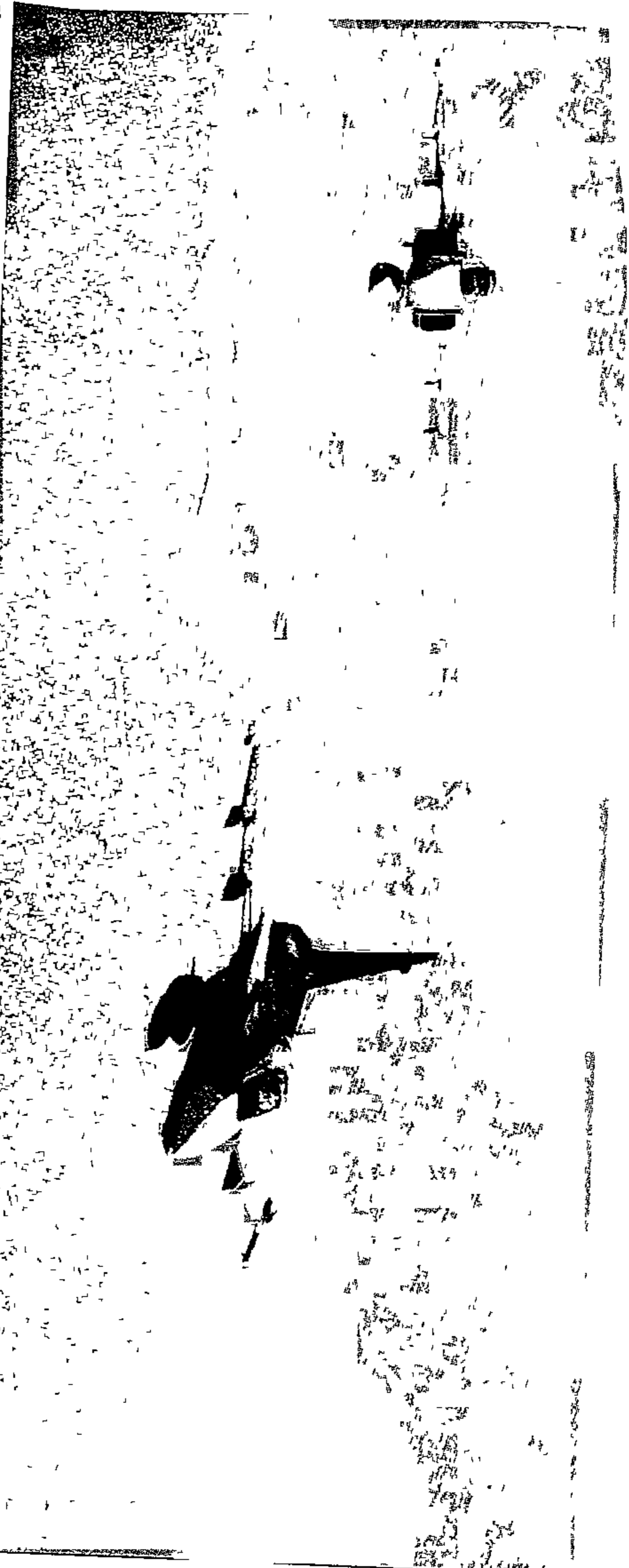
Despite being out of Parliament, he will remain "active in the party and in developing economic policy", he says

He is among those who worked on the Government's macroeconomic strategy and says that criticism of the policy is inevitable as "no two economists agree on everything"

But while Government has achieved some of what it set out to do, in other areas they have not

Bringing down unemployment, achieving higher economic growth, decreasing the deficit and the unexpected high interest rates are some of the negatives, he says

But at the same time, he says, no one could have anticipated a global economic crisis such as the world is experiencing now.



Showing a sample ... Gripen multi-task fighter planes perform over Cape Town. The aircraft are built jointly by Sweden's Saab and British Aerospace, who are bidding to supply the fighter plane South Africa chooses as part of a R30-billion project to re-arm its defence force.

Defence policy under fire on eve of major arms deal

BY NORMAN CHANDLER
AND RAPULE TABANE

On the eve of the announcement of the winners of a R15-billion armaments procurement tender, South Africa's defence policy has come under fire from those opposed to the arms industry.
The SA Communist Party

joined the condemnation of the deal, as well as of the Dexsa military exhibition which begins tomorrow.
The Ceasefire Campaign has planned demonstrations for Saturday when thousands are expected to visit the show, which celebrates the 50th anniversary of the national armaments procurement

agency Armscor.
Those opposed to the deal claim that armaments are not the answer to the country's problems.
Countries bidding to supply the South African National Defence Force with four corvettes, four submarines, 60 light infantry helicopters, six maritime helicopters, 38 jet fighters

and 12 jet-fighter trainers, are participating at Dexsa.
Winning bidders have to provide countertrade or industrial participation programmes at least equal to the amount of money being spent on armaments. These are to form part of the country's upliftment programmes in a wide variety of fields, includ-

ing job creation, industry, housing and education.
Professor Jackie Cock of the Ceasefire Campaign said it was alarming that those who articulated African Renaissance failed to link it to demilitarisation, and claimed that "even at its height, the arms industry was never a major job creator."

SMU
SAW 17/11/98

NEWS

Benefits of industrial participation questioned

Defence body backs R30bn arms spree

JONATHAN ROSENTHAL

INDUSTRIAL EDITOR

OT (MR) 18/11/98 (2074)

Johannesburg — Tony Yengeni, the chairman of parliament's defence committee, said yesterday the committee was unanimous in supporting the government's R30 billion arms purchase.

"If anything, the committee wants the government to give a clearer and stronger commitment to financing this programme," Yengeni said.

A final decision on whether South Africa is to purchase the arms is unlikely to emerge from today's Cabinet meeting, Joe Modise, the defence minister said at the opening of the Dexsa defence show in Pretoria.

The Cabinet meeting comes amid mounting opposition to the arms purchase from within the Cabinet, from the government's alliance partners and non-government organisations.

Modise said he hoped to have a decision from the Cabinet before month's end.

"I am sparing no effort to achieve this target."

Although today's Cabinet meeting is the last scheduled for this month, Ronnie Kasrils, the deputy defence minister, said this did not present an obstacle as an unscheduled Cabinet meeting

could still be called. He said if all went to plan the government would negotiate with the preferred bidders for two to three months before signing contracts for delivery to start within about three years.

Kasrils and Modise defended the arms purchase, arguing that the industrial participation attached to the bid would stimulate employment and economic growth.

The companies supplying arms would be obliged to buy South African goods and invest in local companies to the same value as the arms purchase.

But critics of the the arms purchase earlier this week questioned whether the benefits of industrial participation would outweigh the cost of the arms.

Terry Crawford-Brown, a peace-campaigner, said because of the capital intensity

of the defence industry, general manufacturing was three times more efficient in terms of job creation than the armaments industry.

"Despite the billions of taxpayers' resources that have been poured into Denel, that organisation is this year expected to declare a loss of R320 million."



Joe Modise, the minister of defence

PHOTO JOHN WOODROOF

Arms deal approved

Government to start detailed negotiations with preferred bidders from four countries soon

By 19/11/98

(2/4)

Stephen Lauter

CABINET named the preferred suppliers for the defence force's R29.7bn arms package yesterday as Deputy President Thabo Mbeki said the programme would bring investments and purchasing worth R110bn and almost 65 000 jobs to SA.

Detailed negotiations on defence and civilian industrial participation (IP) programmes, guarantees, delivery periods, and financing are to start soon with companies from Germany, Sweden, the UK, and Italy. Bids from France, Russia, the Czech Republic and Canada were unsuccessful.

The biggest chunk of the package by value went to Saab of Sweden, which is to supply 28 Gripen advanced fighters costing R10.8bn with its partner British Aerospace. German consortiums are to build four corvettes and three submarines for the SA Navy valued at R11.2bn, with Westland of the UK supplying four maritime helicopters.

Agusta of Italy is to re-equip the Air Force with 40 light utility helicopters costing R2.1bn.

Mbeki said the cabinet decision had been unanimous in favour of the packages. Reports suggesting that Finance Minister Trevor Manuel had opposed the deal were incorrect. Finance had been asked to assess the budgetary implications of the deal and had presented various options without ever indicating any opposition.

Disappointed French weapons merchants said they were considering leaving the Dexsa '98 defence fair early, while Germany's DaimlerChrysler Aerospace said it accepted the decision not to buy its fighter. A representative of Spain's Bazan yard, successful in the first aborted corvette tender, said his company was "very frustrated", and

Relief as the preferred suppliers are named









Picture: ROBERT BOTHA

would evaluate further action.

Mbeki said the cabinet had authorised its subcommittee on the package, which includes Defence Minister Joe Modise, Trade and Industry Minister Alec Erwin and Public Enterprises Minister Stella Sigcau, to enter detailed negotiations "to achieve an affordable final package" with the preferred suppliers. Manuel would join the team.

Mbeki said it was impossible at this stage to judge whether the R29bn price tag could be reduced during negotiations. SA had no intention to reduce the systems decided upon.

Product	No	Value	Estimated IP Value	Jobs	Supplier
	4	R6 001m	R16 007m	10 153	1
	3	R8 212m	R30 274m	16 251	2
	4	R787.4m	R2 720m	2 536	3
	40	R2 160m	R4 685m	4 554	4
	28	R10.875	R48 313m	23 195	5
	24	R4 728m	R8 580m	7 472	6
TOTAL				64 4165	

- 1 Corvettes (Germany)
- 2 Submarines (Germany)
- 3 Maritime helicopters (UK)
- 4 Utility helicopters (Italy)
- 5 Fighter aircraft (Sweden, UK)
- 6 Trainer jets (UK)

MATTHYS MOSS

Erwin said the industrial participation offers from the preferred bidders would bring investment in 22 major projects in the electrical, electronics, steel and machinery manufacturing, chemicals, plastics, textiles, and metal beneficiation sectors. The offers were significant not only because of the volume of investment they promised, but also because of their proposed locations, potential technology transfers to SA, and job creation potential.

Erwin declined to give details of the offers, but the German submarine consortium said that it would build a flat

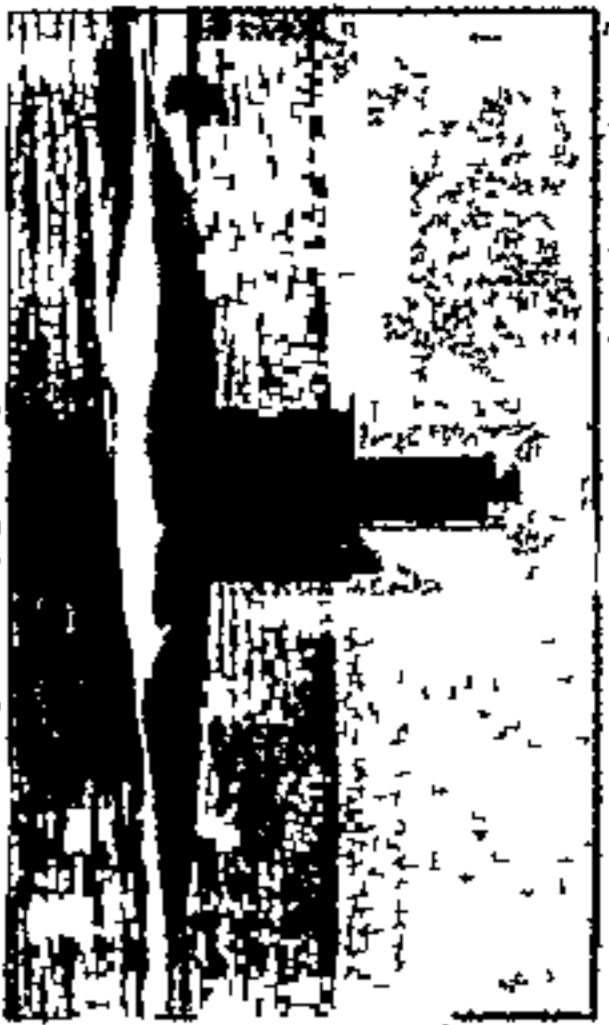
stainless steel plant at Coega in the Eastern Cape valued at \$1bn. It is understood that Italian investors plan textile and gold jewellery production in SA. Erwin said there was "a really very large industrial investment programme" which would unfold over the next seven to eight years. Figures supplied by government project capital flows including inward investment valued at R26.012bn, exports worth R59.180bn, and domestic sales of R25.387bn over seven years.

Arms deal: Pages 6&7

War goes on over R29-bn arms shopping spree

(A14)

RAIT 19/11/98



3 Submarines

German, Coastal patrol, Force multiplier covering both surface and under water terrain. Precision-built to withstand all sea states.

Price: R5-billion
 R29.2-billion with 16,250 jobs.



4 Maritime helicopters

British company GKN Westland, Shes patrol covers wide range, mobility. Pro-stroves older mobility.

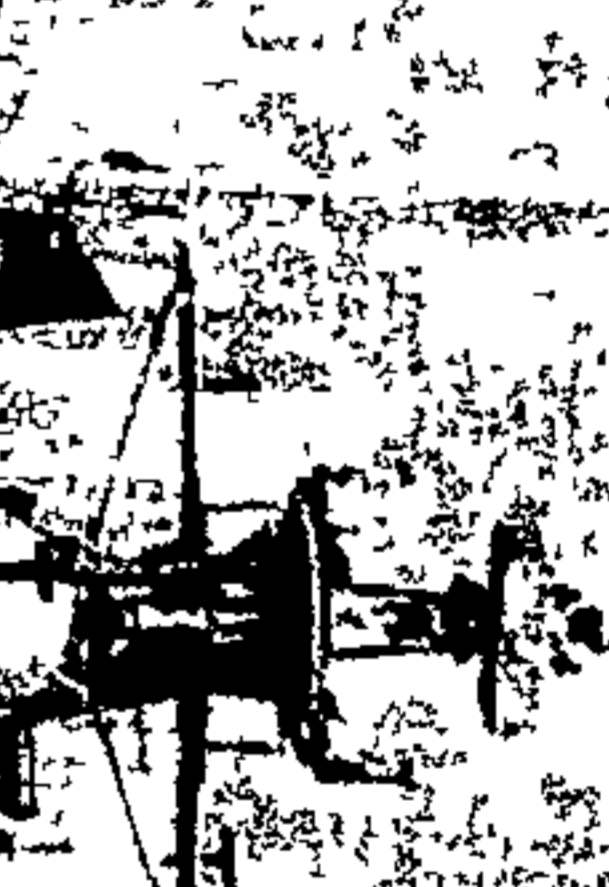
Price: R787-million
 R2.7-billion IPP to create 2,500 new jobs



40 Agusta helicopters

Italian company Agusta-Ades mobility in transporting troops and in striking at enemy.

Price: R2.2-billion
 IPP R4.6-bn with 4,560 new jobs



28 Gripen

Light fighter aircraft, Sweden's Saab and the UK's British Aerospace.

Offensive, defensive and peacekeeping purposes.

Price: R11-billion
 IPP of R48.3-bn with 23,195 jobs.



24 Hawks

Fighter trainer aircraft, UK's British Aerospace. Assists in bridging training gap between prop-driven aircraft and fighter jets.

Price: R4.7-billion
 PP of R9-bn with 7,472 jobs

SA will wait years for new weapons

It will be years before South Africans see the new weapons costing R29-billion, which the Cabinet approved in principle yesterday, and the issue is likely to remain a bone of contention in the Cabinet.

Parliamentary defence experts warned today that the announced decision to go ahead with the huge purchase for the SA National Defence Force was no more than a statement of intent, and that long and tough negotiations - and probably heated exchanges in the Cabinet - still had to take place before any final deals were signed.

The most important advance on the Government's long-standing commitment to buy new equipment is that the foreign companies which will supply the arms have been identified.

"For the first time, we know the specific weapons the Government intends to buy. But that is as far as it really goes," an MP said today.

"The big question, as always, is how we are going to pay for them."

"That question, and many others, remain unanswered and they still have to be negotiated with the companies concerned and their governments - and within the Cabinet."

"The timing of our payments, how



HUGH ROBERTSON
 POLITICAL EDITOR

much we will have to pay, whether or not other, more pressing national priorities intervene, whether the companies can deliver on their promises of local investment - all these things still have to be decided.

"So, it would be prudent to be patient. This is a very long term project. It is common cause that the matter remains highly controversial in the African National Congress caucus and the Cabinet, and it will be years before we actually see new Gripen fighters in our skies or new corvettes docked in Simon's Town."

Defence experts in Parliament say the first contracts for new weapons will be for the navy's new German-made Meko 200 frigates, which yesterday's announcement said would cost R6-billion.

This contract probably would be followed rapidly - or possibly in tandem with - a contract for three new Type 209 German submarines

The overall R29-billion project - including 28 JAS 39 Gripen fighters made by Swedish aircraft manufacturer Saab, with British Aerospace, 24 Hawk trainer aircraft and 40 Italian Agusta A109 utility helicopters - is expected to bring investments of R116-billion and create 65,000 jobs, the Government estimates.

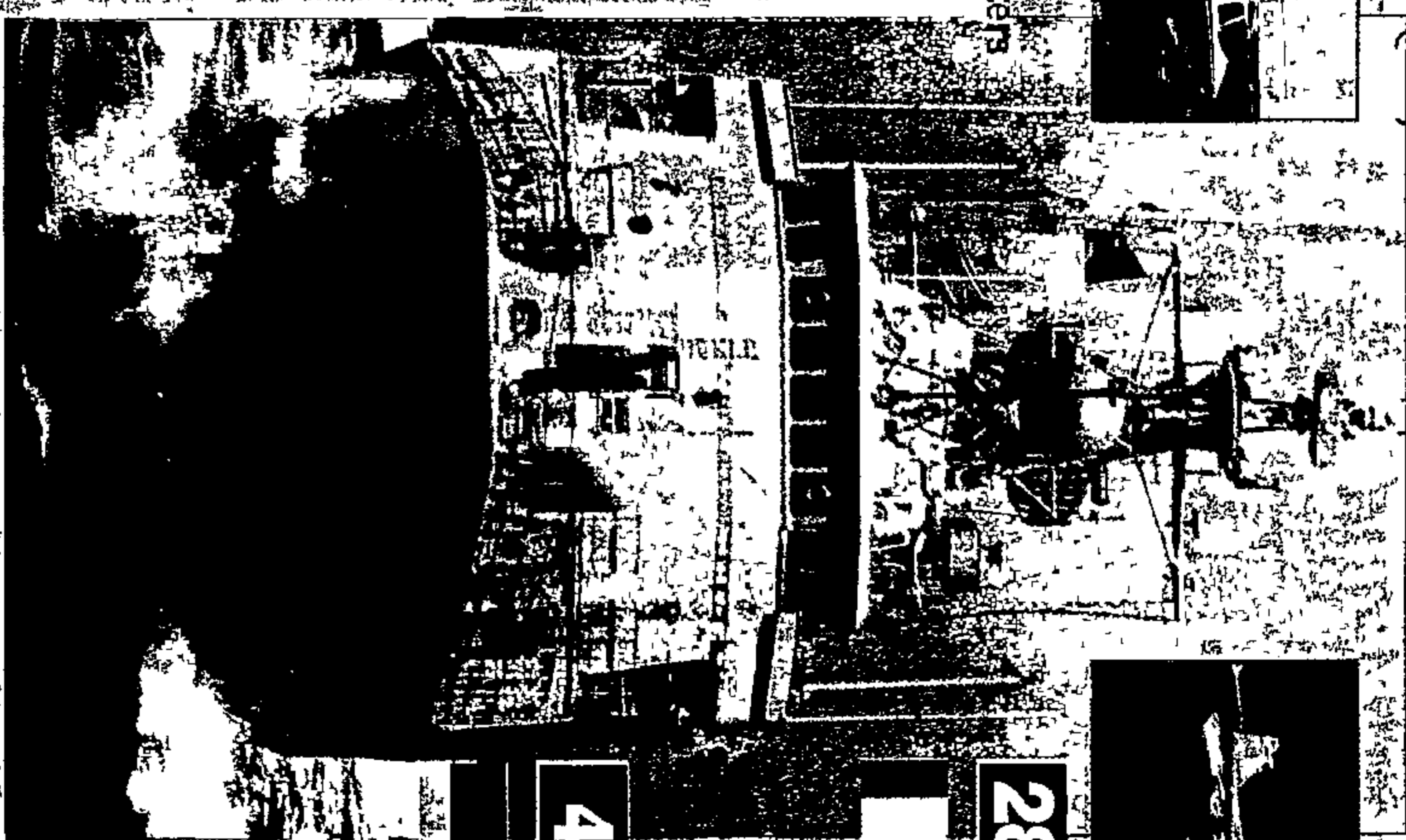
According to yesterday's announcement by Deputy President Thabo Mbeki, the Government estimates the total package will bring R56-billion in direct investment and a further R60-billion in exports.

Local sales of materials and equipment manufactured by companies that will be set up in South Africa by the foreign contracting companies are expected to amount to about R25-billion over seven years.

Mr Mbeki said negotiations with the suppliers would begin shortly and a Cabinet sub-committee would brief Cabinet again to seek final approval to clinch the deals. The detailed negotiations will look specifically at the affordability of the package.

The original plan to buy new army battle tanks to replace the Orlint has been postponed indefinitely because of costs.

The Cape Argus correspondent reports from Pretoria that interna-



4 Corvettes

German, Coastal surveillance and reconnaissance.

Price: R8-billion
 R21.6-bn to R21.153 jobs

IPP is the industrial participation programme in terms of which suppliers commit themselves to counter-reinvest in South Africa and source parts from this country over a defined period.

tional arms suppliers exhibiting at the Dexta military exhibition near Pretoria spent an anxious day waiting for news yesterday of the Cabinet decision.

On the counter trade elements of the packages, Trade and Industry

Minister Alec Irwin said the packages included 22 big investment projects in a wide spectrum of industries.

Commenting on the approval of the deal, Defence Minister Joe Motlase said last night there was still a long way to go in terms of final nego-

tiations, but he expected a relatively smooth passage.

Failed Spanish and Canadian bidders said they would overcome their disappointment and try to win parts of the contracts.

A spokesman for the Spanish

Bazam shipbuilding company said that "as far as we are concerned the fight is not yet over."

A representative for Bell Helicopters of Canada said they would continue pressing for the recognition of the capabilities of the company's 427 light utility helicopter.

The German frigate and submarine consortiums were "very proud" and a spokesman, Christoph Hoehning, said Germany was grateful for the opportunity and confidence in his country's naval industries.

The chairman of Sweden's Saab company, Bengt Halse, looked forward to a long industrial relationship with South Africa. Saab and Bae said at a press conference last night that never before had they been subjected to such a strict and demanding evaluation process.

The head of the Black Sash and Gun Free South Africa, Sheena Dunne, said she was astonished the Cabinet had given the go-ahead for the purchases, which had reportedly been opposed by no less than Finance Minister Trevor Manuel, himself.

"The Cabinet has its priorities very screwed up to spend R29-billion on armaments while it is cutting back on essential services such as health, education and the police."

"The decision will no doubt be excused on the counter trade agreements, but we still have to see if these will have any benefits," she said.

Arms decision was 'made in advance'

Furore over SA's R30bn arms deal

CT (BR) 19/11/98

(254)

JONATHAN ROSENTHAL

Johannesburg — Defence companies from France, Canada and Spain emerged as the losers yesterday, while Germany and Britain, the country's two leading trading partners, came out the winners in the selection of suppliers for R30 billion of arms.

The outcome, which was largely expected, contained several anomalies that led the losers to allege the process was politically tainted and that the selection of preferred bidders must have been made well in advance of yesterday's Cabinet meeting.

Agusta, the Italian company, has long been considered a favourite to supply light utility helicopters to the South African Air Force. Its helicopter has a nearly 25-year-old reputation.

But competitors yesterday expressed shock at government statements that 40 Agusta helicopters would cost R2,2 billion, or more than \$9 million each, and would generate R4,7 billion in industrial offsets.

The cost of the Agusta helicopter was almost a third higher than the offers by Bell and Eurocopter, about \$6 million each for newly developed aircraft.

Sources claim the Bell helicopter offset proposal was worth more than \$750 million (R4,3 billion) in May when the proposals were submitted, but said this figure had increased to \$1,7 billion (R9,6 billion) since then.

A further point of concern was over the reduction in the number of helicopters and light fighters purchased. Sources in Bell and Dassault, the French

builders of the Mirage fighter, said the companies had not been approached to revise their offers to meet the reduced requirement.

This indicated that a decision on the preferred suppliers had been taken some time before yesterday's Cabinet meeting, to have allowed the winning companies to revise their offers.

It also raises the possibility that certain suppliers were prejudiced, in that they were unable to increase their offset proposals as further business opportunities arose.

Several sources also expressed surprise that not a single French or Spanish company was awarded a contract, leading some to speculate that the decision may in part have been determined by French and Spanish obstruction of South African agricultural imports in the European Union trade negotiations.

The French embassy dismissed this speculation last night as "far-fetched".

Spain had for some time been seen as a leading contender for the supply of corvettes after its selection as a shortlisted supplier in the aborted 1995 corvette purchase.

Most involved, including the losers, said they were astonished by the total of R110 billion committed to industrial participation. This was more than double the expected R50 billion and nearly four times the required minimum of R30 billion.

The outcome also indicates that on several fronts the selection was based primarily on industrial participation and that the government did not choose the cheapest option.

SA in R29bn guns-for-jobs deal

(254)

CT 19/11/98

PRETORIA: The spending of R29bn on arms should see R110bn injected into the economy and 65 000 new jobs, report **NORMAN CHANDLER, MARCO GRANELLI and WILLEM STEENKAMP.**

SOUTH AFRICA's arms-spending decision, announced by Deputy President Thabo Mbeki after yesterday's Cabinet meeting, marks the end of a four-year battle by the Defence Ministry and the military establishment to convince the whole Cabinet that the armed forces needed re-tooling.

It also follows intense lobbying by foreign companies for one of the biggest deals in the international arms industry in a long time — the shortlist-

the next seven years Mbeki — flanked by the Ministers of Finance, Trade and Industry, Defence and Public Enterprises — said six core defence procurement programmes had been approved.

He said the negotiations with the suppliers would begin shortly and then the sub-committee would brief the Cabinet again to seek final approval to clinch the deals.

The detailed negotiations will look specifically at the affordability of the package.

In terms of the deal approved by Cabinet, the following arms will be bought:

- Four Meko 200 frigates from the German Frigate Consortium at a cost of

R6bn

- Three Type 209 submarines from the German Submarine Consortium, costing R5bn.
- Twenty-eight JAS-39 Gripen fighter jets, made by Sweden's Saab and British Aerospace, costing R11bn.
- Twenty-four Hawk lead-in jet trainer aircraft, built by British Aerospace, at a cost of R4,7bn
- Four GKN Westland Super Lynx maritime helicopters, costing R787m
- Forty Italian Agusta A109 light utility helicopters, costing R2,2bn

The seventh core programme, main battle tanks to replace the severely outdated Olifant, was not considered at this time.

The selection accepted by the government came as little surprise to observers, who had long predicted the Gripen, Hawk, Meko and Super Lynx acquisitions in particular — but notable omissions were French-built equipment.

Apart from Sweden and Britain, France had arguably pitched the hardest for the South African deals, and had submitted bids for all seven programmes.

International arms suppliers exhibiting at the Dexsa '98 military exhibition at Air Force Base Waterkloof near Pretoria spent an anxious day waiting for news yesterday of the Cabinet decision.

However, despite expectations of an announcement during the Dexsa show,

Armscor marketing general manager Ken Jones was adamant that such a scenario had not been planned.

A decision would have been taken at last month's Cabinet meeting but Deputy President Thabo Mbeki was

overseas.

So the decision was rolled back until yesterday's meeting.

"We didn't hold it back for Dexsa. It's purely coincidence," Jones said.

On the counter-trade elements of the packages, Trade and Industry Minister Alec Irwin said the packages included 22 major investment projects a wide spectrum of industries.

Commenting on the approval of the deal, Defence Minister Joe Modise

□ Turn to page 5

R29bn for defence

(254)
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□ From Page 4

said last night there was still a long way to go in terms of final negotiations but he expected a relatively smooth passage.

On Tuesday, shortly after opening the Dexsa '98 show, Modise was adamant that the acquisition process had been structured in such a way "that it pays for itself" through investment in South Africa at a level at least equal to the size of the arms orders.

But what Modise did not say was that the arms will still have to be paid for somehow.

The acquisition programme is not a direct barter agreement — it is a matter of South Africa buying the arms, and the countries selling the arms injecting money into South Africa.

Failed Spanish and Canadian bidders said they would overcome their disappointment and try to win parts of the contracts.

Chairperson of the Black Sash and Gun Free South Africa, Sheena Duncan, said she was astonished the cabinet had given the go-ahead for the purchases, which had reportedly been opposed by no less than Finance Minister Trevor Manuel himself. "The cabinet has its priorities very screwed up to spend R29bn on armaments while it is cutting back on essential services such as health, education and the police," she said.

Convener for the Coalition for Defence Alternatives, Terry Crawford-Browne, said it was "obscene" for South Africa to spend billions on arms when there were eight million South Africans living in shacks and while teachers were being retrenched.

Ceasefire Campaign member Professor Jacklyn Cock said the purchase would only fuel an arms race in Southern Africa and increase levels of instability and insecurity in the region.

Johannesburg Methodist Bishop Paul Verryn said he was concerned at the prospect of increasing South Africa's military force in the light of growing tensions in Africa.

The Anglican Archbishop of Cape Town, Njongonkulu Ndungane, said the deal "comes at an unfortunate time as we struggle to cope with poverty and transformation."

"The Church of the Province of Southern Africa (Anglican) has consistently stated that South Africa should maintain its forces in a state in which they could protect the country.

"Expenditure on such a scale suggests, however, that we have gone beyond this."

Some parties hail defence deal, others are up in arms

(254)

Star 19/11/98

The announcement that the Cabinet has approved plans to spend R29-billion on a defence procurement programme received a mixed reaction from political parties

The most vocal critic was United Democratic Movement leader General Bantu Holomisa, who said health, education and housing should be the Government's priorities

"I wonder whether the commissions which are going to be paid are not going to the coffers of the ANC," he said

It was surprising that the Government was spending such a huge sum of money on arms, especially since it was reducing the number of personnel in the defence force, which would put many people out of work.

"I am very sceptical and suspicious, especially where (Deputy President) Thabo Mbeki and (Defence Minister) Joe Modise have been spearheading the transactions," Holomisa said.

Inkatha Freedom Party defence spokesperson Velaphi

Ndlovu urged the Government to implement the deal as quickly as possible

"The IFP recognises that the country needs to have technical security," he said

Ndlovu welcomed the spin-off investment that would result from the arms deal, and said it would help to cement relations between South Africa and its trading partners.

Pan Africanist Congress secretary-general Ngila Muendane said: "I wish they would use that money to build houses. They have got their priorities wrong."

Muendane said there was nothing intrinsically wrong with South Africa buying arms, as it had to defend itself, but there were more pressing priorities.

He added he believed that only big companies would benefit from the foreign investment flowing from the arms deal.

The National Party welcomed the Cabinet's decision.

"This capital injection will

be conducive to job creation in South Africa - expected to be at least 65 000 jobs over the next seven years - and should therefore be encouraged, NP defence spokesperson Hennie Smit said

Democratic Party spokes-

“
**They should
build houses.
Priorities
are wrong**
”

person Douglas Gibson said the DP was generally in support of the arms procurement process

"Africa is a volatile continent, and South Africa is a country where democracy is a tender plant," he said.

"We need to be able to protect ourselves from internal

and external threats, to play a role in peacekeeping, and to protect our enormously valuable fishing industry and sea route around Africa"

Gibson urged the defence force to cut its excess personnel so that its budget could accommodate its capital requirements.

"We need to ensure that we have a smaller, sharper, more effective and better-equipped force which is within South Africa's means," he said

The Freedom Front also welcomed the announcement, saying the defence force's equipment had become almost obsolete. Party spokesperson Pieter Groenewald said the new equipment would boost morale, especially in the air force

He urged local businesses to make the most of the opportunity to form joint ventures with the winning bidders.

Groenewald said the deal would rejuvenate the armaments industry and enable it to keep up to date. - Sapa

Cabinet OK to huge arms deal

(254) Apr 19/1988

3 Submarines
 The long-awaited cabinet decision to spend R29-billion on buying high-tech military hardware for the SA National Defence Force will, according to the Government, see R110-billion injected into the economy and create 65 000 jobs over the next seven years.

4 Maritime helicopters
 The decision, announced by Deputy President Thabo Mbeki yesterday, marks the end of a four-year battle by the Defence Ministry and the military establishment to convince the Cabinet that the armed forces needed re-tooling.

40 Augusta helicopters
 The Government estimates the package will bring R26-billion into South Africa in direct investment, as well as R60 billion in exports and R25-billion in local sales.

28 Corvettes
 Mbeki - flanked by the ministers of finance, trade and industry, defence and public

24 Hawk fighters
 # IPP is the industrial participation programme in terms of which suppliers commit themselves to counter-re-export in South Africa and source parts from the country over a defined period.

Mbeki announces multi-billion rand weapons deal to equip the SA National Defence Force with the latest in high-tech submarines, corvettes, fighter aircraft and helicopters

BY NORMAN CRAWFORD AND MARCO GRAMERLI

The long-awaited cabinet decision to spend R29-billion on buying high-tech military hardware for the SA National Defence Force will, according to the Government, see R110-billion injected into the economy and create 65 000 jobs over the next seven years.

The decision, announced by Deputy President Thabo Mbeki yesterday, marks the end of a four-year battle by the Defence Ministry and the military establishment to convince the Cabinet that the armed forces needed re-tooling.

It also follows intense lobbying by foreign companies for one of the biggest deals in the arms industry in a long time.

The Government estimates the package will bring R26-billion into South Africa in direct investment, as well as R60 billion in exports and R25-billion in local sales.

Mbeki - flanked by the ministers of finance, trade and industry, defence and public



enterprises - said six core defence procurement programmes had been approved.

He said negotiations with the suppliers would begin shortly and, thereafter, the sub-committee would brief the Cabinet again to seek final approval to conclude the deals.

The detailed negotiations will look specifically at the affordability of the package.

In terms of the deal approved by the Cabinet, four corvette ships will be bought from a German consortium at a cost of R6-billion; three submarines from a German consortium at a cost of R5-billion; four maritime helicopters from a British company at a cost of R77-million; 40 light utility helicopters from Italy at a cost of R2,2-billion; 28 Gripen fighter aircraft (made by a British-Swedish partnership) at a cost of R11-billion, and 24 Hawk fighter trainers from Britain at a cost of R4,7-billion.

International arms suppliers exhibiting at the Dexta military exhibition near Pretoria spent an anxious day waiting

for news of the Cabinet's decision.

Trade and Industry Minister Alec Erwin said the package included 22 major investment projects.

Failed Spanish and Canadian bidders said they would overcome their disappointment and try to win parts of the contracts.

A spokesperson for the Spanish Bazan shipbuilding company said, "As far as we are concerned, the fight is not yet over."

And a representative for the Bell Helicopter company of Canada said they would continue pressing for the recognition of the capabilities of the company's 427 light utility helicopter.

The German frigate and submarine consortium were "very proud", and a spokesperson, Christoph Hoening, said Germany was grateful for the opportunity and for the confidence in his country's naval industries.

Bengt Halse, chairman of Sweden's Saab, said the com-

panies looked forward to a long industrial relationship with South Africa.

Sheena Duncan, chairperson of the Black Sash, said as she was given the go-ahead for the purchases, which had, according to reports, been opposed by no less than Finance Minister Trevor Manuel.

"The Cabinet has its priorities very screwed up, to spend R29-billion on arguments while it is grinding back on essential services such as health, education and the police."

"The decision will bring doubt be expressed, at the very least, to agreements, but we still have to see if these will have any benefits," she said.

Terry Crawford Brown, convenor of the Coalition for

MORE REPORTS
 Page 37

Cabinet gives nod to R29-billion military gear

THE Cabinet yesterday gave the go-ahead for detailed negotiations on a R29-billion programme to replace South Africa's aging military equipment.

It listed six preferred bidders trying to supply the SA National Defence Force with corvettes, submarines, helicopters and fighter aircraft.

The selected suppliers offered counter-investment programmes of a total of R110 billion that was estimated to create about 65 000 jobs.

Deputy President Thabo Mbeki told reporters in Pretoria that a Cabinet subcommittee on procurement for the SANDF recommended six core programmes.

"Cabinet authorised the subcommittee and the Minister of Finance to enter into further negotiations with the preferred suppliers to achieve an affordable final package," Mbeki said.

He said the committee recommended that a seventh programme on the purchase of battle tanks not be considered at this stage.

The preferred suppliers are:

- A German consortium offering four corvettes at a price of R6 billion with an industrial participation programme (IPP) valued at R16 billion to create 10 453 new jobs.

- Another German consortium for three submarines at R5,2 billion with a R30,2 billion IPP that would bring 16 251 new jobs.

- GKN Westland of the United Kingdom for four maritime helicopters at about R787 million with a R2,7 billion IPP to create 2 536 new jobs.

- Agusta of Italy for 40 light utility helicopters at R2,1 billion with a R4,6 billion IPP involving 15 538 new jobs.

- SAAB from Sweden and the UK's British Aerospace for 28 light fighter aircraft at R10,8 billion with a R48,3 IPP to create 23 195 jobs.

- British Aerospace for 24 lead-in fighter trainer aircraft at R4,7 billion with an R8,5 IPP to create 7 472 jobs.

Mbeki said negotiations with the preferred bidders would start soon, after which the subcommittee would report back to Cabinet. All bidders would get a debriefing in the next few days.

Suggestions that Finance Minister Trevor Manuel was opposed to the renewal programme were entirely wrong, Mbeki said.

Asked how the packages would be paid for, Manuel said the next step was detailed negotiations.

"This matter will come back to Cabinet to examine, among other things, the affordability of the project in its totality, and in the various parts."

Mbeki said the forthcoming assessment process would address a range of questions, including the needs of the SANDF, the quality of the equipment, and the industrial participation agreements that could be entered into with the bidders. — *Sapa*

(254)

19/11/88

DEFENCE CONTRACTS

JOB'S OUT OF GUNS RATHER THAN PLOUGHSHARES

(254) FM 20/11/98

SA's ability to add value to its raw materials should be extended

Can the need to modernise a defence force which has been allowed to deteriorate steadily also be pressed into action as a kick-starter for the somnolent SA economy?

This week, Cabinet is being briefed on the results of a long process which has involved a critical examination of SA's defence needs, the subsequent tenders, the technological assessment of those bids and Armscor's recommendations — supported, presumably, by the Defence Ministry's own conclusions. Though it is unlikely Cabinet will reach swift decisions, Armscor executives appear confident these will be determined and announced before year-end (though this is a sharp backtrack from earlier predictions that the decisions and awards would be announced without undue delay).

What makes this defence package different from others is the determination that SA will benefit from new investment (and sales) for every rand invested in defence through the packages. The estimate is that, over the next 17 years, R60bn-R100bn will be achieved out of industrial projects generated from the awards.

The majority of these will fall outside defence. Most fall within the definition of National Industrial Programmes (see box) and are broad in concept and scope. Inevitably, therefore, that means many will appear as duplications of existing industries, though what is clear is that the intention is to extend significantly SA's ability to add value to its raw materials and existing productive capacity.

Estimates of the new defence package vary, depending on exchange rates, but the total cost is expected to be about R30bn and will be spent from 1999 to 2017. This extended period is caused by the long lead times involved in preparing, producing and delivering state-of-the-art war matériel. Submarines, for example, take five years to build, equip and then deliver.

The National Defence Programme is expected to generate new investments and sales valued at 50% of the total package — between R15bn and R17bn. It offers an opportunity for local companies to become involved in the supply of various

equipment, some of it technologically advanced, as the SA components of the equipment. And that should inspire, in turn, a renewed ability to compete successfully in the global market.

An example may be the award this week by British Aerospace-Saab of a R56m contract to SA electronics group Grintek to supply audio-management systems for the Gripen jet fighter, widely expected to get the nod as SA's next front-line fighter (It is impossible, of course, to avoid linking the award with the tender process).

It is understood the Department of Trade and Industry is determined to use the defence awards as a means of inspiring substantial economic growth.

A formidable array of new projects has been assembled as those areas in which government expects to see a substantial and sustained investment by the winners of the defence packages. Some of these may trip over established projects — for example, the world-class performance of Alusaf as a global leader in aluminium production hardly needs further stimulus.

And the lure of going for a massive jobs incentive has clearly been eschewed in favour of quality of the new employment opportunities which the industrial initiatives are expected to provide. "No-one round here," says an Armscor official, "wants to subscribe to what is tantamount to exporting cheap labour."

What is also clear is that there's no intention on the part of government to award the contracts until it sees evidence that the industrial and defence programmes are being taken seriously. Undertakings in regard to both will be needed before the contracts are signed.

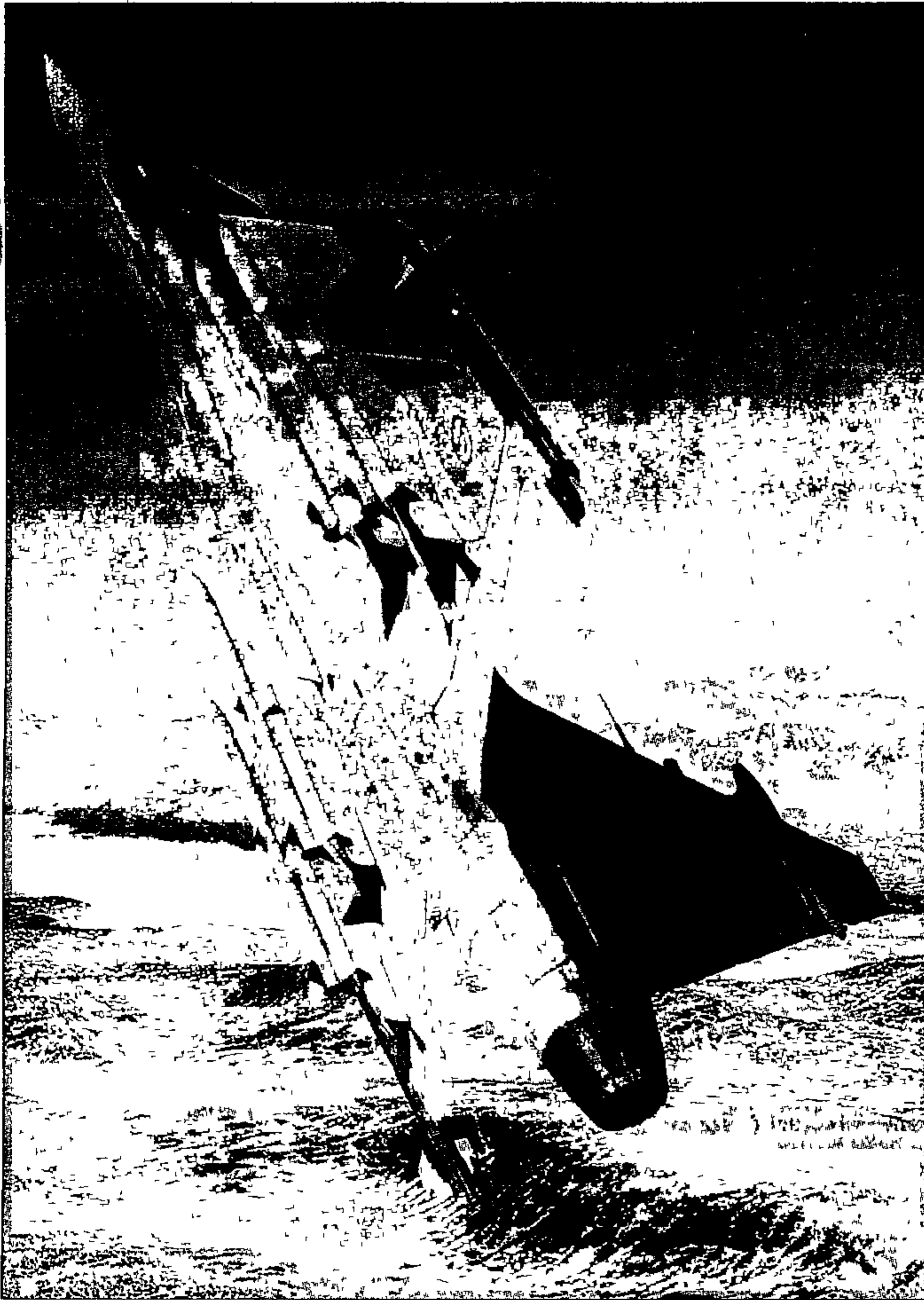
Given the size of the defence programme — about which argument is likely to continue raging fiercely for some time — it now seems possible that SA's urgent need for a rapid restoration of dynamic economic growth may be provided out of guns rather than ploughshares. David Gleason

WISH LIST

Industrial projects the DTI hopes will be generated out of the defence packages

Aluminium, carbon steel, stainless steel and cast-iron foundry partners
Steel manufacturing aimed at meeting international quality standards in various industries, but especially for automakers
Titanium plant with downstream projects related to the manufacture of titanium sponge
A plant to produce titanium dioxide pigment
Motor manufacture for export; flame-proof electric motors and traction motors for electric vehicles
Businesses to export auto components and autos, engine parts, the manufacture of engine blocks, aluminium components such as alloy wheels and brake systems
Manufacture of products from polyolefins feedstock for export, manufacture of auto components, water and gas fittings, components for transport systems, medical products, consumer products and material development opportunities for blends and alloys from locally made polymers
Downstream products out of mohair
Technology transfer: energy-efficient technology, solar power technology and fuel cell technology including the manufacture of platinum-based products for fuel cells
Ceramics: catalytic converter monolith production, wear parts such as textiles, mining equipment pumps and low-tension porcelain insulators
Composites: low mass auto applications, pipes and tubes, industrial components
Agriculture: essential oils, food oils and long shelf-life foods
Advanced transport systems and so-called "intelligent" transport
New materials and products such as breathable laminated textiles
Information technology: software initiation and development and the opportunity to offset information connectivity
Aluminium castings and forgings, semi-solid metal chain for advanced aluminium, the manufacture of aluminium plate, foil (auto cooling — fine grade for export and the manufacture of hollowware and extrusions for example)
Specialised mini steel mills
Wind turbine energy generation
Electronics: circuitry development
Machine tools, jigs and fixtures
Gold jewellery manufacture
Stainless steel pipe and tube, flange and fittings (castings), castings (pumps), fabrication (container tanks, intermediate bulk containers, pressure vessels and so on)

KATSUHIKO TOKONAGA



Troubled track record ... two JAS-Gripen advanced fighters crashed during testing.

Make war ^(2/14) on poverty,

NGOs urge

Stay 20/11/98
The Ceasefire Campaign, Gun Free South Africa and the Southern African Non-Governmental Organisation Network for Human Rights yesterday condemned the Cabinet's decision to go ahead with a R29-billion arms procurement programme.

Continuing emphasis by the Finance Ministry on the industrial participation agreements which would result from the arms purchases created the misleading impression that the cost of the weapons would be met by foreign investment, the organisations said in a statement.

"This is economic nonsense. Foreign investors will not only want to get their money back, they will also want a good return on it. Had our government undertaken to develop a programme for job creation, R29,8-billion would have gone a long way."

The organisations accused the Defence Department of failing to quantify the full budgetary implications of its arms procurement programme as required by the Defence Review.

They criticised the fact that negotiations on the defence package and the method of financing it remained secret.

"This suggests parliamentary approval will be bypassed. It has also been indicated that payments will not commence until the expiry of a three-year period, so current budgets do not yet reflect the impact of that spending by the time the payments become due. Parliament's hands will be tied."

The organisations urged the Government to commit itself to eliminating poverty. — Sapa

Peace parties attack R29bn arms decision

(254) CT 20/11/98

JOHANNESBURG: The Ceasefire Campaign, Gun Free South Africa and the Southern African Non-Government Organisation Network for Human Rights yesterday condemned the cabinet decision to go ahead with a R29bn arms procurement programme.

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The organisations urged the government to commit itself to eliminating poverty, as the major threats to South Africa's peace and stability in the foreseeable future were socio-economic.

Bishops of the Methodist Church of Southern Africa in East London yesterday called for renewed emphasis on Christian moral values following the government's approval of the R29bn arms programme.

"We are appalled and deeply concerned at the growing militarism on the continent, as demonstrated by the Lesotho invasion, the war in the Democratic Republic of Congo and the unabating growth in the local manufacture and export of arms.

"This is further illustrated by the cabinet's decision to go ahead with detailed negotiations on a R29bn programme to replace South Africa's military equipment," the bishops said in a statement.

The bishops said future peace and stability lay in people, not tanks and guns

They said family life had been ravaged over a long period by apartheid, materialism, greed and immorality.

Rebuilding family life had to be regarded as primary in the rebuilding of any nation, and the bishops said they would be at the forefront of a campaign to emphasise family moral values.

"We have committed ourselves to a millennium mission campaign for transformation and healing in this great continent," they said. —Sapa

Denel to march off with big European contracts

(254)

The arms group may get a second life after recent woes, write HENRY LUDSKI and ANDREW GILL

ST (DT) 22/11/98

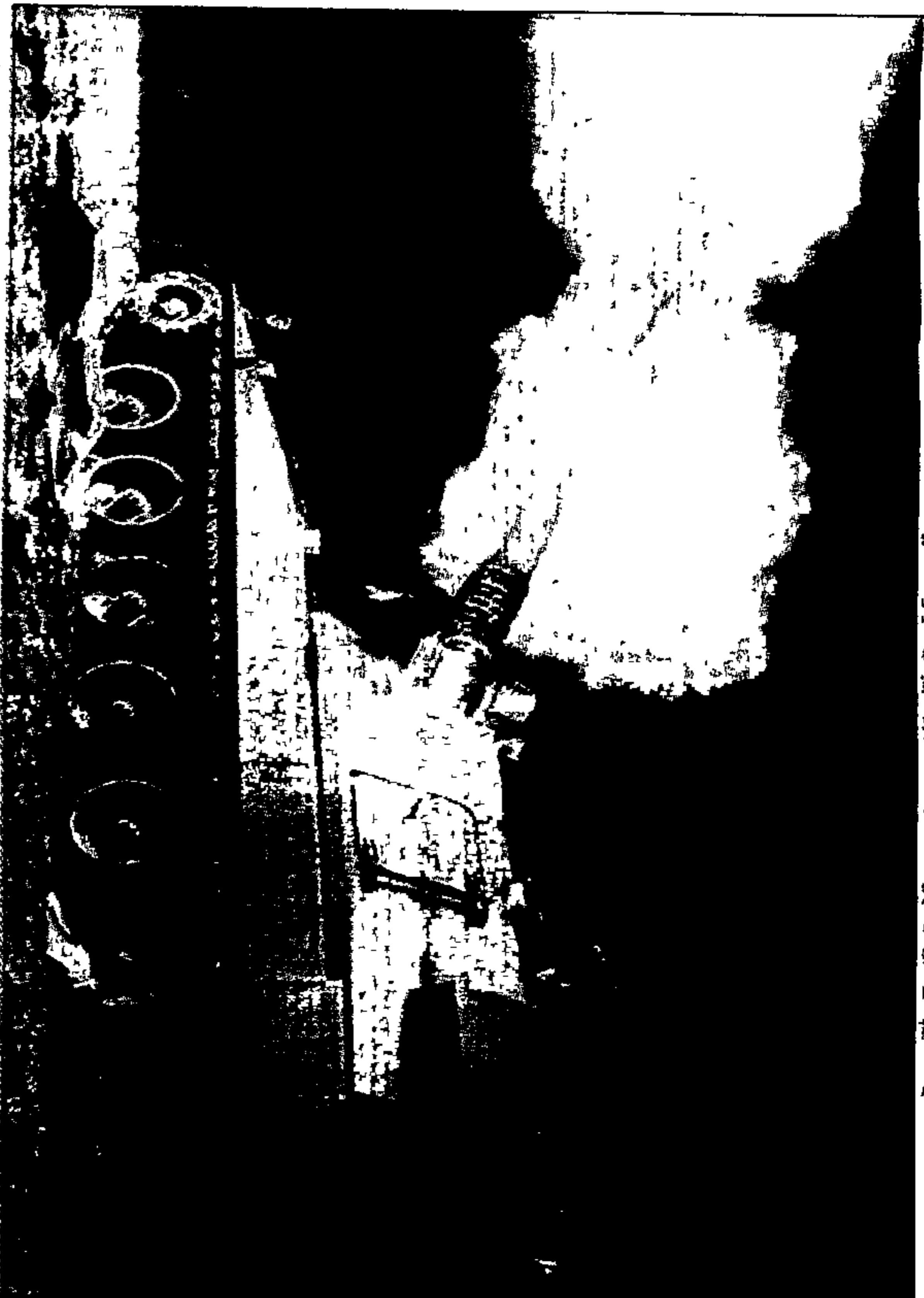
ARMS producer Denel is set to walk off with two major deals from European companies that won this week's defence contracts in a potential multi-billion rand boost for the embattled parastatal.

Denel is this week likely to land a R1-billion contract to boost the firepower of artillery guns being used by British peacekeeping forces in Bosnia, and has secured a deal to produce components for the Agusta A119 Koala helicopter, a single turbine helicopter suitable for passenger transport and law enforcement. Denel will also in time be responsible for design certification, production

and customisation of specific versions of the helicopter. Agusta was named as a preferred bidder to supply 40 light utility A109 helicopters in the arms-for-investment package, which will see SA buying military equipment worth about R29-billion from three European countries over 10 to 15 years.

The R1-billion British contract will be for an estimated 1.2-million propellant charges for Britain's AS90 Howitzer guns.

Lord Gilbert, Britain's Minister of Defence Procurement, this week expected to confirm the deal, which will come as a major boost for Denel's Cape-based explosives division Sonchem. Denel acting CE Flip Botha



HOWZAT! The AS90 Howitzer, for which Denel is likely to win a contract to supply 1.2-million propellant charges.

said: "Denel has proved the quality of its product to the UK defence ministry and we are confident of being awarded the contract."

The contract is seen as a direct result of SA's defence spending plans. SA is set to buy fighter and trainer aircraft worth up to R15-billion from British Aerospace (BAe) in the deal.

"These developments could signal a change in the fortunes of Denel, which in the past three years has seen a dramatic fall in profits. In addition to writing off orders running into billions of rands, it has also carried its share of the burden of cuts in government defence spending. Denel's modular charge system got the highest rating

in three months of trials at the Eskmeals test range in north-west England last year. Denel and Bae have also embarked on a joint venture to market the Rooivalk attack helicopter in Australia.

However, in what is seen as the strongest indicator that Bae may be the Denel equity partner. Public Enterprises Minister Stella Sigcau has mentioned, Bae's Royal Ordnance has stood aside to allow Sonchem to walk off with the defence ministry deal.

It may also be a trade-off which makes the most strategic sense for Royal Ordnance, which, together with US consortium Team Macs, was shortlisted for the contract. At stake for Royal Ordnance is the loss of 300 jobs and the

sacrifice of Britain's ammunition propellant capacity, which could explain the delay in the ministry making a decision on the matter.

However, what it gets from the SA venture is a strong return on investment and the possible entry into new markets in southern Africa.

Denel's "very bad year" to which Sigcau referred at this week's Dexa air show at Waterkloof, Pretoria, has seen the arms producer hit by retrenchments and a spate of resignations as it slipped into the red for the first time. However, the UK munitions contract, the Agusta deal and the considerable business expected to flow from the industrial participation packages linked to SA's defence pro-

urement could be a decisive turning point. Denel's Botha said the deals could secure or create about 1 400 jobs in Denel with about 6 000 additional jobs at its affiliates.

Armscor chairman Ron Haywood said the industrial packages could mean a turnaround for the SA industry. However, despite his confidence in the future of the local arms industry, the reality is a battle to break into the international market.

Said Sigcau "For Denel to be competitive it has to be restructured. We have to look at how we fit into the scale of things in the armaments industry and transform accordingly."

Erwin defends (254) R29-bn arms deal

South Africa 23/11/98

By Steven Swindells

TRADE and Industry Minister Alec Erwin has defended South Africa's R29 billion arms purchase as a way of modernising the local manufacturing economy and boosting strategic ties with the European Union (EU)

Last week South Africa said it planned to buy a slew of jet fighters, corvettes, submarines and helicopters from European arms manufacturers despite pressure to pump limited Government spending into pressing post-apartheid social needs

"It is fairly clear that in one or another way South Africa's defence force will have a role to play in different areas. So modernisation had to take place," Erwin said in Pretoria.

"However, we decided that in doing this we would use this as an opportunity to also upgrade, modernise and introduce more advanced manufacturing processes into our economy," he said.

The Government anticipates that arms supplies from Germany, Britain, Italy and Sweden will help South African industry - particularly the electronics, telecommunications and motoring sectors - and create up to 65 000 direct jobs over seven years.

South African electronics and information technology firm Gintek said it would land contracts close to R1 billion over the next five to eight years through European arms suppliers.

Erwin said the arms outlay would not lead to changes in the economic policy of the ruling African National Congress.

The deal would not alter "in a structural way our macro-economic framework or objectives," he said.

Boost ties

The choice of European suppliers was a deliberate move to boost ties with the EU, its largest trading partner with trade worth an annual R110 billion, Erwin said.

"Any examination of the package will see that this is part and parcel of the building of our strategic links with the European economies. The links with Europe are deliberate and clear," Erwin said.

In defence procurement, we set about it not as an ordinary offset at all, but as a long-range economic linkage.

"Our prime objective is to create a basis capable of exporting, and Europe will be one of the largest of those markets for our future exports."

Erwin also said that more than three years of talks between South Africa and the EU on a trade and cooperation pact were close to being finalised during current negotiations in Brussels, Belgium.

"We are very very close and there seems to us absolutely no merit whatsoever in delaying this further."

"This agreement must be seen in its totality. It's an extremely important strategic agreement for the reasons I mentioned. It does now require a political push and will from Europe."

South Africa's Cabinet has said the arms deals, which involves 22 major investments in South Africa, would generate industrial benefits worth R110 billion.

A breakdown of the investment to South Africa showed that R26 billion will come in direct investment, R59 billion from exports and R25,4 billion from local sales.

Meanwhile, South African pacifists have attacked the plans to spend billions on arms, saying the country had a much greater need for better health, education and welfare.

The pacifists and some opposition parties questioned the Government's priorities and said South Africa should focus on reversing decades of apartheid-induced poverty - not buying arms.

"It is a great pity that South Africa is



Trade and Industry Minister Alec Erwin says South Africa's proposed R29 billion arms purchase is a way of modernising the local manufacturing economy and boosting strategic ties with the European Union.

‘Poverty is the threat to South African security. There is no foreign threat to security. We should not be squandering financial and economic resources on weapons.’

attempting to build its economy on the sale and purchase of arms," Sheena Duncan, chairwoman of Gun Free South Africa, said.

"That (money) is sorely needed in the field of health, education and welfare."

Terry Crawford-Brown from the Coalition for Defence Alternatives agreed. "Poverty is the threat to South African security. There is no foreign threat to security. We should not be squandering financial and economic resources on weapons."

Mike Muendane, secretary general of the Pan Africanist Congress, said government had forgotten about poverty.

"This is the worst demonstration of a lack of priorities - spending this much when teachers go underpaid, the police force is under-resourced and hospitals have nothing," he said.

"We're buying arms with money that does not even exist."

Economists said some of the Government's projections were over-optimistic, but thought the economy should see benefits from the purchases well into the next millennium.

"Some of the figures are surprisingly high and we don't know the details of the industrial participation," Investec chief economist Dave Galloway told Reuters.

"Whether we will end up with 65 000 jobs is very debatable. But there are going to be definite benefits for South African companies, although these benefits are only going to filter through from around 2001."

Galloway said the Government should be able to afford the huge package if it sticks to plans to reduce military personnel by about 20 000 from a current level of around 90 000 troops.

"It is spread over a sufficient period of time for it not to become an onerous problem," he said.

Galloway said South Africa already spent more on health and education than most developing economies. "What does it help to pour more and more money into a bottomless pit?"

Industrial participation

Nedcor chief economist Dennis Dykes said benefits to the economy would depend on the detail of industrial participation programmes still under negotiation with preferred suppliers.

A figure of R110 billion does seem optimistic, but even if it approaches that, it does represent quite a boost."

Dykes said he expected South Africa would arrange to defer payments for several years, while enjoying the benefits of the package in the closer term.

Preferred bidders included a German consortium comprising shipbuilders and engineers Thyssen AG, Preussag and truck and machinery maker MAN AG's trading house subsidiary Ferrostaal for corvettes and submarines.

Britain and Sweden were named the top candidates to deliver 28 Gripen jet fighters, built jointly by Saab and British Aerospace, while Britain was favoured for jet trainers and navy helicopters.

Italy's Agusta was favoured to supply 40 light utility helicopters - Reuters.

Mbeki defends R29-bn arms purchase

Money budgeted for social programmes will not be diverted, deputy president tells Swedes

REUTERS
Stockholm

South Africa's plans to spend more than R29 billion on arms would not divert funds from social programmes and was needed to develop peacekeeping in the region, Deputy President Thabo Mbeki said yesterday.

Last week Mbeki unveiled an arms procurement programme which the Government said would generate R110 billion in industrial benefits and create 65 000 jobs, naming firms from Sweden, Germany, Britain and Italy as preferred bidders.

Pacifists and opposition parties in South Africa have criticised the plans, saying the money could be better spent on housing, health and education. But Mbeki said South Africa could not ignore defence, as it had to build up regional peacekeeping role and could



Thabo Mbeki... SA has peace-keeping role in Africa.

not ignore regional problems which threatened its people. "We can't say that we don't have any responsibility for peacekeeping on the African continent because we need to build a house," he told a news

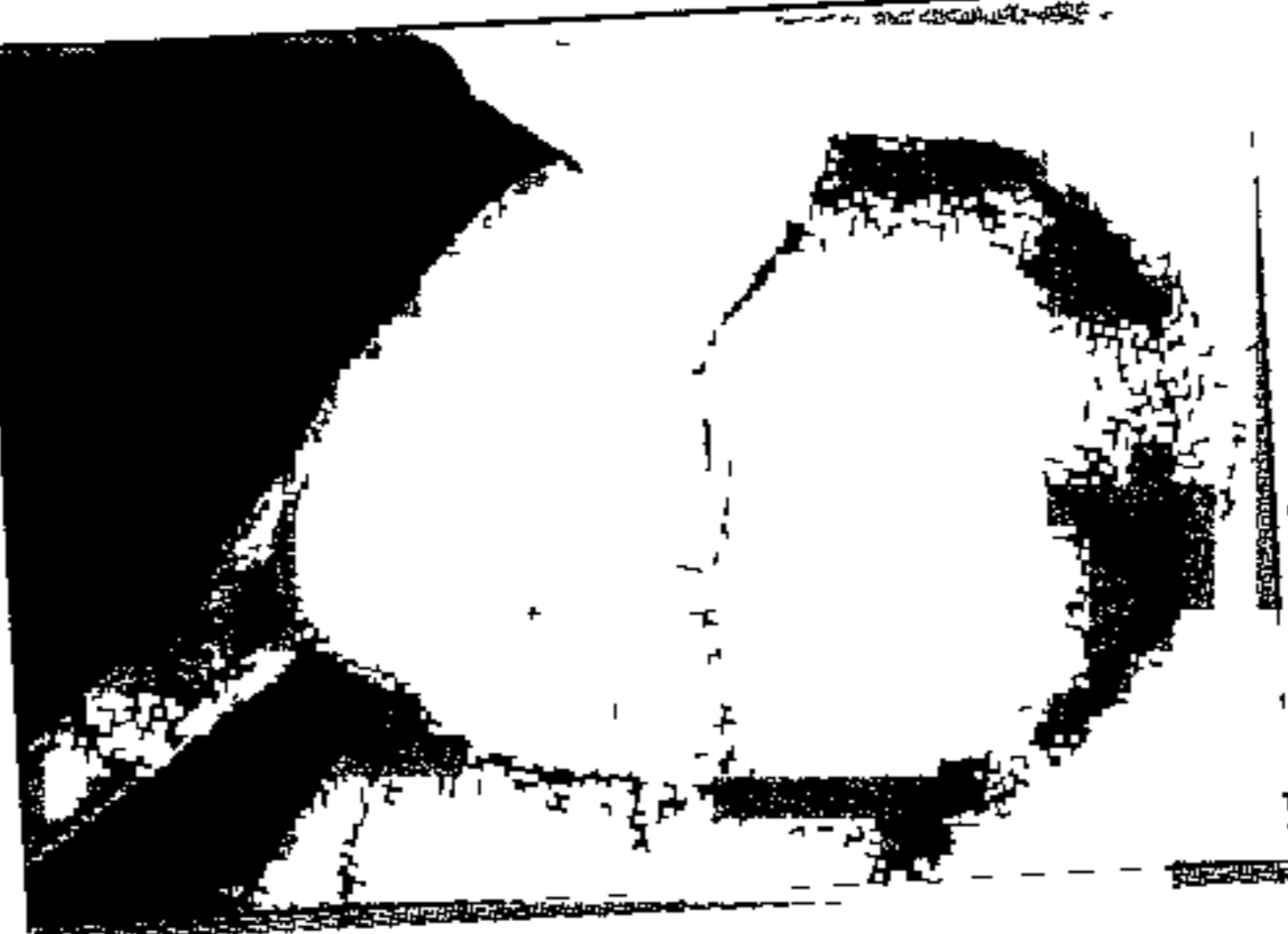
conference during a visit to Sweden.

He cited the war in the Democratic Republic of Congo, and the need to patrol waters off Somalia, where toxic waste is being dumped, as areas where South Africa could play a part.

South Africa was expected to participate in regional peacekeeping, which was now being discussed, he said.

Mbeki added that the terms of the individual arms deals still had to be negotiated, and the Government would review the financial implications.

"If it does appear that we will take on any acquisition that would result in altered spending patterns in the Budget, then of course we will review those acquisitions," Mbeki said. But he insisted that poor South Africans, who tended to vote for the ANC, backed the



Swedish Prime Minister Goran Persson... visit to SA planned.

Government's defence plans. "The notion that there's a hungry South African who does not understand the need to defend his country is wrong," he said. The procurement plans

include the purchase of 28 JAS 39 Gripen fighters, made by Saab, in which British Aerospace holds 35%, for about R11-billion.

Swedish officials said that, apart from the financial benefits for Sweden, the sale would enable South Africa to improve security in southern Africa, where Sweden had many investments and political interests.

Sweden, which enjoys close relations with the South African Government dating back to the time when it supported the ANC in its fight against apartheid, is keen to build on its political ties with South Africa.

Prime Minister Goran Persson is to visit South Africa in the second half of 1999. Mbeki said Persson would lead a large delegation of politicians, businessmen, institutions and non-governmental organisations.

By Gershwin Chuenyane

SOLDIERS in the South African National Defence Force (SANDF) can still not be unionised despite a Pretoria High Court ruling that certain sections of the Defence Act are unconstitutional and invalid

In handing down the judgment, Judge WJ Hartzenberg yesterday ended the South African National Defence Union's four-year challenge of the SANDF's decision to deny it recognition in

Soldiers still can't join unions

Sowetan 26/11/98
terms of the new Labour Relations Act Sandu had brought an application against the Minister of Defence, Mr Joe Modise (first respondent), and Chief of the SANDF Mr Siphiwe Nyanda

Hartzenberg said four sections of the Defence Act which prohibited force members from joining a union were "unconstitutional and invalid"
Sandu was awarded costs in the region of R300 000, which included costs of both counsels

Hartzenberg said that he was "not prepared to say in general that the prohibition of joining a trade union is unconstitutional or that the prohibition against public protest is unqualifiedly unconstitutional"
He further explained that a particular section of the Act was unconstitutional on the narrow basis that the SANDF had indicated that some of the rights that had been infringed could, through other measures, be protected.
But the SANDF had failed to implement those measures. Therefore the court was unable to say that the other measures were sufficient to compensate for the infringement of the basic human rights

Hartzenberg, however, said the decision of the SANDF not to recognise the union would not be set aside as his judgment would still be referred to the Constitutional Court for ratification

SANDF ban on unions and protests invalid, judge rules

ET 26/11/98 (254)

ZELDA VENTER

PRETORIA. The Pretoria High Court ruled yesterday that four sections of the Defence Act prohibiting defence force members from joining trade unions and engaging in public protests are unconstitutional and invalid.

But defence force members will not be able to join unions for the next year, as Judge Willie Hartzenberg ordered that the effect of his order be suspended until December 31 next year, to give the defence force time to promulgate new regulations about trade union membership.

The judge also referred his ruling to the Constitutional Court for confirmation. Judge Hartzenberg said he was not prepared to say in general that the prohibitions on trade unionism and public protest were unconstitutional.

Section 26b(1) (which forbids SANDF members to join a union) is unconstitutional on the narrow basis that the defence force has indicated that some of the rights that

have been infringed can be protected through other measures. The defence force had failed to implement those measures, he said.

Judge Hartzenberg added that the prohibition against public protest, as presented in the papers before him, was unconstitutional, because the definition of act of public protest was too broad and encompassed actions that were not acts of public protest.

The judgment followed an application by the SA National Defence Union (Sandu) for the review of certain Defence Acts.

It was argued earlier that several issues concerning service benefits for members of the defence force had arisen over the years.

The prohibitions contained in the act not only precluded members of the force from participating in collective bargaining through a representative trade union, but also prohibited the convening of meetings to discuss these matters.

The minister of defence was, however, reviewing the rights of uniformed members, it was argued.

Judge Hartzenberg pointed out that the defence force had indicated previously that the new legislation would be finalised in 1996. It was now November 1998. That was an unduly long delay, which had not been explained satisfactorily.

The judge added that from court papers he got the impression that the transformation of the defence force had not been finalised.

"I see no reason why the new act and regulations cannot be finalised by the end of 1999. The parties can then go into the new millennium, properly regulated by the new act and regulations," he said.

Sandu spokesman Cor van Niekerk said the judgment marked the end of the first phase of their struggle for labour rights for South African soldiers. "We call on the SANDF command not to further delay the process for our recognition in terms of the Labour Relations Act. These are serious issues that have to be addressed in the correct manner. Any further legalistic adventures will not be in the interest of the SANDF or our country."

Court overrules ban on soldiers joining union

ET (AR) 26/11/98 (254)

Taryn Lamberti

THE Pretoria High Court yesterday declared the 1957 Defence Act, which bans union membership in the armed forces, unconstitutional, but the ruling will not take effect until the end of next year.

Judge Willie Hartzenberg referred the judgement to the Constitutional Court for confirmation and suspended the effect of his order until December 31 next year to allow Parliament to finalise a new defence act and regulations.

The chairman of the parliamentary defence committee, Tony Yengeni, refused to be drawn on whether government would accept the ruling and allow union membership in the SA National Defence Force. He said the committee and its advisers would first examine Hartzenberg's judgement before deciding whether government would allow membership or not.

Yengeni said government was already in the process of reviewing the act, with the aim of bringing it in line with the new constitution.

He said as far as he was concerned the constitution did not allow union membership in the defence force, but the matter would be investigated more fully.

Hartzenberg ruled in favour of an application by the SA Defence Union to have the act set aside. The union claimed the act infringed on its members' basic hu-

man rights which were enshrined in the bill of rights.

Hartzenberg said "From the papers, I get the impression that the transformation of the defence force has not been finalised. On the other hand, I do not see any reason why the new act and regulations cannot be finalised by the end of 1999. The parties can then go into the new millennium properly regulated by the new act and regulations."

The union, which has 8 000 unauthorised members and 15 000 applications for membership, hailed the judgement as "historical". National secretary Cor van Niekerk said the ruling would ensure that "our soldiers for the first time enjoy basic human and specifically labour rights".

Van Niekerk said the judgement came at a time when the defence force was experiencing "the lowest morale among its members since the advent of the new democratic state".

In his judgement, Hartzenberg said the union had begun operating in August 1994 and had members from all ranks, up to the rank of colonel, and from all arms of the service including the army, navy, air force and medical services.

He said Defence Minister Joe Modise had maintained the attitude that the section of the act prohibiting union membership was constitutional and had therefore not given the union any recognition.

Shady firm wins R2,2bn SANDF contract

(254) MFG 27/11-3/12/98

Sechaba kaNkosi

Agusta, the company which won a R2,2-billion contract last week to supply the South African National Defence Force (SANDF) with 40 A109 helicopters, has been implicated in a multimillion-dollar corruption trial in Belgium.

The company has been accused of bribing politicians in an attempt to win defence contracts. Last week it was one of six European firms granted R29-billion worth of contracts to provide high-tech military hardware to South Africa.

Questions are already being raised about its successful tendering Institute for a Democratic South Africa defence expert Nobuntu Mbhelle said she found the Augusta contract with the SANDF strange.

"The whole industry is controversial. But I find it more bizarre that so much money that was not even provided for in the national budget could be spent on such deals. To me that sounds like politics rather than military," said Mbhelle.

Mbhelle's assessment is backed by United Kingdom-based analyst Paul Jackson, who says some of the companies who lost the bid could have provided South Africa with

hardware at a cheaper rate. Says Jackson: "These companies are reputable with a lot of integrity."

Agusta is one of the two European companies implicated in a corruption trial which has brought down former Nato secretary general and Belgian finance minister Willy Claes, two fellow ministers and seven senior aides.

The trial, dubbed the "trial of the century" by European media, started in Brussels in September. It centres around the acquisition of 46 Agusta A109 helicopters by the Belgian army, and a surveillance system for the Belgian Air Force's F16 aircraft. Agusta and Dassault are accused of channeling more than R30-million to Belgian political parties as kickbacks in return for the massive defence contracts.

Investigators first unearthed evidence linking Agusta and the bribes in 1991, when probing the death of Belgian Deputy Prime Minister Andre Cools, who was shot dead in a Mafia-style execution outside a Brussels flat. Unconfirmed reports claim Cools was on the verge of exposing the extent of corruption among his fellow ministers.

Meanwhile Agusta has been embroiled in another questionable deal in South Africa. The country's port authority Portnet has appointed an

untraceable company to manage two K-2 helicopters it bought for nearly R10-million from Agusta in August.

Balmoral Aviation was last week awarded a tender to manage the helicopters. Portnet will pay Balmoral R40-million over the next five years. The Registrar of Companies has no records of Balmoral.

Defence industry sources say Portnet's decision to award the contract to Balmoral is also irregular because the company does not have black partners — as stipulated by government procedures for parastatal tenders.

Vaughn Peacock, former senior manager of Court Helicopters, allegedly advised Portnet on the "required" specifics for the helicopters before establishing Balmoral, industry sources say.

During the bidding process for the tender, Peacock was seen in the company of Agusta executives, one of whom has moved from France to Pretoria to manage its interests in South Africa.

Several attempts by the *Mail & Guardian* to locate Peacock failed as Court Helicopters has no record of his present whereabouts and Balmoral is not listed in any South African telephone directory. Portnet refused to comment on the deal.

In South Africa, allegations of corruption and kickbacks emerged as rival bidders questioned the process that led to the eventual signing of the trilateral contract between Portnet, Agusta and Balmoral.

Peacock, in particular, is accused by his rivals of having sat in the Portnet presentations by other companies. When this was contested, Portnet allegedly informed them that Peacock had been retained to advise them on the helicopters that Portnet wanted to purchase.

Peacock left Court Helicopters in June to "join" Balmoral after a fallout with the company on allegations of mismanaging the sea-rescue helicopter *John Rolfe*, the Europassist and Portnet contracts.

A few weeks later, Portnet appointed Balmoral to manage their helicopters, before they were delivered. Industry sources say Balmoral does not have a helicopter licence, operations, infrastructure, personnel, helicopters or a black partner — a condition set by Portnet for all the bidders.

Industry sources say delivery on such transactions generally takes more than a year to finalise. Portnet, however, got its helicopters last week, barely three months after the deal was announced.

"To us Balmoral remains a one-man show. This is why there is so much rumour in the industry about a commission Vaughn [Peacock] received on the contract and possible kickbacks made to senior executives at Portnet," says one source.

Scant details of the Portnet deal were made public in August. But the industry believes the announcement was a mere formality as the deal had been hatched and sealed by three people long before it was announced.

In terms of the agreement, Agusta will provide Portnet with the helicopters and initial military specifications such as a night vision cockpit. "The military specifications make it very expensive and Portnet does not need this," said a source in the industry, pointing out that it is unlikely Portnet will go to war soon.

Industry sources say delivery on such transactions generally takes more than a year to finalise. Portnet, however, got its helicopters last week, barely three months after the deal was announced.

STATUS OF COURTS MARTIAL QUERIED

Military code 'unconstitutional'

ET 27/11/98

(2514)

THERE COULD BE major ramifications for SANDF discipline should provisions of the Defence Act and the Military Discipline Code governing courts martial be declared unconstitutional. Security Writer WILLEM STEENKAMP reports.

TWO court-martialled SANDF soldiers, the Freedom of Expression Institute and the Mail & Guardian newspaper will ask the Cape High Court today to declare sections of the Defence Act, the Military Discipline Code and the Protection of Information Act invalid.

The respondents are court-martial president Lieutenant-Colonel Mardon, prosecuting authority Lieutenant-Colonel Genis and Defence Minister Joe Modise.

The court-martialled soldiers, Staff Sergeant Herman Pfeiffer and Corporal Dawid Booysen, were members of the Paarl-based Group 31 when they were tried in 1996 and 1997.

They claim proceedings were brought against them by their com-

manding officer, Colonel Patrick McLoughlin, after he obtained a copy of a Department of Military Intelligence (DMI) source report about drug and military arms smuggling along the West Coast and meetings of right-wingers at the Vredendal Commando headquarters.

Other allegations in the report include complaints about McLoughlin, destruction of secret files by McLoughlin, assaults on troops by white officers and racist behaviour by three junior officers.

Pfeiffer and Booysen, who are believed to have reported the smuggling information to McLoughlin in 1995, later became informants of the author of the source report, DMI officer Lieutenant-Colonel Patrick Rick-

ets, when nothing was done.

The Freedom of Expression Institute and Mail & Guardian were later barred from the court-martial, when Mardon declared the proceedings to be in camera and the hearing and its record classified as secret.

The institute and the newspaper were also later refused permission to challenge the court-martial on these points.

In the heads of argument to be put before court today by the four applicants, it is submitted that provisions of the two acts and the disciplinary code governing the conduct of defence force members infringe the soldiers' rights to freedom of expression, access to information and a fair and public hearing.

It is claimed in the heads of argument that a preliminary investigation into the soldiers' conduct was irregularly and unconstitutionally done.

It submits further that the rights of the institute and the Mail & Guardian to freedom of expression were

infringed, and that the president of the court-martial did not properly apply his mind to the available information.

Perhaps more importantly, and of wider concern to the SANDF, is the submission that an ordinary court-martial, as defined in the Defence Act and the MDC, is not a court in terms of the Constitution, as it does not comply with provisions governing how courts are convened and hearings conducted.

The applicants also contend that the Protection of Information Act, invoked with regard to military information raised in the court-martial, infringed the right to freedom of expression and contained "vague and over-broad" definitions of terms such as the "security" or the "interest" of South Africa.

The act also placed the onus of proof on the accused, a provision which "offends the presumption of innocence" enshrined in the Constitution.



**Defence
union calls
for talks** *(SND)*
with SANDF

ARLT 27/11/98

Pretoria - The South African National Defence Union (Sandu) has called on the National Defence Force to hold talks on recognising the union, after a court ruling that sections of the Defence Act were unconstitutional.

The Pretoria High Court on Wednesday ruled as unconstitutional sections of the Defence Act prohibiting permanent force members from joining trade unions and taking part in protest action.

The union said in a statement said in a statement yesterday it had been inundated with calls from soldiers.

They had said they were disappointed with the SANDF for not yet stating its position regarding recognition of the union.

The union said that a constructive, progressive approach was needed for the upliftment of soldiers' morale.

Sandu urged the SANDF to enter into immediate talks with the aim of establishing interim structures to address labour issues in the army. - Sapa

Soldiers march into unions

CARMEL RICKARD

(254)

ST 29/11/98

IN AN important freedom of expression decision, Judge Willie Hartzenberg of the Pretoria High Court has ruled that key restrictions on members of the defence force joining a trade union are unconstitutional.

Soldiers have in the past also been banned from joining in any "act of public protest" but Judge Hartzenberg found the definition of such an act was so broad as to be unconstitutional.

He said the definition was wide enough to make it an offence if a member of the defence force complained to his wife about not having enough money. Such a complaint would indicate private opposition to the government's pay policies, said the judge, but it would still fall within the definition of an "act of public protest" as defined in the law.

Judge Hartzenberg has given the

government until the end of next year to pass long-expected legislation rectifying the situation.

While his judgment will not bring immediate satisfaction to soldiers who want to join a representative body, it provided the judge with a platform to make some strong statements supporting free speech. He said he accepted "unconditionally" that freedom of expression, and in particular freedom of the press, was one of the basic human rights "which is to be protected studiously in a democratic society".

However, Judge Hartzenberg also quoted from the South African military discipline code, which warns of a number of offences which could lead to the death penalty if committed by a soldier. He said any defence force needed "blind obedience" in its service men. For this reason it would be reasonable to ban soldiers from striking, but he noted that it would be possible to form unions which did not resort to industrial action.

Ruling could force collective bargaining for the army

THE recent Pretoria High Court decision that members of the armed forces can join unions could force government to create collective bargaining mechanisms, if the judgment is not overturned by the Constitutional Court.

The Pretoria court found that the 1957 Defence Act was unconstitutional in denying members of the armed forces the right to join unions.

This decision poses problems for government as the Labour Relations Act and the new Basic Conditions of Employment Act exclude members of the armed forces and intelligence agencies from their provisions.

Taryn Lamberti and Renée Grawitzky study the implications of the high court decision to allow soldiers to join unions

BD/12/198

As a result, defence unions have no legal framework in which to negotiate on behalf of their members. Currently, agreements reached in the public service co-ordinating bargaining council are extended, in most cases, to cover the defence force.

A state source said there were many sectors which had limited bargaining rights, such as those declared as essential services. If the armed forces were to be covered by the Labour Relations Act, they would be classified as an essential service and would not have the right to strike.

The source said if the Constitutional Court upheld last week's decision, consideration might have to be given to drafting legislation granting some form of limited collective bargaining rights to soldiers.

A defence source said the military was unlike other institutions, which were composed of management on one side of the battlefield and the labour force on the other.

Officers were in charge of the troops in their divisions and, although

they were classified as soldiers, they were responsible for the wellbeing of the soldiers under them.

The officers had to ensure the soldiers were fed, clothed and housed. This ruled out the necessity for unions, the source said. If unions and officers disagreed over what was best for the troops, tensions would arise.

Another potential source of conflict would arise if there were many separate unions in the military. A "huge fear" in the defence force was that the military would "go the same way as the mining sector", which had factional unions which often disagreed. This could fundamentally divide the defence force.

SA Defence Union general secretary Cor van Niekerk said his union had not asked the court for the right to strike, but only that members of the armed forces be allowed to join unions.

Van Niekerk said research had shown that in other countries unions had improved the discipline in the armed forces. Staff was more motivated and morale improved because union representatives were able to guard their members' interests.

He said the longer government prevented mem-

bers from joining unions, the more demotivated and demoralised the armed forces would become. He cited defence budget cuts and a lack of merit bonuses as factors contributing to low morale.

Van Niekerk said the only government departments excluded from collective bargaining were the defence force and the intelligence services. But the defence source said the right to strike was a "weapon" used by employees in other sectors who were involved in labour disputes.

Because this option would not be available to soldiers they might resort to violence as a means of exerting pressure. Serious tension could arise if one unit was asked to quell the violence in another unit, a situation which would probably give rise to civil war, the source said.

Van Niekerk said Sweden had the most lenient labour laws for defence force members who were lawfully allowed to strike. Soldiers in Holland, Germany, Australia, Canada and Denmark were all allowed to join unions, Van Niekerk said.

The US, Britain, and France prohibited their armed forces from joining unions, but in the case of Britain and the US, soldiers were respected and well paid and often did not need representation.

Van Niekerk said many countries, like India and Italy, were also in the process of allowing unions in their armed forces.

Van Niekerk said research had shown that 75% of soldiers in SA were "in need of a body to represent them".

Soldiers' union is against strikes and other militant

The defence force command needs to work with the SANDF union for the good of its forces and the country, says the union's

position paper

SINCE Judge W Hartzberg declared those sections of the Defence Act preventing soldiers from exercising their labour rights unconstitutional, the debate has centred largely on the "negative" implications of this judgment, namely possible labour action by soldiers.

Due to the sensitive phase the SA National Defence Force (SANDF) is going through, it is imperative that the issue of unionism in the force be put in the right perspective.

The essence of the application brought before the court by the SA National Defence Union was not about the rights of soldiers to embark on labour action or any subversive or unpatriotic actions, but rather about the right of soldiers to be represented by a professional body to ensure fair labour practices in the military environment. Those include the right to be represented in discussions that may affect the livelihood or future employment of soldiers. The debate should focus, therefore, on how these basic human and specifically labour rights can be accommodated in a military environment, to the benefit not only of our soldiers, but of the force and the country.

Because of the responsibility of all soldiers towards their country, it would be irresponsible and fatal to allow soldiers to embark on strikes and other militant labour action. The union's position on this issue has

been clear since our establishment in 1994 we are definitely not in favour of any strikes or militant labour action by soldiers.

If the union is ordered by the Constitutional Court to amend our constitution to reflect our policy on labour action, we will gladly comply. The union is, in any event, considering making these changes so that no doubts can exist concerning its policies.

It is our submission that the Labour Relations Act 1995 makes sufficient provision for conflict resolution mechanisms for essential services and therefore ensures labour issues can be resolved without disruptions in the workplace.

It should be noted further that fair labour procedures within the SA National Defence Force will go a long way towards preventing any unlawfulness in the labour environment.

From our experience over the past few years, it is clear that the present disciplinary system of courts martial are being misused for the victimisation of junior members. Serious racial undertones are detected also in the execution of disciplinary measures. The union will continue to challenge such violations of human rights.

Gross violations of labour rights are committed on a regular basis, usually under the auspices of "discipline". Arbitrary transfers without considering the personal circumstances of members, unfair promotion, prac-

tices, members being discriminated against with training opportunities on personal grounds by commanders, are all common examples of such violations of labour rights. These usually occur without those affected having the right to be heard or to make representations concerning the decisions which affect their lives. Evidence of excessive and inhumane punishment practised on a regular basis, is also received regularly. Soldiers have few or no fair remedies, or access to any authorities to deal with the perpetrators of such transgressions or the decisions imposed upon them.

There is an urgent need for the introduction of a fair and just disciplinary and grievance system, but such a system will have legitimacy only if developed and negotiated with the union. Such a system will ensure also accountability for all parties. The union invites the SANDF and the relevant ministers to join in this process.

SANDF members are entitled to representation on issues pertaining to their service conditions. Collective bargaining is common practice and will ensure that the specific working conditions of soldiers are taken into account in the composition of their remuneration packages.

Over the past four years, frustration built up because of the slow pace of transformation in the defence force. Continuous refer-

ences to the problems surrounding the amalgamation of the various armed forces just do not hold water any more. The unnecessary delays and seemingly purposeless restructuring that have been implemented have, until now, served only to create mistrust in the process and have left soldiers confused and uncertain about the future.

In such a working environment, soldiers have no opportunity for career planning whatsoever.

It is the union's submission that no effective transformation can take place before the defence force command makes a clear distinction between restructuring and transformation as restructuring affects only some transformation policies. Transformation encompasses a change, not only in operational restructuring, but also in the attitudes and mind frames of all members in the defence force. Until now efforts, if any, to effect such changes in attitude have clearly failed.

For effective transformation to be implemented, it is imperative that programmes be introduced with the aim to unite all defence force members around a common vision, and patriotism towards our country. Certain individuals and even groups of members, still resist changes. It should be noted that some members are set in their ways within the working environment. This should not be confused with political resistance.

The union will endeavour through practical campaigns to make members aware of their responsibility towards government, our country and the constitution to ensure the creation of a loyal, disciplined and professional defence force.

It is clear serious problems do exist within the defence force. It is clear also that soldiers do have basic human and labour rights, which cannot be suppressed.

Given the specific task and responsibilities of a defence force, actions cannot be allowed which will jeopardise the objectives of the force in the service of the country. Therefore, a fair balance should be struck between the inalienable rights of soldiers and the interests of the defence force. We hope the defence force will not try to hide behind the judgment of the high court for the next year but will work with the union to establish a way forward which is to the satisfaction of all parties and is in accordance with the provisions of the constitution.

□ This is an edited version of the position paper which has been circulated to, among others, relevant ministers following the finding of the high court last month that not allowing the armed forces to belong to unions is unconstitutional. The judgment has been suspended until the end of next year pending restructuring of the Defence Act.

action

06/9/12/198

Arms dealers fight over accounts

Complex situation has its roots in SA efforts to beat sanctions, writes Stephen Laufer

WHEN arms dealers fall out, expect expensive lawyers to make a killing. Particularly if the weapons merchants were involved in SA's efforts to beat international sanctions during the 1980s.

Expect, too, a somewhat complicated narrative, involving companies and dealers in the US, Britain, SA and Chile, and clients in such places as Iraq. And sequels in the equally lucrative world of today's SA arms industry, where who gets what job is still keenly fought over.

At stake in the action by Johannesburg-based Reunert against Anthony Ellingford, CEO of the company until March 19 last year, is \$2m. Or is it \$4m with interest?

Nobody is quite saying, because Reunert, the claimant in a high court case against Ellingford, does not quite know what is — or was — really in its semi-secret accounts in Switzerland and the Channel Islands. Part of its lawsuit is a demand that Ellingford should stick to his severance agreement and give a full accounting.

At stake, to hear others talk, is

the key appointment of parastatal arms manufacturer Denel's next CEO. Some believe Ellingford was the front runner to succeed Seshu Chonco until his vengeful former colleagues at Reunert put on the brakes with legal action.

Reunert, a former Barlow Rand subsidiary, makes all sorts of military and civilian hardware, from mine-protected vehicles to cables and switch gear.

Civilianisation of production is the current watchword, with the company newsletter trumpeting successes such as petrol tanker meters and water-blocking jelly for cables.

While Ellingford was in charge, Reunert did a roaring trade in more belligerent products, including the fuses which make mortars, artillery shells and bombs go bang. Nobody was too fussy about clients, and a large deal was done with Iraq before the Gulf War.

Times being what they were, the proceeds of the sale went into the accounts of front companies in Europe. The Iraq deal at issue was handled by a Chilean arms dealer, Carlos Cardoen, who sub-

contracted business to Reunert.

Starting in 1988, six contracts were signed to supply fuses, know-how, training, components and data packs to allow the Iraqis to make their own fuses. Had the contracts performed fully, Reunert's share of the deal would have been worth \$90m and \$17m.

The matter gets even more complicated with the entrance of James Guerin, a US arms dealer who, through his company ISC, was effectively Armscor's US procurement agent, technical adviser and joint venture partner in sales to third countries such as Iraq.

Guerin, who got a 15-year jail term for defrauding British defence manufacturer Ferranti, was the real recipient of the money Reunert is after, Ellingford claims in court papers. But the US government has not seized the money in the Swiss and Channel Island accounts, although it has a court judgement allowing it to take any assets belonging to Guerin.

Under Ellingford's own agreement with US prosecutors — a by-product of the Armscor case — the money would be forfeited to

the US if it did belong to Guerin, whose Boston lawyer, Michael Vorbeaux, says there is "no evidence it belongs to Guerin."

Which leaves Ellingford pitted against his former employer. His lawyer, Christo Stockenström, does not want to comment. "We are contesting the action. Everything is in the court papers," is all he will say.

SA's agreement with the US government on the Armscor case provides for money not forfeited to Washington to be handed to Pretoria for disbursement to the rightful owners.

Conspiracy theorists fond of the notion that the court case is aimed at burying Ellingford's professional future, wonder why Reunert did not just wait for repatriation of the funds to claim them. Reunert suggests it can only access the money via Ellingford.

Cryptic messages get through about pleas not yet completely formulated in the court papers. All the signs are that it is going to be a long, hard fight over bank accounts — to the benefit of the bank accounts of the legal eagles.

Executive Outcomes to close

(254)

Jonny Steinberg
and Sapa

DD 10/12/98

SA-BASED military consultancy Executive Outcomes announced yesterday that it would close down with effect from January 1 next year.

The organisation attributed its closure to the consolidation of law and order across the African continent, but military observers said yesterday Executive Outcomes was probably planning to relocate following the promulgation earlier this year of tough anti-mercenary laws.

"Over the past two years the majority of governments in Africa have endeav-

oured to secure and maintain law and order," Executive Outcomes director Nico Palm said yesterday "The nature of these efforts do not justify our involvement."

Military experts greeted Palm's explanation with scepticism "He appears to be putting a brave face on things," said Jane's Defence Weekly's Helmoed Heitman "There are plenty of combatant and training opportunities for private firms at the moment. It seems that SA's new anti-mercenary laws have forced Executive Outcomes to open shop elsewhere."

Under the Military and Foreign Assistance Act, passed by parliament this year, those convicted of an offence involving mercenary activity forfeit fixed property to the state. An organisation found to provide mercenary services could have its entire asset base confiscated.

"SA's mercenary laws are much tougher than Britain's or the US's," Heitman said. "Most countries find mercenaries extremely useful. They are employed to perform operations governments are hesitant to defend. I'd be surprised if Executive Outcomes staff stop working. There is a big market out there," he said.

Mercenaries' time up

Sowetan 14/12/98

WHEN the Government passed legislation curtailing the activity of mercenaries, it was seen as a decisive move against the scourge of conflict

But the complexities of regulating groups such as South African based Executive Outcomes and the British Sandline International are numerous and the extra-territorial nature of their work makes monitoring almost impossible, participants at a conference on the privatisation of security in Africa said last week

The seminar, organised by the South African Institute of International Affairs and sponsored by the United States Institute of Peace, sketched the long involvement of mercenaries in wars and conflicts and examined whether regulating their work was feasible

Executive Outcomes (EO), which over the past 10 years has evolved from a group of soldiers of fortune involved in much dubious activity into being a sophisticated business operation with interests in several countries, announced last week that it was closing down

Although no specific reason was given, speculation has been that Government's Foreign Military Assistance Act, which restricts mercenary activity, has led to EO's closure

But at the seminar Alex Vines of the international non-governmental organisation Human Rights Watch and Jeff Herbst of Princeton University cast doubts on whether or not a group like EO would simply close up shop

They suggested that such groups, when they came under pressure of any sort, simply 'mutated' into another formation and established a base in a more friendly country

Herbst described them as 'virtual firms', which owned no fixed assets and did not have to stockpile the military equipment they needed

Because it was easy to procure arms, they were able to assemble their operations anywhere in the world at short notice

Although international laws restricting mercenaries already exist through the Organisation of African Unity (OAU) and Geneva Convention such provisions focused on acts aimed at overthrowing the constitutional order of a state. And since many groups, including EO, claimed they worked only for legitimate governments, they fell outside the ambit of such legislation

Thus, the onus rested on domestic legislation to curtail mercenaries, which was not always easy since there were many grey areas around the definition of what constituted a mercenary and which activities were illegitimate

Countries that tried to put into place legislation "with any bite" would probably have lots of problems enforcing them, said Herbst

"It's probably hopeless", he said, since even if the definition hurdles were overcome, the

Curtailing the activities of mercenary outfits may be easier said than done because of the nature of their operations. **Sharon Chetty** explains (254)



Young Angolan soldiers trained by Executive Outcomes at the Rio Longa camp, south of Luanda in Angola.

PIC PICTURENET

firms would simply move on

Garth Abraham of the University of the Witwatersrand pointed out that international customary law did not totally ban the use of mercenaries and that those prohibitions that did exist, did not 'adequately deal with all varieties of mercenary activity'

Existing international laws specifically prevent mercenary activity against sovereign, legitimate states, against liberation movements and against efforts aimed at the realisation of national self-determination

Therefore the growing number of private security companies in Africa were not covered by such legislation since they did not necessarily threaten the sovereignty of a state, Abraham said

He also pointed out shortcomings in the South African law, adding that modern mercenarism and the unstable environment in which these activities take place make an effective deterrent virtually impossible

He said that in the 1990s private security firms 'often have more in common with traditional corporate enterprises than with the ad-hoc mercenary organisations of old

As Vines suggested, mercenaries no longer confined themselves to simply making huge amounts of money in exchange for their military

expertise. People with EO, for example, are known to have stayed on and acquired stakes in businesses in Angola

However he added that mercenary groups did not have a long-term future and because of their negative public image were now finding it difficult to get contracts

Herbst said that there may be a division in the market with some firms like EO, Sandline and the United States-based Military Professional Resources Incorporated (MPRI) using their "brand recognition" to capture the 'upmarket' end of the market

"Upmarket" firms would not want to work with failing African governments and would try to earn their keep from contracts with non-governmental organisations and the United Nations, which increasingly needed security as they went into battlefields

The need for private security would continue to exist, since oil and mineral companies would always want to secure their operations, but whether former mercenaries would find a ready market there remained to be seen

There would still be "lots of firms out there who will work for anyone at all," added Herbst

Greg Mills, the SAHIA director, said there was an increasing link between security companies and the "harvesting of resources" and no longer just "about keeping the stability of a state"

Private security was likely to remain a growth industry, Mills said, adding that there was a need to distinguish between the commercialism and privatisation of security

The growth in commercial security was intimately related to many African states' failure to develop adequate public security systems, he said

This was complicated by civil-military relations and the use of the army in politics

Mills added that "effective legislation had to begin at home" through the regulation of the domestic security industry

"If you regulate at home, it will promote a responsible industry abroad," he said, adding that there were several parallels between the domestic and external security industries

There was always a potential for abuse since such companies operated outside the state and if a state was weak, it could be undermined

Also, such companies worked only in the interest of their clients who paid them and not for the general public good, he said

CAPE ARGUS ISSUES

War-mongers or peace-keepers?

Co-opt mercenaries into legitimate operations — academics

PETER FABRICIUS



JOHANNESBURG

Earlier this year, special United Nations rapporteur Enriquez Ballesteros delivered a major report on mercenaries which he condemned for undermining, in particular, the stability of African states.

He recommended to the countries of the world that they introduce legislation to prohibit all mercenary activity.

But as the rest of the post Cold War world rapidly loses interest in restoring order to Africa, this very moral stance is increasingly being questioned by those who suggest that mercenary firms, far from undermining African stability, can, do and perhaps even should be encouraged to provide and restore stability in the many failed African states sliding towards anarchy.

No firm better illustrates this dilemma than South Africa's Executive Outcomes (EO), which announced late last week that it would be closing up shop.

EO evolved from a band of highly-suspect soldiers of the old South Africa's most dubious military units, into an upmarket international company which claimed to be interested in supporting only legitimate governments.

Its interventions in Angola and Sierra Leone provide some evidence on this claim. In Angola, EO helped the government reverse UNITA's military advances and forced it to sign the 1994 Lusaka peace protocol.

In Sierra Leone, EO helped to restore the democratically elected government of President Kabbah which had been toppled by the partitionary nasty Revolutionary United



In the news: Congolese soldiers take time out to listen to the radio. Mercenary firms, which are an integral part of African history, should be encouraged to restore peace and stability to troubled countries, say observers.

Front and its murderous allies.

Though EO's interventions were on the face of it, virtuous overall (despite some convincing evidence of human rights abuses along the way), Christopher Clapham of Lancaster University questioned their real and lasting value at a seminar at the

South African Institute of International Affairs in Johannesburg last week.

Professor Clapham noted that in both countries, instability had returned after EO's departure, suggesting these interventions only temporarily addressed the symptoms of

instability and ignored the underlying causes in the societies.

EO's presence may even have aggravated the problem by encouraging its clients in both cases to avoid addressing those underlying causes of instability, knowing they could always rely on the kind of quick-fix

solution which EO provided.

This criticism though, seems to apply to the way the client dealt with the question of whether or not mercenary companies could inherently make a contribution to stability.

Jeff Herbst of Princeton University thought they could, suggesting it was futile to try to stamp them out as they had been a deep and integral part of African history and were likely to remain so.

The Dutch East India Company, for example, was essentially a mercenary firm, given the very large brief

to colonise and run countries on its own for profit.

Even under international law today, the UN's Mr Ballesteros was wrong in trying to characterise mercenaries as illegal, as all the conventions which applied to Africa legitimised mercenary activity aimed at supporting incumbent governments — and only outlawed activity aimed at overthrowing them.

Professor Herbst suggested respectable governments should not try to regulate mercenary firms out of existence or keep them at arms length, as the South African Government appears to be trying to do — the Regulation of Foreign Military Assistance Act gives the Government authority to approve or disapprove mercenary activity outside South Africa.

Professor Herbst thought it unlikely that governments would ever be able to enforce such essential extra territorial legislation and advised them instead to let the market do the regulating of mercenary firms for them. This was already happening with firms like EO and Britnair/Sandline International.

The law would allow mercenary companies to support legitimate governments — which EO claimed to be doing — and thus would help to distinguish them from the many "low-rent" and less discriminating mercenary competitor companies emerging on to the market.

This suggested the way forward in dealing with mercenaries — co-opting them into legitimate military operations.

This has already been done by the United States in hurrying the private American firm MPR to do part of the peacekeeping operation in Bosnia.

Concluded Professor Herbst: Mercenaries "will probably be part of the African landscape for many years to come. As such, they cannot be washed away. Instead, ways should be found to exist with them and use them to the greatest possible advantage."

Judge declares Defence Act is unconstitutional

CARMEL RICKARD

ST 20/12/98 (254)

KEY sections of the Defence Act, under which ordinary court martials are convened, have been ruled unconstitutional by the Cape Town High Court because they infringe several rights, including the right to a fair trial

The judgment, which was handed down this week, has effectively paralysed the power of the defence force to declare a court martial until the Act is made constitutional.

Lawyers acting for Joe Modise, the Minister of Defence, conceded that there were problems with the law. But they tried to persuade the court that since a "working group" was ironing out the problems, the question of unconstitutionality had become "academic"

Acting Deputy Judge President John Hlope rejected this argument, saying that the issues involved were likely to come to court again soon if they were not resolved

The judgment arises from a case concerning two soldiers appearing before a court martial linked to a military intelligence report about alleged drugs and weapons syndicates operating out of military bases and racist behaviour by some officers

When the media tried to have the hearing opened to the public, the president of the court martial had ruled that they lacked the legal standing to bring

such an application

Judge Hlope ruled that the media had the right to apply for the court martial to be held in public, rather than in secret, as it had been under the orders of the president of the court martial

Judge Hlope also ordered that the entire record of proceedings so far must be made available to the public, including the media

Judge Hlope was particularly scathing about some sections of the Defence Act which provide for the establishment and composition of court martials

There was no provision that members of the court martial had to be legally trained and qualified, he said, although the Constitution states that judicial officers must be "appropriately qualified" and that only a "court of law" may send someone to jail

Judge Hlope also cited as unconstitutional the fact that a person convicted by a court martial could not appeal to the High Court

He said that while military discipline might be important, the way court martials were constituted under the present law went far beyond what was reasonably necessary to achieve discipline

Judge Hlope ordered the Minister of Defence to pay the costs of the case

Under the Constitution his judgment scrapping the national legislation will not come into effect until the Constitutional Court has approved the decision. A date for a Constitutional Court hearing has not yet been set

Institute calls for parts of Defence Act to be scrapped

(254) DD 23/12/98

Dustin Chick

THE Freedom of Expression Institute yesterday welcomed last week's Cape High Court judgment which ruled that key sections of the Defence Act were unconstitutional and called for the sections to be scrapped or amended.

Institute spokesman Nanagolo Leopeng said a declaration by acting judge president John Hoope in the Cape High Court that key sections of the Defence Act relating to the conduct of courts martial were unconstitutional, highlighted the

need to review legislation

She said the continued existence of unconstitutional legislation on the statute books "seriously diminished" democracy in SA

Leopeng said that for several years the institute had been calling for government to take part in a process whereby current legislation — most of it passed during the apartheid era — would be reviewed in the light of constitutional principles

The Hoope judgment relates to the trial by court martial of two soldiers on charges relating to the leaking of military

intelligence reports about the operation of drugs and weapons syndicates operating out of military bases as well as alleged racism among officers Hoope ruled that barring the media from the proceedings was unconstitutional and ordered that the entire record be made public

Other aspects he ruled unconstitutional included the appointment of officers to conduct court martials who had not been legally trained, as well as the bar on a person convicted by a court martial appealing to the high court

"He said that the constitution held that

judicial officers had to be appropriately qualified and only a court of law could jail a person," Leopeng said

She said the institute funded the legal defence of the soldiers to uphold the constitutional right of public access to information through open court proceedings

Leopeng said "Although the ministers of justice and safety and security have agreed to a working group to review unconstitutional legislation, the institute is concerned that because of delay innocent people may be victimised as these two soldiers were"

PUBLIC SECTOR - GOVT. - DEFENCE
1999

SA mercenaries 'allowed' to operate in Angola

By CHRIS BATEMAN

Mercenaries, some of whom once worked for Executive Outcomes, met with top South African intelligence officials just over a month ago to seek "permission" to act as consultants to the MPLA government in war-torn Angola.

A member of the independent group of mercenaries said they had been given the go-ahead to operate in Angola by the officials, who were part of an intelligence committee called "something like the National Conventional Arms Control Committee."

The group, with members who had worked as mercenaries in Sierra Leone and Angola, had approached the intelligence officials to "avoid" breaking the law that prevents mercenaries from operating from South

African soil. A contract for their services which the mercenaries had presented to the officials had been signed by the MPLA government.

Executive Outcomes is the recently disbanded and controversial mercenary agency which once operated widely throughout Africa, using elite former South African soldiers.

"We are merely acting as consultants, based in Luanda, to give the Angolan forces an appreciation of the situation," the source said this week. He knew of two attacks by Unita rebels on diamond concessions in north-east Angola in which at least two South Africans and two Englishmen had been killed.

In the first, about two months ago, Geoffrey McMaster, a former South African Defence Force soldier hired as the security chief for the Petra

diamond concession, was killed.

A month later, another diamond concession was bombarded before Unita launched a full-scale infantry attack on it, which was followed by widespread looting. "So a lot of people are contacting us for security advice," the source said.

The crash of the United Nations observer mission's Hercules C-130 aircraft in the war-torn Huambo district last weekend was caused by Unita ground forces firing on it, the source added. The aircraft hit the ground and caught fire east of Vila Nova, 45km from Huambo.

"They (Unita) definitely have ground-to-air military hardware and control a large part of Kokola, Kuito, Jamba, Mavinga and Seremo in the east," the source said.

Adri Cronjé of the Department of Foreign Affairs said South Africa

was "fully behind" UN sanctions against Unita.

A South African expert on Angola said the conflict would continue until "the oil and diamond spoils are portioned out". He highlighted the absurdity of a registered political party (Unita) with its own fighting army controlling large parts of Angola through force.

Attempts to obtain comment on the South African mercenaries from the National Intelligence Agency (NIA) were unsuccessful. However, an NIA official promised that a spokesperson or Joe Nlanhla, the deputy minister responsible for intelligence, would respond. This has failed to materialise.

It has been learnt that the most recent National Conventional Arms Control Committee meeting in Parliament took place in November.

Black times



M&G wins landmark case

(254)

M+G 8-14/1/99

Mail & Guardian reporter

The *Mail & Guardian* and the Freedom of Expression Institute have won a landmark legal battle in the Cape High Court which could see changes made to the Defence Act, particularly the way the army conducts its courts martial.

"The present case is a perfect example of why the provisions [of the Military Discipline Code] do not accord with the norms of a civilised and democratic society," Judge AD Hlophe ruled.

Until now, the vast majority of courts martial convened by the South African National Defence Force (SANDF) — there are hundreds every year with accused soldiers often facing terms of imprisonment — have been closed to the public.

The case was brought against the Ministry of Defence after the *M&G* published an article in 1996 detailing allegations of racism in the SANDF. Two soldiers based in the Western Cape, Staff Sergeant Gordon Pheiffer and Corporal Dawid Booysen, were charged with, among other offences, claiming that their commanding officer was racist.

Both had clean service records prior to the charges and, if convicted, faced the possibility of two years' imprisonment.

The charges arose from a military intelligence report compiled by Lieutenant Colonel Patrick Ricketts, who had been instructed to gather counter-intelligence at Pheiffer and Booysen's unit. His report detailed the discovery of a drugs and weapons syndicate operating in the Western Cape and suspicions that army intelligence officers were involved.

But the document, labelled "secret", also contained information from Pheiffer and Booysen concerning assaults on black troops by three lieutenants and racist behaviour by SANDF officers. It was shown to their commanding officer who decided they would be charged and court-martialled.

The presiding officer at the court martial, Lieutenant Colonel Mardon, declared the proceedings would be held in camera, that the entire proceedings be classified as secret and that the record of the court martial be classified secret.

The Freedom of Expression Institute and the *M&G* applied to the Cape

High Court to declare the Defence Act of 1957 and provisions of the Military Discipline Code unconstitutional and to interdict the minister of defence from reconvening the court martial. The court was also asked to direct that the court martial be held in public.

During argument, the Ministry of Defence conceded that the intelligence document should not have been classified "secret" and that the court martial should not have been held in camera.

Judge Hlophe said the convening authority of the court martial could not have applied his mind before declaring the proceedings should be held in camera because he had not yet seen the military intelligence report.

"Thus it is unconstitutional. It flies in the face of constitutionally guaranteed rights of any accused person. I have no doubt that it is unconstitutional and should be struck down," he said.

The ordinary courts are statutorily competent to try offences under the Military Discipline Code. They enjoy added constitutional safeguards of independence essential to protect fundamental human rights and civil liberties.

"By contrast, the court martial, as presently constituted, goes far beyond what is reasonably necessary to achieve the object of military discipline."

Judge Hlophe ordered that sections 104 to 112 of the Defence Act and related articles of the Military Discipline Code were unconstitutional, invalid and of no force or effect. The Ministry of Defence was interdicted from reconvening the proceedings against Pheiffer and Booysen pending final determination on the issue by the Constitutional Court.

He also directed that the court martial be opened to the public, including the media, to remove the classification of secrecy from the entire proceedings and its record. The SANDF was instructed to make all documents referred to at the court martial available to the public and the media.

The Ministry of Defence was ordered to pay the costs of the application.

Advocate Derek Spitz, instructed by Karien Norval of David Dison, Norval, Ameer and Ndlovu, appeared for the *M&G* and the Freedom of Expression Institute.

Accidents in army, police cost millions

14 500 government vehicles worth

R150-million smashed in two years

BY PHALANE MOTALE
Crime Reporter

Members of the police, army and prison department have smashed more than 14 500 state-owned vehicles valued at more than R150-million over the past two years, recent figures show.

These collisions have also resulted in the death of 226 members and civilians, while at least 26 of the drivers were found to be under the influence of alcohol during the accidents.

According to the Ministry of Defence, members of the South African National Defence Force have written off 171 vehicles valued at R8,6-million in accidents since 1997.

A total of 2 592 vehicles – just less than 5% of the SANDF fleet – were involved in accidents, killing 28 civilians and 35 defence force members.

It was later discovered that 24 defence force members were under the influence of alcohol at the time of the accidents.

The total value of the vehicles involved in accidents was R141-million, and 1 425 vehicles were repaired, at a cost of R7,8-million.

Since the beginning of 1997, 53 SANDF vehicles – including 24 minibuses, 18 one-ton trucks, nine sedans, a troop carrier and a motorcycle – were stolen. Only 10 vehicles were recovered.

Between April 1997 and March 1998, a total of 11 263 South African Police Service vehicles were involved in acci-

dents. A total of 682 vehicles valued at R11,8-million were written off.

Senior Superintendent Andrew Lesch of the SAPS said the cost of repairs and replacement of vehicles for the same period amounted to R25,8-million.

He said that between January 1997 and last month at least 153 members of the service were killed in vehicle collisions. There were no figures of civilians killed in collisions with police vehicles.

Lesch could not supply official information regarding the number of members charged for driving under the influence of alcohol and the theft and recovery of vehicles.

But the situation was better in the Department of Correctional Services, with only 83 vehicles valued at R801 000 written off during the same period. The amount did not include figures for the Western Cape, North West, the Free State, Gauteng and Northern Province.

Spokesperson Russel Mamabolo said the department's figures were lower because vehicles used by the department were managed by the Government Garage.

A total of 658 correctional services vehicles were involved in accidents, killing 10 civilians and members. Two members were under the influence of alcohol at the time of the accidents. The total value of the vehicles involved in accidents was R6,2-million.

(254)

SAN 12/1/99

(274)

14 500 vehicles crashed by forces

JOHANNESBURG More than 14 500 state-owned vehicles — worth more than R150 million — have been smashed in the past two years by members of the police, army and prison services.

The accidents were responsible for the deaths of 226 members and civilians.

At least 26 of the drivers were found to have been under the influence of alcohol.

In the SA National Defence Force, 2 592 vehicles — just under 5% — have been involved in accidents since the start of 1997. Of these, 171 (R8,6m) have been written off and 1 425 repaired at a cost of R7,8m. Twenty-eight civilians and 35 defence force members died in the accidents. It was found that 24 members had been drinking.

Since 1997, 24 minibuses, 18 one-ton trucks, a troop carrier, nine sedans and a motorcycle have been stolen. Only 10 have been recovered.

Between April 1997 and March 1998, 11 263 of the SA Police Service's vehicles were involved in accidents. Of these, 682 (R11,8m) were written off. Repairs cost R25,8m.

Of the 658 vehicles damaged by members of the Department of Correctional Services, 83 (R801 000) were written off in four provinces. Ten civilians and members died in the accidents.

Forty-three vehicles were stolen, only six of which were recovered.

Spokesperson Russel Mamabolo said the figures were lower because vehicles used by the department were managed by the Government Garage — Own Correspondent

CT 12/1/99



Tokyo Stock Exchange traders watch share prices during morning trading yesterday as Tokyo's stock posts gains, shrugging off the news of a dramatic currency devaluation in Brazil. Picture AP

Tax row threatens trade on Zimbabwe exchange

BD 15/1/99 (253)

Martin Rushmere

HARARE — Trading on the Zimbabwe Stock Exchange will stop indefinitely on Monday if the government does not clarify issues surrounding a 5% turnover levy on all share dealings.

The Zimbabwe dollar fell a further 5% yesterday to end at Z\$44 to the US dollar. The currency has fallen more than 8% over the past week on strong importer demand for foreign currency and fears that promised International Monetary Fund (IMF) budget support may not materialise.

An exchange spokesman said an emergency meeting would be held with government finance and tax officials today in a bid to find out who was liable for the levy and how it would be administered.

However, a member of the exchange's governing committee said it had been decided that if no satisfactory answers were forthcoming trading would be suspended. "This is not to force a confrontation with the government, but is because some brokers do not have the staff to comply with the stipulation that they must collect the money, which runs

into tens of thousands of dollars each day. It would be unfair to allow some brokers to trade and not others. At the moment no one knows who will have to pay the levy — it seems that pension funds and insurance companies will be exempt. But we do not know if foreigners will be exempt."

The government this week also imposed a levy on property sellers of 10% of the gross value of the sale. Like the levy on share transactions, this comes on top of existing capital gains taxes, commissions and assorted duties.

Brokers are outraged at the levy on share transactions. "It is a sign of the panic and desperation of this government," one said. "It is called a capital gains withholding tax, but it is also payable on losses." A trader said this would increase the cost of capital by an effective 5%. Another feared the closure would give rise to an unofficial over-the-counter market.

The government is increasingly cash-strapped and is imposing turnover taxes where there is little chance of evasion. Buyers and sellers of tobacco, for example, each have to pay 5% on sales.

Govt cracks down on paramilitaries

BD 15/1/99 (254)

Taryn Lamberti

A NEW law prohibiting paramilitary training and the unauthorised production of weapons would come into force today in an attempt to curb the growing threat of urban terrorism on the Cape Flats, Bennie Bunsee, a spokesman for Justice Minister Dullah Omar, said yesterday.

The hurried implementation of the law, contained in the Judicial Matters Amendment Act, is an apparent response to last weekend's criticism of the criminal justice system by Deputy President Thabo Mbeki for failure to come to grips with rising violence in the Western Cape.

A senior African National Congress source said although the new law was originally conceived with right-wing and mercenary groups in mind, the focus had shifted to the growing threat of terrorism linked to vigilante group People Against Gangsterism and Drugs (Pagad).

A memorandum accompanying the act

detailing its objectives said it appeared that the existing legislation had not had "the desired effect".

Bunsee said the law was "obviously" related to the violence on the Cape Flats. "It was definitely fast-tracked through Parliament with the elections coming up next year. There are a number of forces which are a danger to the state," he said.

The new law prohibits military and paramilitary training as well as the manufacture of weapons, ammunition or explosive devices unless they are specifically authorised.

Anyone convicted of contravening the act could spend up to five years in prison or pay an unspecified fine.

Groups exempted under the act include the national defence force, correctional services, the police, employees of recognised arms manufacturers such as Denel, traffic officers and registered security officers.

The act also makes provision for com-

panies which employ their own security personnel to apply for exemption from the legislation before April 1.

Justice portfolio committee member Willie Hofmeyer said the act provided for much harsher penalties for people convicted of unauthorised paramilitary training. The law also sought to fill loopholes in existing legislation.

Flip Jacobs, the chief legal adviser to the police's detective services, said the law was intended to give effect to the constitution which prohibited groups other than the defence force from conducting military training.

Jacobs said security companies would be excluded from the act because they were properly regulated by the Security Officers' Board.

He said there were other general exclusions where the manufacture of explosives and training was lawful and well regulated for industrial purposes, such as in the mining sector.

By **NORMAN CHANDLER**
Defence Correspondent

The country's part-time army – the backbone of the defence force – is in danger of collapse because of a lack of money.

The part-time component is in such a parlous financial state that the National Defence Liaison Council (NDLC) formed last year to improve conditions and gain the support of big business has gone into a state of "suspended animation"

Insufficient funding is crippling efforts to maintain standards, provide uniforms and equipment, improve discipline and assist in recruitment drives.

Less than 20% of the army's R4,5-billion budget is spent on its part-time component, despite a recommendation in the Defence Review that "the current level of funding is far below the minimum level required" and that pay should be on a par with that of full-time soldiers, that there should be a pension fund, and that bonuses should be paid

NDLC business leaders say sufficient funding has to be found "as those on the council do not wish to embark on a vehicle which will run out of gas before reaching its destination"

The council was formed last year with the support of President Nelson Mandela and Defence Minister Joe Modise

Top businessmen and NDLC members Tony Norton, Brigadier Roy Andersen and John Job, who is also national chairman of the Part-Time Force Council (PTFC) say development of conventional and area defence capabilities require more money to be allocated to this force

Major-General Ian Deetlefs, chief of the SA National Defence Force's Part-Time Component

director and chairman of the Denel Group, has confirmed that he has asked the SANDF for additional funding but so far no decision has been taken.

Norton says the NDLC is in "suspended animation" because it was necessary first to establish that funds would be available

Andersen says funding of part-time activities must be on merit and ongoing, and that a comprehensive report on the commando structure and the role played by the country's 50 000 commandos in the rural safety plan had emphasised this.

"Army planning (has) emphasised that budget cuts for the commandos must be a last resort and attention should be focused on logistical support," Andersen told a PTFC meeting recently

Job told the same meeting that one of the challenges facing the part-time forces was an adequate budget allocation and said he had been criticised in various military quarters "for being too focused on the financial issues"

He refused to back down from this stance, saying that financial allocations being made were "generally extremely low".

There was, he said, a serious financial problem developing in the army during the next fiscal year, and that at least 80% of its 1999/2000 budget would be diverted to salaries and service benefits for the full-time component

"This issue will dominate budget thinking in the army and may be used to reduce the part-time component's allocation even further," Job warned

He said a meeting was to be held soon with the chief of the SA National Defence Force, General Siphwe Nya-nda, to try to rectify the matter

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Part-time army in dire straits

(254)

Star 18/1/99

Insufficient funding is crippling
efforts to maintain standards

SA plans to curb flow of arms

Star 22/1/99 (254)

Policy is to destroy obsolete weapons so that they don't end up in battle zones

By THALIF DEEN
United Nations

South Africa, the only significant arms producer in a war-ravaged continent, wants to curb the flow of small arms to civil wars and ethnic conflicts worldwide

In a letter to secretary-general Kofi Annan, the SA Government said it has adopted a policy of destroying all its obsolete and redundant surplus small arms so that they do not find their way into battle zones

"South Africa is further committed to stopping the flow of illegal small arms across its borders," the letter added

Last year the SA Police Services destroyed or melted down 70 tons of small arms and ammunition, including 4 504 pistols, revolvers, rifles, shotguns and home-made firearms.

Additionally, South Africa and Mozambique have jointly destroyed more than 100 tons of small arms and ammunition on site in Mozambique.

South Africa said it has already entered into agreements with several other southern African states, with a view to curbing the trafficking of illegal small arms and ammunition

In an address to the UN Ad-

visory Board on Disarmament Matters, Annan said this week that "the scourge of small arms continues to devastate civilian populations, creating humanitarian crises the world over.

"These weapons of personal destruction impair economic and social progress and impede our best development efforts," he said.

Annan said the UN, for its part, will help governments and civil society make disarmament and arms control central aspects of future peace initiatives

In West Africa, he said, the UN is helping to implement a moratorium on the import, export, and manufacture of light weapons "If successful, this ban could lead to a renaissance of peace in the region and serve as an example to a continent whose economic and social development has been all-too-often hindered by internal strife and conflict"

In its letter to Annan, South Africa points out that it "is committed to a policy of responsibility and accountability in the trade and transfer of all arms"

The Government has established an arms control system which makes provision for a

ministerial body to set criteria, principles and guidelines "to ensure the responsible transfer and trade in, among others, small arms and light weapons"

South Africa has also introduced legislation which requires the licensing of all civilian small arms, including a requirement for the safe storage of such weapons

Under the previous government, South Africa was the world's 10th largest arms manufacturer

The new government of President Nelson Mandela inherited a sprawling armaments industry which at one time produced jet trainers, combat helicopters, warships, remotely piloted vehicles, missiles, armoured personnel carriers and small arms

The industry, which is now under rigid government control, exported about \$265-million (about R1,6-billion) worth of military equipment to 63 countries in 1997. This was a 34% increase over the previous year

According to South Africa's Directorate of Conventional Arms Control, the list of arms buyers included India, Switzerland, Chile, Pakistan, Ecuador, Thailand, Uganda, Singapore and Rwanda

But the Government also turned down requests for arms from several countries - including Afghanistan, Burma, Burundi, Nigeria, Sri Lanka, Sudan and Turkey - either because of human rights abuses or because they were in conflict zones

South Africa was one of the co-sponsors of a UN General Assembly resolution, adopted in early December, which calls for an international conference on the illicit arms trade. Switzerland has offered to host the proposed conference which is expected to take place no later than 2001.

In its letter to Annan, South Africa said the conference should formulate an action plan to combat the proliferation of small arms on the basis of the experiences of individual countries

The resolution also called upon the secretary-general to initiate a study, as soon as possible, on the feasibility of restricting the manufacture of, and the trade in, small arms

Additionally, the resolution proposed a study in establishing, within the UN system, a single database of authorised manufacturers and dealers in small arms. - Sapa-IPS

SA resolution on arms control

2/14) SOWETAN 22/1/99

By Thailf Deen

UNITED NATIONS - South Africa the only significant arms producer in a war-ravaged continent wants to curb the flow of small arms to civil wars and ethnic conflicts worldwide.

In a letter to secretary-general Kofi Annan the South African Government says it has adopted a policy of destroying all its obsolete and redundant surplus small arms so they do not find their way into battle zones.

South Africa is further committed to stopping the flow of illegal small arms across its borders, the letter adds.

Last year the South African Police Service destroyed or melted down 70 tons of small arms and ammunition including 4 504 pistols, revolvers, rifles, shotguns and home-made firearms.

Additionally, South Africa and Mozambique have jointly destroyed more than 100 tons of small arms and ammunition on site in Mozambique.

South Africa says it has already entered into agreements with several other Southern African states with a view to curbing the trafficking of illegal small arms and ammunition. In an address to the United Nations Advisory Board on Disarmament Matters, Annan said on Tuesday that the scourge of small arms continues to devastate civilian populations, creating humanitarian crises the world over.

These weapons of personal destruction impair economic and social progress and impede our best development efforts, he said.

Annan said the UN for its part will help governments and civil society make disarmament and arms control central aspects of future peace initiatives.

In West Africa he said the UN is helping to implement a moratorium on the import, export and manufacture of light weapons.

If successful, this ban could lead to a renaissance of peace in the region and serve as an example to a continent whose economic and social development has been all too often hindered by internal strife and conflict.

In his letter to Annan, South Africa points out that it is committed to a policy of responsibility and accountability in the trade and transfer of all arms.

The Government has established an arms control system which makes provision for a ministerial body to set criteria, principles and guidelines to ensure the responsible transfer and trade in, among others, small arms and light weapons.

South Africa has also introduced legislation which requires the licensing of all civilian small arms, including a requirement for the safe storage of such weapons.

Under the previous government replaced by a democratic government in 1994, South Africa was the world's 10th largest arms manufacturer.

The new government of President Nelson Mandela, which took office in May 1994, inherited a sprawling armaments industry which at one time produced jet trainers, combat helicopters, warships, remotely piloted vehicles, missiles, armoured personnel carriers and small arms.

The industry which is now under rigid government control exported about R1 600 million worth of military equipment to 63 countries in 1997. This was a 24 per cent increase over the previous year.

According to South Africa's Directorate of Conventional Arms Control, the list of arms buyers included India, Switzerland, China, Pakistan, Ecuador, Thailand, Uganda, Singapore and Rwanda.

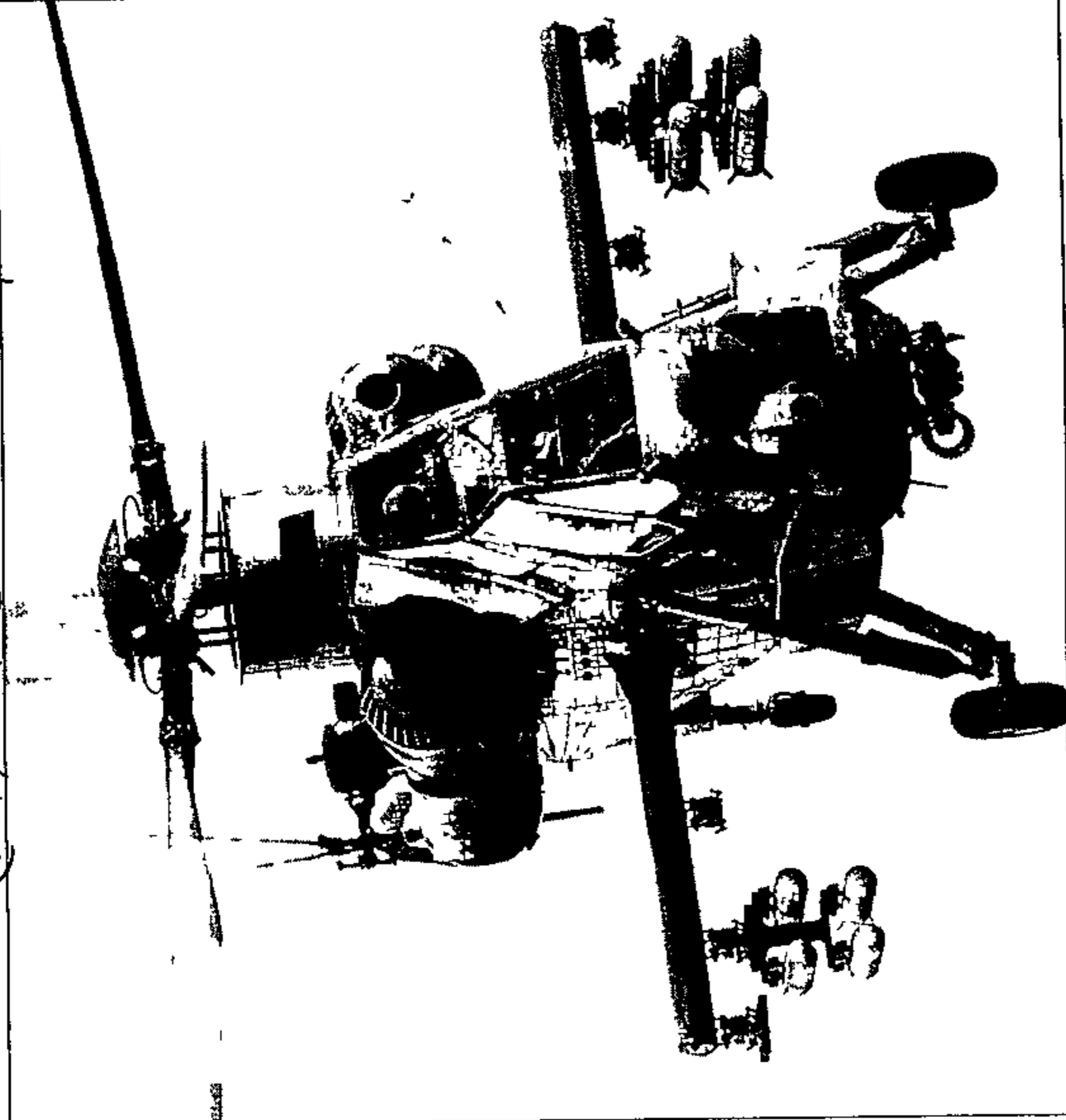
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South Africa was one of the co-sponsors of a UN General Assembly resolution adopted in early December which calls for an international conference on the illicit arms trade.

Switzerland has offered to host the proposed conference, which is expected to take place no later than 2001.

In its letter to Annan, South Africa says that conference should formulate an action plan to combat the proliferation of small arms on the basis of the experiences of individual countries.

The resolution also calls upon the secretary-general to initiate a study as soon as possible on the feasibility of restricting the manufacture of and the trade in small arms.



A Rooivalk attack helicopter goes through its paces during a test flight at Atlas Aircraft Corp outside Johannesburg. The helicopter is the flagship of a rigidly controlled arms industry that supplies weapons to more than 60 countries. PIC PICTURENET

Additionally, the resolution proposes a study in establishing within the UN system a single database of authorised manufacturers and dealers in small arms - *Sapa/IPS*.

United States, president Bill Clinton yesterday called on the UN disarmament body to relaunch negotiations aimed at halting future production of nuclear bomb making material.

A message from Clinton read out by John Holsum, director of the US Arms Control and Disarmament Agency, also urged the 61-member body to start negotiations to reach a global ban on transferring anti-personnel landmines.

The US like other major producers of landmines including China is not among the 170 countries to have signed the 1997 Ottawa landmines treaty banning the pernicious weapons. The pact comes into force in March.

Clinton's message said. As the Conference on Disarmament begins its work in the new year, I want to underline the strong commitment of the United States to prompt resumption of negotiations on the next key multilateral step in the nuclear disarmament process - a treaty to ban the production of material for nuclear weapons or other nuclear explosive devices.

The US position is well known - we will not agree to any restrictions on existing stocks in a (fissile) cut-off treaty, he told delegates. Several major non-aligned powers including South Africa, India and Pakistan have called for the fissile stocks of the five official nuclear powers - Britain, China, France, Russia and the US - to be on the negotiating table in Geneva. - *Ruters*

SA resolution on arms control

(2174) Sowetan 22/1/99

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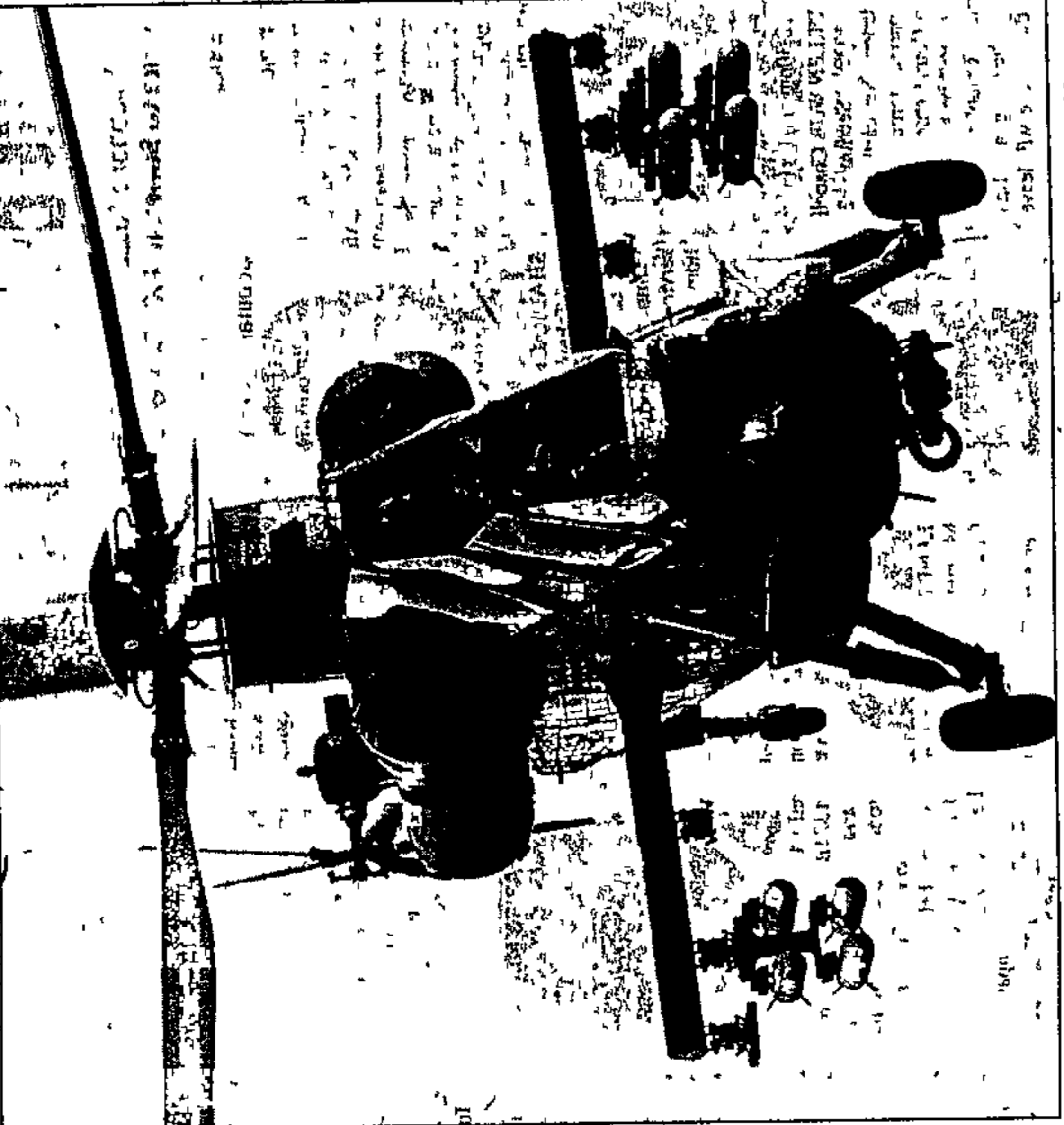
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But Holium said that the US was not prepared to negotiate reductions in its current stocks of fissile material (plutonium and highly enriched uranium).

"The US position is well-known - we will not agree to any restrictions on existing stocks in a (fissile) 'cut-off treaty', he told delegates.

Several major non-aligned powers including South Africa, India and Pakistan have called for the fissile stocks of the five official nuclear powers - Britain, China, France, Russia and the US - to be on the negotiating table in Geneva - Reuters

Wrapping and tying defence package is exhausting

(254)

20 25 11 99

BRUNO Spagnolini and Roberto Macchi were asleep right after the gnocchi with tomatoes and Parmesan, and well before the main course was served.

Senior managers with the Italian helicopter company Agusta, the two men have been on the overnight flight from Johannesburg to Milan more often in the past few months than they care to remember. Sleep maximisation on aeroplanes has become a fine art they will rely on increasingly in the near future as the negotiations over the defence force's purchase of 40 Agusta A109 light utility helicopters to replace the ageing Alouettes intensify.

Word has it that the pressure is on for the departments of trade and industry, finance, and defence and all of the preferred suppliers to complete negotiations on SA's R29bn arms for investment package by the end of March.

Even with some inevitable slip-page, this means that government could have a final package to present in time for the election in late May. Whether it will be gift-wrapped with thousands of new civilian jobs will

depend on Macchi and people like him in British, Swedish and German companies who are responsible for ensuring that the countertrade and investment offers contained in their tenders become reality.

If they do, SA could see jobs created in sectors identified by the trade and industry department from jewellery to jeans and steel manufacturing, many of them in depressed areas of the country. The Agusta offer, the SA government estimated late last year, could generate a total of 4 558 new jobs.

Sceptics argue that buying helicopters, fighter jets and corvettes is a particularly expensive way to encourage inward investment. There must be a cheaper way to encourage civilian companies involved in the bids to come south, they say.

Not so, says Fabio Torboli, former European head of the World Gold Council and now a consultant to Pietro Cremasco, founder and CE of Filk, Italy's biggest producer of gold chains which is in Agusta's port-

folio. "From our neighbour Slovenia to India and Dubai, we have a number of choices for overseas investment." Along with SA, each potential investment destination offers a bouquet of advantages, including growing domestic and tourist markets to low labour costs compared with northern Italy. SA's approximately 6% preference on gold jewellery exports to the US is an added sweetener for Filk.

SA's decisive advantage, though, says Torboli, is that the jewellery manufacturer can sail in the slipstream of a much larger company familiar with international trade and investment. "Following Agusta is a great insurance."

Not least because the helicopter maker is responsible for the negotiations with the SA government. It must bear the burden in case of non-performance in any of the contracts within its portfolio.

"Jewellery makers," says Torboli, "are notoriously parochial." With a partner like Agusta, the internation-

alisation of the Italian jewellery industry can really begin.

Holding an umbrella over the whole project is Mediotrade, Italy's state export guarantee house.

So what are the concrete plans? What are the numbers, how many jobs will there be in the gold chain business?

"We are not yet allowed to say," says Milena Del Grosso, Mediotrade's project manager. SA's trade and industry department is adamant, it seems, about confidentiality until everything is settled.

Spagnolini says Agusta is aware that some of the other preferred bidders chosen by SA have been more daring in leaking details of some of their projects. However, they are major international defence players with a much higher profile.

Keeping out of the public eye until SA's decision on the preferred suppliers late last year was a deliberate strategy, says Giuseppe Orsi, Agusta's deputy GM. Competition is rough, and Agusta's main rivals, Bell

Not just helicopters are involved but gold chains too, writes associate editor Stephen Laufer

of Canada/US and Eurocopter of France/Germany, have traditionally dominated the sub-Saharan market.

However, now that the initial choice has been made and negotiations are becoming ever more detailed, "we want SA beyond the air force and Denel to be comfortable with our company".

Agusta has been building aircraft since 1907. It has collaborated with all the west's major helicopter manufacturers, including McDonnell Douglas, Boeing and Sikorsky of the US, and Westland of the UK, Bell and Eurocopter. It is in a joint venture with Bell.

Currently employing 5 192 people — down from 9 343 eight years ago — Agusta's turnover has gone from \$450m to \$623m in the same period as the ratio of research and development engineers to production workers has risen.

Production capacity is booked for a year in advance, which could in part explain why the company plans to license Denel to produce its new

single-engine helicopter, the Koala, for certain markets. Denel would also manufacture some components for Agusta's other models.

With little standing in the way of privatisation of the still mainly state-owned company since a former communist became Italy's prime minister, Agusta is apparently in the final stages of planning a merger with Westland, shortlisted to supply four maritime helicopters for service on SA's new corvettes.

Of the light utility helicopters on offer to SA, Agusta claims its A109 is the only one already in service in a militarised version, with the Italian and Belgian forces.

Getting the trade and industry and finance departments to sign on the dotted line, though, will take more. A solid and verifiable long-term commitment from Filk gold chains, and the Italian fabric, ceramics, and other manufacturers wrapped into the package offer, to create sustainable jobs in export-oriented industries, for example.

□ Laufer was in Italy as a guest of Agusta.

SA AEROSPACE INDUSTRY

FM 29/1/99

COMPANIE-E-E-S! BY THE CENTRE . . . ALL JOIN ARMS!

(254)

Sigcau discusses her plans for streamlining the defence industry

In 1993, with Cold War concerns giving way to smaller, regional crises in the Persian Gulf, the Balkans, Africa and elsewhere, William J Perry, then US deputy secretary of defence, invited top guns from America's major aerospace and defence companies to dinner and delivered a simple message consolidate the industry. At the time, the US defence budget was declining and there was no room for the mammoth military-industrial base that had been developed to fight the Soviets.

The "last supper", as it became known, kicked off one of the largest bouts of mergers and acquisitions in US history. Within four years the number of key defence and aerospace manufacturers had shrunk from nine to just three: Boeing, Lockheed-Martin and Raytheon.

In October 1998, following significant defence cuts in SA, our own Minister of Public Enterprises, Stella Sigcau, made a similar call on the aerospace and defence companies at an industry indaba. She told the gunners to form an integrated, streamlined and efficient industry capable of participating in the export arena.

SA has little choice, Sigcau told the *FM* in an interview last weekend. "On one hand we can remain outside the global consolidation process and try to compete with these giant multinationals. But this would eventually be the death of SA's defence and aerospace industry as our present technology would become obsolete and we would be relegated to being a low-technology manufacturing supplier."

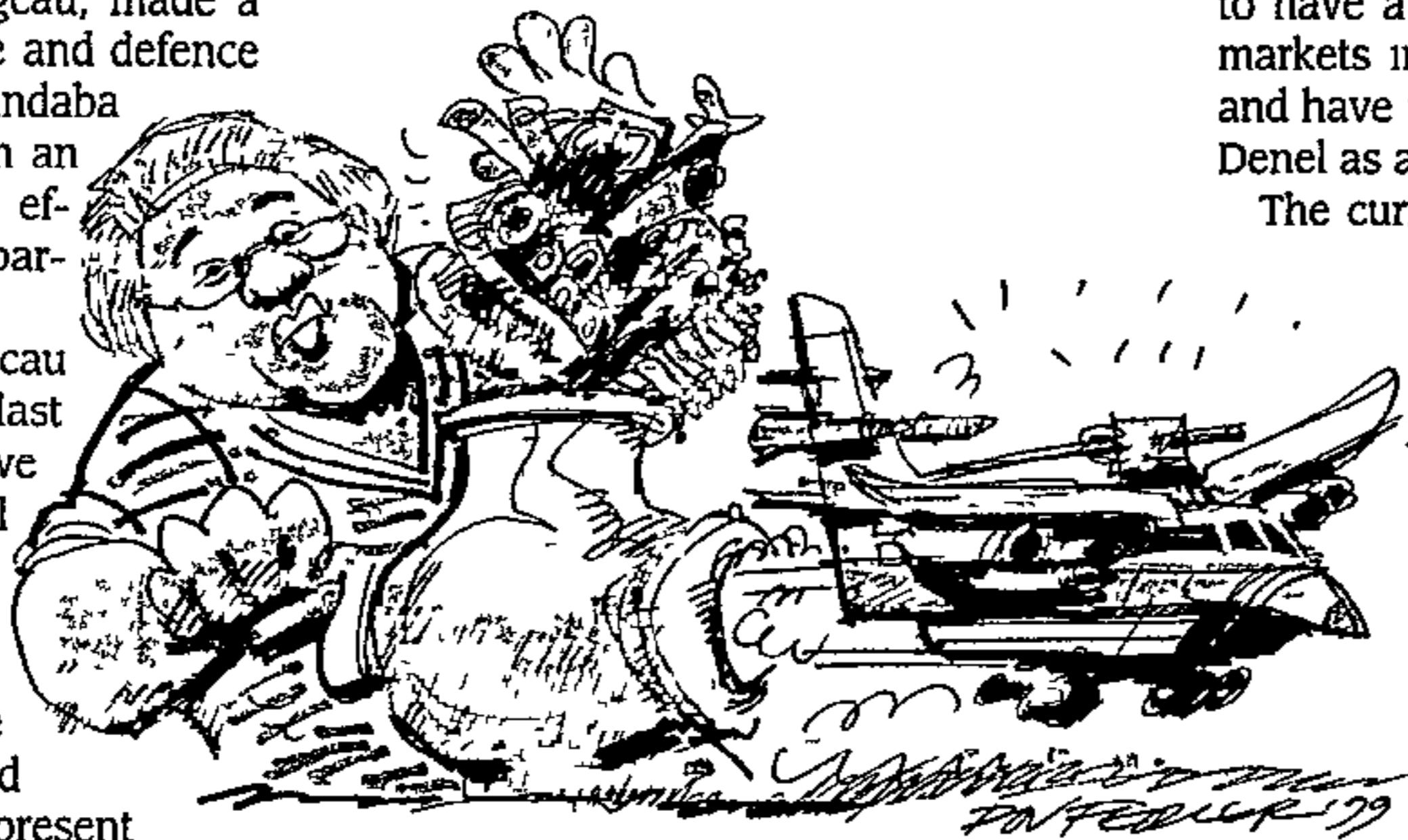
Government is still the largest stakeholder in this industry, through Denel. Its call for a new direction, therefore, is a significant if belated step for the industry. It compares favourably with earlier attempts to transform Denel, and is pure genius next to the rifles-to-cricket bats and soft drink can programmes of the early Nineties. The industry still accounts for 50 000 jobs and has an annual turnover of R7bn, according to government figures.

But government has not stopped at sup-

per. It has indicated it intends to facilitate the consolidation and repositioning of the industry by privatising Denel — a kind of smart-privatisation. Sigcau & Co have yet to decide on how best to do this in the various facets of the industry, but this week they released details of what they intend to do on the aerospace side.

The plan is to merge Denel Aerospace with Advanced Technologies & Engineering (ATE), other private-sector players, and probably parts of SAA. It also envisages a major equity partnership with a foreign player in the new entity, with several other partners at a business unit level. Government will retain 50%-plus in the company, with ATE holding 20%-30% and the foreign partner 20%-30%.

The business plan for SA aerospace is a lot more refined than Denel's, and focuses on two roles as military-commercial pro-



gramme partner for rotary wing aircraft, missiles and unmanned aerial vehicles, and as a dominant African product support and service company. That means SA will stop trying to design, produce and market original planes and helicopters against heavy hitters and will start teaming up with international players to do what it's good at. It will also try to exploit regional opportunities such as aeroplane maintenance and the conversion of planes from passenger to cargo use.

Sigcau says her advisers researched trends and issues in the industry thor-

oughly before deciding on the new format. Their thinking, she says, is in line with recommendations made in a study by leading British-based business consultancy Booz-Allen & Hamilton.

"Because we have limited resources, we cannot afford to make any mistakes, so we have used our time wisely to review the bigger picture before making our move with Denel's restructuring," Sigcau says. The hope is to have details of the new company finalised by April.

Many other countries have already gone a similar route to the one that SA has plotted. Australia and Singapore have, for example, focused on product support, modification, offset and system integration support while embarking on large-scale downsizing and productivity drives.

Government also intends to jack up the skills levels and productivity at Denel and the new organisation. There is likely to be an injection of internationally experienced top management and Denel has committed to achieving productivity gains of 40% or more in the next 18-24 months. Success here seems dependent on the achievement of the targeted 40% growth in sales at the company by 2001.

Profit does not seem to be top of Sigcau's list of concerns. "We would be happy to have a healthy balance sheet to reach markets in which we want to participate and have the international community see Denel as a player of the future."

The current plan has industry approval. Grintek MD Sybrand Grobbelaar says mergers should improve prospects for the new group and simplify the supply chain for independent suppliers such as Grintek.

Much will hinge, though, on who the strategic partner is and how much it brings to the party. Odds-on favourite appears to be British Aerospace, the UK's leading exporter and Europe's leading defence and aerospace group. In 1997, it reported profits of R5,96bn on sales of R85bn, 89% of which were exports.

During British PM Tony Blair's recent visit it was announced that Denel and British Aerospace had signed a memorandum of understanding to work towards a long-term partnership. The British also undertook to help transfer management and international business skills to the restructured Denel. The thing to watch for in coming months will be what further commitments Sigcau and others can squeeze out of them.

Stuart Rutherford

'Turbulent Africa needs SANDF'

Jobs now, defence when needed cp 2/1/99 (254)

By MAX MARX

DOES South Africa need a defence force and does the South African National Defence Force (SANDF) have any relevance in the new South Africa?

These were some of the questions SANDF chief, General Sipiwe Nyanda, addressed as guest speaker at the Enterprise Development Forum on Thursday night

Nyanda said that, aside from the constitutional demands for the defence of South Africa's sovereignty and territorial integrity, he believed there was a real and practical need for the SANDF

"The defence of South Africa's young democracy in these turbulent and unpredictable times cannot be reduced to the question of whether we face a conventional threat or not

"South Africa does not face a conventional military threat in the short to medium term, but who can guarantee that such a threat will not surface in 12 to 15 years time?"

He said defence critics used the fact that South Africa was not facing such a threat to motivate a reduction in defence spending

"South Africa's security cannot be bound to our national borders alone

"Problems and conflicts in the region affect us directly and indirectly

"They also affect the successful implementation of the African Re-



TRANSFORMING THE SANDF...
SANDF chief, General Sipiwe Nyanda

naissance "

He said South Africa's small but significant defence ministry enabled the country to provide defence-related services to its neighbours, which strengthened co-operation

"The SANDF's involvement in Lesotho arose from the political demands of the Southern Africa Development Community (SADC)

"The SADC decided that the virtual military overthrow of the constitutional order in Lesotho would not contribute towards security in the region and instructed Botswana and South Africa to act

"The SANDF must be prepared to play such a role if required and requested as a peace support structure and organisation "

He said the SANDF's transformation process was being driven by what was required and affordable

"The SANDF will have its necessary core capabilities. At the same time the SANDF's capacity to support safety and security is and will be used towards providing a secure and safe South African environment "

Nyanda said agreements reached by government for possible acquisitions of new equipment for the SANDF had opened the doors for the greater involvement of black business

"Should the government vote for the required funds, it will be based on plans to ensure that black empowerment groupings benefit.

"This is an area where the SANDF and black business concerns need to build closer relationships "

He said black communities also needed to participate in the SANDF's part-time defence activities. "Transformation of the SANDF's reserves needs input representative of our population "

SA's dogs of war move to E Europe

(254) Sowetan 3/2/99

By Jimmy Seepe

FORMER South African mercenaries have relocated to Eastern European countries from where they allegedly continue to supply Angolan rebels with ammunition

Intelligence sources this week told *Sowetan* that the mercenaries, whose activities were declared illegal by the Government's anti-mercenary legislation, have found a new platform from which to conduct their business

The mercenaries are alleged to be supplying the Unita rebel movement through Zambia with the possible tacit approval of certain corrupt Zambian citizens who have a vested interest in the Unita cause

Concern about the mercenaries was also raised at the weekend by the West African Peacekeeping force, Ecomog

Ecomog commander Major-General Tim-

othy Shelpidi alleged that the mercenaries were involved in the war in Sierra Leone together with mercenaries from Israel, Burkina Faso and Eastern European countries such as Ukraine

It is also alleged that several former pilots of the South African National Defence Force who left the service and are familiar with Angola are flying some of the aircraft that are supplying Unita with artillery

Early last month, intervention by the Southern African Development Community averted a full-blown war between Angola and Zambia after the latter was accused of having a hand in the supply of weapons to the rebel movement

Zambia has been repeatedly accused by Angola of supplying arms to Unita

It appears that there is little that the South African Government can do at this stage since most of the activities of the SA mercenaries

are not being conducted from the country

Concern has been expressed in intelligence circles about the security at some SA airports and whether mercenaries were making use of these facilities to conduct illegal activities

Intelligence sources told *Sowetan* that security at three airports - Lanseria and Grand Central, both in Gauteng, and Gateway in Pietersburg - has been of major concern to them

One of the problems highlighted at Lanseria airport concerns the absence of customs officials at night

It is alleged that customs officials work until 10pm

The airport is left unattended thereafter

South African Secret Service director-general Billy Masetla said the Government had succeeded in clamping down on mercenary activity in the country since it introduced the anti-mercenary law last year

Probe into 'multimillion-rand kickbacks' in Armscor purchase of Swiss training aircraft

JEAN LE MAY

The Office for Serious Economic Offences (Oseo) is investigating payments involving millions of rands during the controversial purchase of Pilatus training aircraft by the South African Government five years ago.

The investigations include the possibility that a former employee of the Swiss aircraft company Pilatus was paid a kickback of R6.7 million when Armscor bought 60 Pilatus training aircraft.

Oseo head Jan Swanepoel told Saturday Argus that "we are not worried about the R33 million, which was properly accounted for in the books of the recipient company".

former Pilatus employee

The employee was a Swiss citizen who also had an address in the United States, said Mr Swanepoel.

The portfolio committee on defence said in a report to Parliament this week that Oseo had established that two Armscor agents received R14-million and R33-million.

These amounts, as well as "possible kickbacks received by personnel in the defence department, were still being investigated", said the committee's report.

Mr Swanepoel told Saturday Argus that "we are not worried about the R33 million, which was properly accounted for in the books of the recipient company".

However, Oseo was investigating whether the R6.7-million paid into the St Kitts-Nevis account may have been transferred back to South Africa.

"We think it may be part of the R14-million and we have asked for the help of the attorney general," he said.

Allegations of bribery against the Pilatus company could not be substantiated, he said.

The Freedom Front's Pieter Groenewald, chairman of the portfolio committee on defence, told Saturday Argus that the investigation began after the auditor-general reported in 1996 that R28-million had been paid in commission by Armscor.

Armscor was strictly forbidden to

pay commissions at all, he said, adding that Pilatus managing director Oscar Schwenk had visited South Africa and was co-operating in the investigation.

Mr Groenewald said questions should also be asked about a report that, according to a Swedish source, the South African Government was being asked to pay highly inflated prices for 28 British Aerospace/SAAB JAS Gripen 39 fighters.

A report from Bjart Björsvik, chairman of the Swedish Fellowship for Reconciliation, said that the fighter was normally priced at US\$32 million (R192-million), yet South Africa was being charged US\$65-million (R390-million) each.

Overall, South Africa would pay R7.3 billion more than the normal price, said Mr Björsvik.

The Swedish Fellowship for Reconciliation is an organisation of non-government-organisations which, among other activities, is committed to stopping arms sales to third world countries.

Roger Hallhåg, political adviser to the Swedish prime minister, who is at present in South Africa, told Saturday Argus that as far as he knew no final figure for the purchase of the aircraft had been decided.

The Swedish government was involved in the negotiations with South Africa because of the SAAB guarantees about the Industrial Participation Programme known as

Linden Birns, South African spokesman for British Aerospace/SAAB, said the group was planning a major public relations campaign against the allegations made in South Africa as well as against Swedish organisations whupping up public opinion in Sweden, where there have been public demonstrations.

The allegations were "absolute nonsense".

"I don't know how the Swedish organisation has named a price for the aircraft when negotiations with the South African Government on prices will not be completed until at least May," he said.

It was possible that they could be

basing their price of \$US32 million on what the Swedish Air Force paid, he said.

"But the price of export aircraft will probably be higher because offsets have to be considered. Moreover, the export Gripen could be an entirely different aircraft, with avionics systems designed specifically for the country that orders them."

Mr Birns said that as far as commission was concerned, "the circumstances are very different now from what they were when the Pilatus was bought. This is a transparent system and other government departments, including Trade and Industry and Public Enterprises, have to be brought in for consultation as well."

(254) AAG 13/2/99

Defence gets more money for equipment

Stephen Laufer

(254)

DEFENCE has received a moderate increase of R354m, or 3,43% against last year's budget — its first rise after several years of sometimes punishing cuts since the end of SA's Angolan war

BD 18/2/99
The largest part of the increase goes to the special defence account, which is used for capital expenditure. Up by R230m, this line item will be used to finance equipment projects which are already in progress

Aside from the increase, a defence ministry official said he believed the real significance of Finance Minister Trevor Manuel's budget speech lay in its clearly enunciated commitment to the R29,7bn arms for investment package. Manuel said he recognised the defence force's "need to replace and upgrade ageing capital equipment"

The defence procurement, or packages, programme would be spread over 15 years. "This has been linked to a number of development projects which will boost foreign direct investment and job creation"

The official said Manuel's wording appeared to be his strongest endorsement of the packages yet. Deciding to proceed with negotiations on the fine print of the packages last November, the cabinet has — apparently at Manuel's prompting — included a rider on the scheme's overall affordability

The officials said this formulation appeared to have been dropped from Manuel's budget speech

Expressing muted satisfaction at the recognition of defence's continuing role in both external and domestic security implied by the increase in the coming fiscal year, senior officials said the latest allocation would nevertheless place limits on the department's ability to deploy troops

With personnel numbers at 84 000, there was a continuing need to cut active force numbers. Without the reductions — to 70 000 or even 65 000 by 2002 — tight limitations on the training of ground troops and on the use of air and sea craft would continue

A major Southern African Development Community peacekeeping exercise scheduled for April in SA will be unaffected. A large proportion of the costs will be borne by donor countries

Manuel said defence and intelligence spending fell by 1,8% a year between 1995 and last year. Statistics released by the finance department with the budget show that the army was able to deploy nine companies in support of the police last year — down from 31 three years earlier

The air force had cut flying hours from 21 805 in 1995 to 16 641 last year. The navy spent 8 328 hours at sea last year — down from 10 263 in 1995

SA arms decision welcomed

CT 26/2/99 (254)

MARCO GRANELLI

PRETORIA: South Africa's decision to destroy its small arms surplus rather than sell the weapons has been welcomed internationally and locally

The UN and the International Committee of the Red Cross (ICRC) joined local groups yesterday in praising the country for its decision to melt down millions of rands worth of arms and ammunition. The government held surpluses — estimated at tens of thousands of small arms and millions of rounds of ammunition — which were previously auctioned

In a letter to the government, UN Secretary-General Kofi Annan said he welcomed the move and pledged the UN's "full support" for the initiative. "The devastating effects that the excessive proliferation and misuse of small arms and light weapons have on the social, economic and political progress of nations, especially in a conflict-affected area such as Africa, are well-known," he said.

"South Africa's unilateral initiative of destroying all surplus small arms will certainly serve as a valuable example for other nations to follow."

ICRC vice-president Eric Roethlisberger "wholeheartedly" welcomed the decision. "Unregulated flows of arms across borders, in Africa and elsewhere, have

fuelled existing conflicts, increased tensions and promoted a culture of violence in many societies. Civilians in particular have paid an appalling price for the widespread availability of highly lethal arms," he said in Geneva.

"The decision by South Africa to combat this problem by destroying excess arms and thereby preventing the redistribution of surplus South African weapons is most welcome"

Institute for Security Studies arms management programme chief Virginia Gamba said the initiative was "excellent" and sent a message to local arms owners and neighbouring countries.

"It is very symbolic and important that they have done this," she said in Pretoria. "They are sending a clear message that it is not good enough to merely control small arms, but that if you don't need them, you should destroy them."

Announcing the initiative yesterday, National Conventional Arms Control Committee (NCACC) chairman Kader Asmal said it followed a recent meeting at which government ministers had expressed grave concern about the proliferation of small arms, and a report by Annan calling for the destruction of surpluses.

"In accordance with the government's policy on non-proliferation and arms control, the NCACC decided that

redundant small arms in the possession of the South African government should be destroyed rather than sold on a tender basis as done previously.

"When destruction takes place it will be public, and media representatives will be invited. The legal and technical implications of the destruction of these small arms are presently being considered."

He said the South African Police Service (SAPS) had already begun destroying its surplus small arms. On October 6, 1997, the SAPS melted down 20 tons of firearms. Altogether 4 504 firearms, including pistols, revolvers, rifles, shotguns and homemade firearms which were confiscated were also destroyed. The commercial value of these arms was estimated to be more than R2 million.

Subsequently, the SAPS has destroyed an extra 11 tons of confiscated ammunition and 10 tons of confiscated small arms, nine tons of obsolete/outdated ammunition and 20 tons of redundant/obsolete small arms.

"This decision forms part of the government's strategy to curtail the excessive and destabilising accumulation of small arms. The magnitude of the problem is of such a nature that it can only be addressed through appropriate national, regional and international action. We have begun on a national scale in South Africa."

Algeria best weapons customer last year

ALGERIA was South Africa's best arms customer last year, buying R83,3 million worth of sensitive major significant equipment (SMSE) and R1,5m worth of non-sensitive equipment (NSE).

According to export statistics released by National Conventional Arms Control Committee chairman Kader Asmal yesterday, Thailand was next on the list, buying SMSE worth R66,6m and NSE worth R500 000

A close third was Switzerland, which bought SMSE of R64,9m and NSE of R1,25m.

SMSE defined as conventional implements of war weapons such as explosives, large calibre arms, automatic weapons, guns, missiles, bombs, grenades, tanks, fighter aircraft, attack helicopters and naval vessels, that could cause severe casualties and damage.

NSE consists of all support equipment

usually employed in support of combat systems or operations, but that have no inherent capability to kill or destruct.

Other major customers last year included Colombia, Brazil, Peru, Romania, Tanzania, the United Arab Emirates and the United States.

However, overall SA arms exports dropped dramatically from R1,32 billion in 1997 to R646,49m last year, the statistics show. — Sapa

SA will scrap surplus arms

PETER FABRICIUS
INDEPENDENT FOREIGN SERVICE

(254)
ARC 26/2/99

The Government announced yesterday that it is to destroy all surplus small arms rather than selling them as in the past.

United Nations Secretary-General Kofi Annan and the International Committee of the Red Cross (ICRC) immediately welcomed the decision.

Announcing the move yesterday, the chairman of the National Conventional Arms Control Committee, Kader Asmal, said the proliferation of small arms was having a "devastating effect" on socio-economic develop-

ment, reconstruction and democracy in southern Africa.

Dr Asmal said the decision followed a recommendation in Mr Annan's report on small arms two years ago.

In a letter to South Africa's ambassador to the United Nations, Khuphusizi Jele, Mr Annan welcomed the move as a "valuable example for other nations to follow" and offered the UN's full support.

ICRC vice-president Eric Roethlisberger "wholeheartedly" welcomed the move and said unregulated flows of arms across borders in Africa and elsewhere, had fuelled conflicts.

SA sells arms to all parties in Congo war

RAY HARTLEY

(254)

ST 28/2/99

SOUTH African arms traders sold R43,2-million worth of arms and ammunition to six countries fighting on both sides of the civil war in the Democratic Republic of the Congo, according to official export statistics for 1998.

The largest buyer was Rwanda, with purchases of R19,5-million. Rwanda has, along with its ally, Uganda (R1,5-million), been backing a rebel offensive against the government of Congolese

President Laurent Kabila.

But Kabila's government and allies also weighed in with heavy purchases. Angola spent R8,9-million, Zimbabwe R6,2-million and Namibia R5,3-million. Their purchases included "Category A" weapons to Angola and Rwanda.

Category A weapons include "implements of war such as explosives, large calibre arms and automatic weapons, guns and missiles, bombs and grenades, tanks, fighter aircraft, attack helicopters, and naval vessels that could cause severe casualties and/or major damage and destruction".

Rwanda also bought "Category B" weapons, which include "infantry, hand-held and portable assault weapons, and associated ammunition of a calibre smaller than 12,7mm".

South Africa also sold some R23,3-million worth of weapons to India and Pakistan in a year in which the relationship between the two countries hit an all-time low.

Algeria, where more than 70 000 people are believed to have died in a bloody civil war, bought R83,3-million worth of Category A weapons from South Africa last year.

Battle stations as Denel bombs out

(254)

Top brass plan radical restructuring as state arms-maker loses hundreds of millions, writes HENRY LUDSKI

ST (BT) 28/2/99

DENEL — the beleaguered state arms manufacturer — has shipped even deeper into the red with expected net losses running into hundreds of millions of rands.

After running up losses of R382-million in the last financial year, Denel is expected to turn in a similar or even worse performance this year, with losses climbing as high as R500-million after another dismal year for the SA arms manufacturing industry.

This week, Denel executives met to put together a conservative budget based on a dramatically restructured operation which is expected to result in substantial job

losses, the dumping of loss-making divisions and greater urgency in its search for equity partners.

The parlous state of the SA defence manufacturing industry is reflected in the latest arms sales figures released this week by the government's National Conventional Arms Control Committee in its annual summary of armament exports.

In 1998, total exports by SA manufacturers to 41 countries amounted to only R646.49-million — a 50% drop in sales on the previous year's R1,324-billion exports to 63 countries. Exports in 1996 totalled R517-million.

Flip Botha, Denel's acting CEO, told BT on Friday that the downward trend in interna-

tional sales in the last financial year was almost certain to have an effect on Denel.

Botha said that he was not in a position to disclose information on Denel's performance ahead of the publication of its latest results at the end of March.

However, a senior executive at Denel told BT this week that losses would be similar if not worse than in the previous year.

Botha said Denel's restructuring was aimed at maximising market access and workload. It would follow a course similar to that of the consolidation of the international defence industry — a process which, Botha added, was associated with fewer jobs in SA arms manufacturing.

FOR SALE ... South Africa is battling to find buyers for its Rooivalk attack helicopter, now labelled "Redhawk"



companies have for years struggled to break into the international market.

However, the lucrative industrial participation programmes linked to the government's R30-billion defence spending programme, is regarded as a catalyst for a turnaround for the industry.

"We are at the moment in the process of analysing the various packages to maximise the benefit to the local industry," said Botha.

Henry Potgieter, Denel's corporate affairs spokesman, said "We have had one of our worst years in a long time, and the industry will have to weather the storm until the defence procurement contracts are concluded."

However, continued government stalling over its controversial multibillion rand purchases could mean spin-offs for the local industry market. Last year, Denel had major setbacks with the suspension of major contracts.

"It is extremely difficult to replace these sales in the short term as it may take anything from three to six years to conclude a major defence contract, which only comes about after a substantial investment in marketing costs," said Potgieter.

Last week saw Denel take SA's Rooivalk attack helicopter to the Australian International Airshow at Avalon in Melbourne as part of a joint marketing exercise with British Aerospace.

Now Denel faces an uphill battle to secure its first sale of the helicopter which is being marketed under the name "Redhawk".

According to Potgieter, the restructuring of Denel was being fast-tracked, and substantial progress had already been made in this regard.

Denel's restructuring includes the incorporation of Denel Aerospace into a stand-alone company, the search for an international equity partner (possibly British Aerospace), the restructuring of its light and heavy ordnance divisions, the possible merging of the information technology divisions of three government parastatals, and the finding of strategic equity partners.

E ARGUS, TUESDAY, MARCH 2, 1999

Nzo raps illicit SA arms deals with Unita

(274) ARG 2/3/99
CLIVE SAWYER
POLITICAL CORRESPONDENT

Foreign Affairs Minister Alfred Nzo lashed out today at renegade South Africans who continue to supply military hardware to Angolan rebel movement Unita, and said he backed planned United Nations Security Council moves to make sanctions against the rebels more effective.

Briefing the National Assembly foreign affairs committee on Southern Africa, he said South Africa continued to believe a negotiated settlement was possible in Angola.

Pretoria continued to subscribe to the UN position that Unita leader Jonas Savimbi was primarily responsible for failure to achieve peace in Angola.

Noting that the apartheid regime had supplied arms to Unita, Mr Nzo expressed strong disapproval at the fact that some elements within South Africa seemingly continued to do so.

Ban on army unions 'required for security'

Jonny Steinberg

(274)

BD 9/3/99

THE prohibition on trade unions in the SA National Defence Force does violate employees' right to organise, but the violation is justified by the interests of national security, the Constitutional Court will hear later this month.

In November last year Pretoria High Court Judge Willie Hartzenberg struck down the prohibition on trade unions in the defence force as unconstitutional, subject to the Constitutional Court's confirmation. Hartzenberg ruled that Defence Minister Joe Modise had failed to prove the limitation of the right to organise was justifiable in a free and open society.

In their submission to the Constitutional Court, counsel for Modise said the adversarial relationship between trade unions and employers was incompatible with the constitutional stipulation that the defence force be "structured as a managed and disciplined military force".

"Collective bargaining is part of the power play between the employer and the employee," counsel argued. "A disciplined military force cannot exist if it is in a state of internal conflict, ill-discipline and strife."

It might be, counsel argued, that the refusal to work was recognised as a legitimate instrument of power in a non-military context. But in the military "it is one of the most serious offences imaginable as it is regarded as plain mutiny normally punishable by death".

Counsel argued that soldiers could use channels other than trade unions to lodge complaints, such as military tribunals, the public protector and the SA Human Rights Commission.

The role of the military, counsel argued, was not simply to protect the inhabitants of SA, but to defend the very principles of the constitution and the bill of rights from internal and external threats.

Counsel lashed out at Hartzenberg for arguing that "the defence force is a white elephant in times of peace. It must be difficult, he argued, "for a defence force to keep its members occupied in peace time".

Counsel pointed out that the defence force was constitutionally obliged to assist the police in the maintenance of internal security, in securing voting stations during national elections and in assisting during disasters and emergencies.

The Constitutional Court will hear the case on March 25.

ET 10/3/99

Courts martial suspended

(254)

DEFENCE MINISTER Joe Modise said a moratorium had been placed on courts martial while the Military Discipline Code was being amended

Speaking during the defence budget vote in an extended parliamentary committee of the National Assembly, he said the code had been approved by the cabinet and would be placed before Parliament this session

Attempts to impose an "outmoded disciplinary code" had caused many of the strains experienced in the SANDF and many "unnecessary courts martial"

While there were 4 000 pending court martial charges, 78% related to absent without leave cases

Modise said that in 1994 about 50% of the force was black and less than one percent of officers were black. Now 71% of the force and 32% of the officers were black

— Parliamentary Bureau

Courts martial face test in appeal

Jonny Steinberg

MILITARY courts martial are not proper courts and infringe on the right to be heard by a *bona fide* judge, but the infringement is justified by the constitution, the Constitutional Court will hear

In December last year, Cape High Court Judge AD Hlophe ruled that, as constituted, courts martial violate the right of the accused to a public trial before a properly constituted court. The defence force's appeal to the Constitutional Court will be heard on March 23.

Counsel for the defence force will argue that military courts are entitled to do away with some of the checks and balances of ordinary courts to maintain discipline.

The case arose when two non-commissioned officers, Herman

90 10/3/99 (254)
Pheiffer and Dawid Booysen, were court-martialled for telling the author of a confidential military report that their commanding officer was racist.

Hlophe ruled that courts martial were unconstitutional because

- People with no legal training can send a person to prison.
- They lacked institutional independence in that they were appointed by the military, had no security of tenure and could have their verdicts and sentences altered by the convenor of the court martial.

In their Constitutional Court submission, counsel for the defence force said the prosecutor at a court martial must prove his case beyond a reasonable doubt, and that the accused is entitled to legal counsel, and can lead evidence in mitigation. Counsel defended the rule that

the military convening authority appoint both the prosecutor and the court martial.

"In the context of military courts, a separation from the executive is not attainable, particularly if it is accepted that military courts are indispensable for the proper enforcement of a system of military justice."

It was universally accepted, counsel argued, that a parallel system of military justice was required to maintain "the unique disciplinary concerns of the military."

Civilian courts were "entirely ill-equipped" to assess an appropriate sentence for military offences like desertion and theft from a comrade, counsel argued.

Counsel argued that suspending military court discipline during peace time would cost the defence force dearly during combat.

Defence cuts make it 'rough'

Southern 11/3/99

(254)

SOUTH Africa's defence industry still faced at least two more "rough" years before it would benefit from the industrial participation programme spin-offs linked to the South African National Defence Force's capital equipment acquisition plan, defence secretary acquisition chief Chippy Shaikh said yesterday

Briefing Parliament's joint defence standing committee, he said the industry had suffered considerably due to defence budget cuts — from a high of 5,4 percent of GDP

during the 80s to the current 1,4 percent

Major-General Julius Kriel of the defence industry association told the committee the SANDF was now spending only eight percent of its budget on capital equipment acquisition

This had led to a major down-scaling of the industry, with some companies having to close down

The industry was in a situation where it was sitting with a huge infrastructure and capacity, but no orders, he said

— Sapa

... ..

Defence force and unions lock horns on 'irrational' ban

ED 26/3/99 (254)
Jonny Steinberg

IT WAS right to prohibit soldiers from striking, but a total ban on trade unions in the military was irrational and overbearing, the Constitutional Court heard yesterday.

In November last year, Pretoria High Court Judge Willie Hartzenberg struck down the prohibition on trade unions in the defence force as unconstitutional, subject to the Constitutional Court's confirmation.

Yesterday, defence force counsel Hans Fabricius told the Constitutional Court that the collective bargaining relationship between employer and employee was inherently conflictual, and violated the constitutional stipulation that the military be a disciplined force.

"A disciplined military force simply cannot exist if it is in a state of internal conflict, ill-discipline and strife," Fabricius said.

Judge Albie Sachs pointed out that the defence force was about to retrench 25% of its staff. "Should employees not be represented here," Sachs asked. "Who decides who should go and should stay? Do severance packages have anything to do with discipline?"

Surely, argued Judge Arthur Chaskalson, "if representation is stopped and legitimate channels of communication closed off, anger will brew and the ensuing conflict will become ungovernable."

Counsel for the SA National Defence Force Union, Gilbert Marcus, said the ban on trade unions in the military was "all-embracing, cumbersome and overboard."

Fabricius was wrong to say that the only real power trade unions had was the right to strike, Marcus said.

"Employee representation is conducive to properly informed decision-making. It is a safeguard against victimisation and a channel for consultation and the passing of information," Marcus said. "These are crucial functions, which have nothing to do with striking."

Marcus said the constitutional stipulation that the military be a disciplined force was pertinent to operational concerns.

"It has nothing to do with the employment relationship. That is another sphere, one which requires the representation of employees."

Marcus said that there were a number of substitutes for striking.

One such model was a system of compulsory arbitration when negotiations between the defence force and trade unions broke down.

Lean, mean machine to protect our shores

(254) ARG 1/4/99

HENRI DU PLESSIS
SHIPPING EDITOR

**A lean, mean fighting machine
- that's the aim of the South
African Navy.**

Huge structural and organisational changes aimed at making the service more efficient and reducing its spending on personnel were announced by South African Navy chief Robert Simpson-Anderson yesterday

Speaking at a media conference at Admiralty House in Simon's Town, Vice-Admiral Simpson-Anderson confirmed the move by Naval Operations to Simon's Town, explaining that naval headquarters in Pretoria was to become the navy office in an arrangement that would be similar to the United States Pentagon

"Worldwide, the tendency is for a chief of joint operations to run the operational side of the military, and we have to adapt to that. Joint operations are the rule these days, not the exception," said Admiral Simpson-Anderson.

"So, we will be in a situation where the various chiefs of the arms of the service and the Department of Defence will all be within walking distance of each other, while we will have naval operations headquarters in Simon's Town"

He explained that the Chief of the Navy's role would be to link the navy with the rest of the Defence Force, the Department of Defence and the ministry, while taking care of the overhead needs of the force

The Chief of Naval Operations would then be able to get on with the

navy's "core business", that of maritime defence

"I'll be taking all the flak, while he'll be having all the fun," joked Admiral Simpson-Anderson

He said there was an increasing tendency for civilians to be in overall charge of the military, with the head of the Department of Defence being a civilian, not a military person

The Navy's new structure also made provision for only two naval bases Durban and Simon's Town

Most of the senior financial positions in the Navy, like in the other arms of service, had become civilian posts. Admiral Simpson-Anderson said the Navy was aiming to cut spending on salaries from 57% of the budget to about 40%

This meant the service would have to shed about 1 000 more personnel. He emphasised, however, that this could be achieved mainly through natural attrition and he foresaw no further large-scale retrenchments

Such a cut would leave a navy of about 8 000 people, considering the small portion of the defence budget presently being awarded to the Navy

He also emphasised the Navy would no longer be able to function properly on a mere 8% of the total defence budget

"The time will have to come when the Navy's share of the budget grows to between 20 and 24%. We need to spend 40% of the Navy's budget on staff, 30% on operations and 30% on replacing obsolete equipment"

If the Navy's share of the budget grew substantially, it would not need to cut personnel so drastically

Major changes to make defence force user-friendly

(2/14)

Extensive cut-backs, but future role of medical health services undecided

By **NORMAN CHANDLER**
Defence Correspondent

The army has appointed former MK soldier Colonel Vusi Sindane to the new post of general officer commanding 43 Mechanised Brigade, the country's top rapid deployment unit

He has also been promoted to brigadier-general.

The previous commander of the Brigade, Colonel Robbie Hartshef, is to leave the army at the end of December after going on leave for six months

Hartshef was the most highly-trained peace support operations officer in the army, having undergone training in Canada and other countries

His decision was widely believed to be connected to his not being appointed general officer commanding.

The army instead appointed him as chief of staff of the Brigade

Meanwhile, the transformation of the South African National Defence Force into a user-friendly organisation satisfying the requirements of the

constitution has moved into top gear after five years of talks.

The process is due to be completed by April 1 2001 and includes downsizing military forces, eliminating duplication, the closing down of territorial commands, bases and units, achieving demographic representivity,

and appointing new general officers commanding various military formations, various commands and units.

Headquarters staff of the army, air force, navy and medical health services have all been extensively cutback, and the headquarters themselves abolished to make way for a centralised Navy Office, Army Office, and Air Force Office.

No final decision has yet been taken on the future role of the medical health services.

The offices, to be headed by the chiefs of the various armed forces, are to be grouped under one roof at SANDF and the Ministry of Defence headquar-

ters in eastern Pretoria.

Hundreds of offices previously used in central Pretoria are to be let by the Department of Public Works to commercial organisations.

At the same time well-known defence landmarks such as the old Army headquarters in Potgieter Street,

are to be upgraded and preserved as historical monuments.

The Navy Office, under the chief of the Navy, Vice Admiral Robert

Simpson-Anderson, began operations on March 30 and the following day the navy also established a Fleet Command headquarters, headed by the Flag Officer Fleet at Simon's Town to prepare combat-ready naval forces.

The Fleet Command headquarters was temporarily under the command of Rear Admiral E P Groenewald, Chief of Naval Operations, who is to retire on May 18

He has been succeeded as

Flag Officer fleet by Rear-Admiral (Junior Grade) E M Green

The Army has appointed brigadiers-general as officers commanding of new formations - Derek Mgwebi to the key post of officer commanding infantry formation, Deon Steyn to army training formation, Chris Roux to the ar-

tillery formation, David Masters to the engineer formation, Robert Mandita to the army support formation, Chris

Gildenhuys to the armour formation, and Colonel Pierre Walters to the army's air defence formation.

The first black officer to command Waterkloof Air Force Station, the country's top air base, is Brigadier-General N J L Ngema.

He took up office at the weekend.

Other air force promotions include the appointment of 15 new brigadier generals, including Colonel Derek Page, former head of communications, as director of air transport and maritime at the recently established Air Command headquarters.

Aims also to achieve affirmative appointing

Vertical text stamp: 2001/11/14

Women and blacks fail to surface in Navy top brass

ARGUS CORRESPONDENT

Johannesburg - The South

African Navy says it is presently impossible to elevate women to top management in the force.

The admission comes after several Navy officers, who asked to

remain anonymous, revealed there had been little change in representivity since the last elections.

According to confidential documents given to Cape Argus sister newspaper The Star, the Navy had hoped to have at least 22% blacks at management level by this year.

There were only 8%, namely two out of 23 officers.

This is a decline from 1997 when blacks (two) made up 11% of the 18-man management team.

At the same time there is not a single woman in top management. Navy spokesperson Captain

Brian Hoffman conceded that the upper structure was mostly white, but explained that "one simply has to have the experience and background to do many of the jobs."

He added that the Navy was "fast-tracking people" to acquire the knowledge necessary to per-

form more important tasks

Admiral Steve du Toit, chief of Navy staff, said to achieve a 30% representivity of women in management ranks was to talk of "total impossibilities, because women were not allowed to be employed in combat before 1994".

ARLT 15/4/99

(274)

(1997)



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ARLT 15/4/99

(24)

(254)



No spot for women in Navy top brass

(254) Star 15/4/99
By RAPHAEL BANDA

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At the same time there is no single woman in top management.

Navy spokesperson Captain Brian Hoffman conceded that the upper structure was mostly white, but explained that "one simply has to have the experience and back-

ground to do many of the jobs."

He added that the Navy was "fast-tracking people" to acquire the knowledge necessary to perform more important tasks.

"We are committed to defence policy," he said.

But Admiral Steve du Toit, chief of Navy staff, said to achieve a 30% representivity of women in management ranks was to talk of "total impossibilities, because women were not allowed to be employed in combat before 1994".

But he added that the new, expanded Navy Board to be announced next month would, for the first time, include two black officers.

According to the documents made available to *The Star* there are 1 071 black personnel in the Navy compared with a defence force target of 3 484 and 2 089 whites against a target of 918, 1 624 coloureds (1 131) and 603 Asians (550).

The targets were meant to be met by 1999.

I think, therefore I am a good member of the security forces

ST 18/4/99

(254)

The Constitutional Court debate on military trade unions has thrown up a new paragon of virtue, writes CARMEL RICKARD

THE Constitutional Court, always first with the intellectual goodies, has conjured up something to think about — a new paragon of virtue, the “thinking soldier”

It is a startling proposition for a country steeped in the tradition that, to be effective and efficient, soldiers should lose their capacity for individual thought. Tinker with the great principles of uniformity, hierarchy and discipline, and a country's entire system of defence is under threat. That, at least, is what we'd been led to believe.

During a case heard by the court, about whether the law was wrong to ban members of the defence force from joining a trade union, Judge Albie Sachs asked whether it would not be appropriate to regard the military as “thinking soldiers” fully integrated into the great issues of national debate.

Arguing on behalf of the defence force, Hans Fabricius said that trade unions inevitably lead to conflict and division — therefore, they should not be allowed in the army.

He regaled the judges with horror stories from the Netherlands, where democracy ran riot in the '60s: soldiers saluted only those officers who had “earned their respect”. They refused to cut their hair or guard controversial strategic installations such as nuclear sites.

To avoid this spectre emerging in South Africa, the court should approve the ban, Fabri-

cius said. The defence force was “at peace with itself” and unions would only disturb matters.

Discussing this proposition, Judge Sachs began to speculate about whether the Constitution said anything on the kind of army appropriate for South Africa. “What kind of soldier is envisaged? A thinking soldier in touch with the values of the Constitution who does not simply, blindly, accept and follow orders,” he asked.

Later, in debate with Gilbert Marcus, arguing in favour of legalising unions for the defence force, Judge Sachs returned to his theme and talked of the army being “a body of men and women imbued with the values of the Constitution”.

How could you tell such soldiers that these values, for which they had to be prepared to die, did not apply to them? After all, they were not outside the debates of our society. “They are alert to and understand their mission to defend the constitutional state, not just any state,” he said.

Judgment on the union question could take some time, but the issue of the “thinking soldier” is too intriguing to ignore. As Judge Sachs pointed out, soldiers and police are forbidden by the Constitution to obey any “manifestly illegal order”. Moreover, both soldiers and police must act in accordance with the Constitution and the law, and also teach all members to do so.

That means all members of the security forces must understand and be committed to the values of dignity, equality and the promotion of human rights.

The idea has distinct attractions. With a good leaven of “thinking soldiers” and police in the past, perhaps Sharpeville would not have happened. And if the “thinking soldier”, imbued with a passion to defend human rights, were to gain international currency, Kosovars might be spared genocidal Serb attacks.

But the concept could pose a fundamental challenge to the defence force, for a “thinking soldier” introduces democratic elements into a structure rigidly hierarchical, autocratic and profoundly undemocratic.

It's a problem with which the Catholic church has had to grapple. According to its teachings, human rights and democracy are good and must be promulgated and encouraged. Don't, however, try to introduce democratic processes into the workings of the church itself. The Vatican and its officials worldwide stress that the church is not a democracy and never can be. The rigid hierarchy of the church trounces that of any army, and not even the head of the defence force would claim that his orders are of divine origin.

And yet the church has to acknowledge the primacy of individual conscience. As with Judge Sachs's paragon, the

church acknowledges that individuals have the right to make up their own minds and follow their consciences accordingly.

To resolve this tension, the church says individuals have the duty to “inform” their conscience. The expectation, obviously, is that in the “informing” process you will come to see that the church and its teachings are correct.

If this model has anything to teach the military, it is the need for detailed training to “inform” the constitutional conscience of individual soldiers. To prevent objections by soldiers ordered to put down an attempted coup in, say, Lesotho, they will first have to be helped to understand why such a mission is no violation of human rights and democratic values.

From my own experience at court on the day the “thinking soldier” was first introduced, even the top military echelons have yet to join the converted. During tea break I politely greeted a man, dressed in civvies, whom I had never seen before. He spun round, snapping that he “never spoke to the press”. Turns out that he was a lieutenant-colonel from Pretoria headquarters — in the legal section, which might be expected to know a little more than other departments about our new constitutional values.

After that experience I say forget about a soldier who thinks — I'd settle for a little civility.

No more 'commandos' in SANDF

Star 11/6/99

BY NORMAN CHANDLER
Defence Correspondent

(254)

The South African National Defence Force has fallen in step with international trends by renaming its part-time forces, in particular the commandos.

Minister of Defence, Joe Modise has agreed that from now on, the force will be known as the Reserve Force.

Various Acts of Parliament and defence documentation have to be amended to reflect the new titles. Among these are the Constitution Act and the Defence Act, as well as the General Regulations for the South African Defence Force and the Reserve, the White Paper on Defence, and the Defence Review. The renaming affects all arms of service.

The Army Reserve will now consist of the Army Conventional Reserve and the Army Territorial Reserve, which includes the commandos.

In future there will also be the Air Force Reserve, Naval Reserve, and SA Military Health Service Reserve.

The re-naming of the commandos has been hinted at over the past few years.

SA outlaws courts martial

ET 26/5/99 (254)

NORMAN CHANDLER

JOHANNESBURG. The age-old practice of holding courts martial to punish transgressors of the military code of conduct has been outlawed in South Africa.

Accused military personnel will now be tried by military courts in terms of a new law expected to be promulgated on Friday.

The Constitutional Court decided yesterday to stop hearing an application to overturn a Cape High Court ruling that provisions of the 1957 Defence Act were unconstitutional because new laws — which outlaw courts martial — are to be promulgated by President Nelson Mandela on Friday.

Offences such as rape, treason, murder and culpable homicide will now be heard in civilian courts. Other military offences will, in terms of the new laws, be heard in a military court.

Yesterday's hearing arose from a Cape High Court decision last year that courts martial were unconstitutional.

It revolved around a claim lodged by the state that Acting Judge Dines Gihwala may have been biased when the court ruled that courts martial were neither independent nor qualified to hand down prison sentences. Gihwala's firm acted as co-respondent attorneys for two soldiers who had sued the SANDF.

The SANDF appealed against the decision, but as the matter involved the Constitution, it was referred to the Constitutional Court for a decision.

The Constitutional Court was asked to rule on whether current provisions of the Defence Act were in fact unconstitutional because they violated the right of an accused person to a public trial before an ordinary court as provided for in the Constitution.

Constitutional Court president Judge Arthur Chaskalson, said yesterday "If this act is in fact signed into law on Friday, there will be no purpose in continuing with these proceedings. We will wait until the act is gazetted before we give our reasons."

State attorney Ritha Hall said "The act is to be promulgated and, for that reason, the matter is now moot. This means that the whole system of courts martial is now repealed."

Hall confirmed that the Defence Act was currently under review, with a new Defence Act expected to be debated by Parliament later this year. It is expected to include provisions for military courts operating within the ambit of a revised military code of conduct.

The last court martial that took place in South Africa was heard in November 1998.

It involved a senior officer who was found guilty of stabbing a fellow officer in the neck with a broken beer glass.

End of courts martial in SA

(21/4) Star 26/4/99

2 000 broke military code over past 2 years

New law expected to be promulgated by Mandela this week

BY NORMAN CHANDLER
Defence Correspondent

The age-old practice of holding courts martial to punish transgressors of the military code of conduct has been outlawed in South Africa

Accused military personnel will now be tried by military courts in terms of a new law expected to be promulgated on Friday

The Constitutional Court decided yesterday to stop hearing an application to overturn a Cape High Court ruling that provisions of the 1957 Defence Act were unconstitutional because new laws - which outlaw courts martial anyway - will be promulgated by President Nelson Mandela on Friday

Other military offences will be heard in a military court in terms of the new laws

Rear-Admiral Dunstan Smart, adjutant-general of the SANDF, attended the proceedings

Yesterday's hearing arose from a Cape High Court decision last year that courts martial were unconstitutional in terms of the 1996 constitution

It revolved around a claim lodged by the State that acting judge Mr Justice Dines Gihwala may have been biased when the court ruled that military courts martial were neither independent nor qualified to hand down prison sentences, and thus violated the constitution

Gihwala's firm acted as

correspondent attorneys for two soldiers who had sued the SANDF

The defence force appealed against the decision, but because the matter involved the constitution, it was referred to the Constitutional Court for a decision

The Constitutional Court was asked to rule on whether current provisions of the act were in fact unconstitutional because they violated the right of an accused person to a public trial before an ordinary court, as provided for in the constitution

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"We will wait until the act is gazetted before we give our reasons"

State attorney Ritha Hall told *The Star* "The act is to be promulgated and, for that reason, the matter is now moot

"This means that the whole system of courts martial is now repealed"

In legal terms, the word "moot" is defined as an issue having no practical significance

Hall confirmed that the Defence Act was currently under review, with a new act expected to be debated by Parliament later this year

The new act is expected to include provisions for the system of military courts operating within the ambit of a revised military code of conduct

The last court martial that took place in South Africa was heard in November last year. It involved a senior officer found guilty of having stabbed a fellow officer in the neck with a broken beer glass.

More than 2 000 soldiers, armen and naval personnel have been found guilty of transgressing the military discipline code in the past two years. There are dozens more cases awaiting a decision.

It is known that at least 290 servicemen were cashiered out of the arms of service in the past two years for offences ranging from conduct unbecoming an officer, being absent without leave, fraud, assault, theft of weapons, disobeying lawful commands, drunkenness and insubordination.

Under a new law expected to be promulgated on Friday, military personnel accused of treason, rape, murder and culpable homicide will in future be tried in civilian courts

Transgressors of general military code of conduct regulations will be tried by military courts to be known as commanding officers' disciplinary hearings, a court of military judge, a court of senior military judge, and a court of military appeals. These courts will, however, be under the supervision of the civilian High Court.

Cashiering - the act of stripping an officer of his rank and being dishonourably discharged - is carried out by an officer commanding and viewed by fellow officers as an offence in a civilian court.

This will continue even if a serviceman is found guilty of an offence in a civilian court.

The most publicised court martial in recent times was that of navy commander Brian Power, who was cashiered from the South African Navy last year for having sexual relations with the wife of a subordinate - Defence Correspondent

Constitutional Court grants soldiers trade union rights

(254)

Jonny Steinberg

THE prohibition on defence force members joining trade unions and participating in public protest action was struck down by the Constitutional Court yesterday

Judge Kate O'Regan gave the defence force three months to draft labour regulations for the military after which trade unions would be free to organise among military personnel

During the Constitutional Court hearing in March, counsel for the defence force, Hans Fabricius, argued that trade unions vested with the rights to bargain collectively and to strike would undermine military discipline. Fabricius pointed to a constitutional clause stipulating that the defence force "be structured and managed as a disciplined military force"

In her judgment, O'Regan pointed out that the applicants in the matter, the SA National Defence Union, had not argued that military trade unions exercise the right to strike

"A trade union can function and can assist and further the interests of its members without participating in strike action," O'Regan said. "Indeed, it may well be that in permitting members to join trade unions and in establishing proper channels for grievances and

complaints, discipline may be enhanced rather than diminished"

Regarding the Defence Act's prohibition on soldiers' right to participate in public protests, O'Regan pointed out that the constitution bars security force members from prejudicing or furthering the interests of a political party

However, the act's total prohibition on public protest went "far further than is necessary to ensure this end", O'Regan said. "It suggests that enrolment in the defence force requires a detachment from the interests and activities of ordinary society and of ordinary citizens. Such a conception of the defence force cannot be correct"

O'Regan said the definition of "an act of public protest" in the act was grammatically clumsy and its overall meaning elusive

In a concurring judgment, Judge Albie Sachs commented "A blindly obedient soldier represents a greater threat to the constitutional order and the peace of the realm than one who regards him(self) or herself as a citizen in uniform, sensitive to his or her responsibilities and rights under the constitution"

Sachs said national security was not directed towards the maintenance of power but towards the defence of constitutional values

Union wins major constitutional battle (254)

By Charity Bhengu

THE South African National Defence Force Union has succeeded in its application to the Constitutional Court to be allowed to air disapproval or grievances against unfair labour practices through a trade union

The judgment, described as historic, was delivered by Judge CME O'Regan in the Constitutional Court in Johannesburg yesterday

The order, to declare section 126B of the Defence Act 44 of 1957 invalid, was first made on November 25 1998 and confirmed yesterday

The Act was deemed unconstitutional because it prohibited soldiers from participating in public protest and from joining trade unions

O'Regan said: "I have considered

whether it is possible to sever either the whole or part of the definition of 'an act of public protest' from the remainder of the Act while retaining the prohibition on the performance of acts of public protest in section 126B(2). However, this cannot be done"

The challenged provisions would then remain only as a prohibition against strikes and the incitement to strike action, "something which the applicant did not seek to challenge"

SANDFU national secretary Mr Crovan Niekerk said South Africa was the first country on the continent to have allowed the defence force to raise its disapproval or grievances through a union

Van Niekerk said "This means that the soldiers as from today could take part in all union activities without any legislation prohibiting them from doing so"

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Newspaper

SANDF personnel granted right to join union

The way has been cleared for uniformed military personnel to be unionised – but any strike action by them remains illegal

This is the effect of a decision by the Constitutional Court yesterday that it was unconstitutional of the South African National Defence Force to deny staff the right to union membership

The Government, however,

may still have the last word as the court also indicated that a “different, narrower legislative provision may be constitutionally justified”.

This provision has not been spelled out but it is anticipated in legal circles that the Government will attempt to find a way to safeguard its interests as part of the proposed Defence Bill, which is now being written to

replace the 1957 Defence Act

A spokesperson for Defence Minister Joe Modise said “the judgment will be studied and the full implications determined”.

The SA National Defence Union said the judgment would benefit the restructuring of the SANDF and would also enable the union to address urgent issues relating to transformation – Defence Correspondent

Star 27/5/99 (254)

Govt puts safety catch on arms deal

BD 10/6/99

(254)

Affordability a crucial issue in all the negotiations

Stephen Laufer

CABINET is to consider deferring a final decision on a significant segment of the arms-for-investment package until 2004

A decision might be reached as early as the middle of next month when the results of detailed negotiations with six preferred bidders are due to be presented to ministers

It is understood that the part of the package that might be put on hold is the order for 28 Gripen advanced fighters from Saab-British Aerospace. Affordability studies by the finance department and outside consultants are said to have shown that the exchange rate risk cannot be sufficiently predicted over the long lead time involved

However, another segment of the arms for investment package appears close to closure. Sources say significant progress could be announced as early as the weekend

Sources say cabinet will be asked to decide whether to go ahead with the Gripens purchase now or to defer a final signature on the contract, possibly in conjunction with the imminent installing of a memorandum, letter of intent or precontract. The final order could be placed as late as 2004. Many of the package's other elements — 40 light utility helicopters, 24 jet fighter trainers, four corvettes, four maritime helicopters and three submarines — could come into service before that date

Jayendra Naidoo, the leader of the team negotiating the package's details with British, Swedish, Italian, and German arms manufacturers, said yesterday the cost was R29,7bn, with an ex-

pected return of R110bn in inward investment and defence and civilian countertrade

He expected to put the final results of the negotiation before the cabinet committee on the package by mid-July. Chaired by incoming president Thabo Mbeki, the committee includes the finance, trade and industry, defence and public enterprises ministers

Naidoo said affordability was a crucial issue in all the negotiations. One option open to government was to reduce the number of package items. He hinted two of the six could be dropped

The Gripen fighters have been priced at R10,8bn and would enter service from 2008. They are scheduled to replace the SA Air Force's Cheetah fighters from 2010. A source said the possible deferment did not reflect on the quality of the Gripen or the industrial participation programme offered by the suppliers. It was simply "about good financial management" and the question was "whether to sign now or wait a while"

The preferred suppliers for the six package elements have included long-term financing proposals in their bids, most of them including contributions towards soft loans from their national export credit guarantee institutions. Naidoo said the ultimate financing costs would depend on the borrowing strategy government chose

Sources say the Gripen countertrade offer includes possible investment by Swedish industrial corporations such as Volvo, Saab automotive, Ericsson and electrical engineering business Asea Brown Boveri

Swedish reports yesterday said



Government's chief negotiator on the arms for investment package, Jayendra Naidoo, at yesterday's Pretoria progress briefing. Picture: TREVOR SAMSON

Saab-BAE was having problems convincing the government about its plans for industrial co-operation and how much value the deal would create for SA. The company and Naidoo refused to comment on details, saying negotiations were at a sensitive stage. Naidoo said the negotiating team was "working everybody's cases as hard as possible to push the prices down and the industrial participation offers up"

All of the packages were "vulnerable" until they were signed and sealed and losing bidders were lobbying hard for the opportunity to pick up contracts if preferred bidders dropped out. The task was to ensure that figures for investment and countertrade offered by the preferred bidders were reliable

"Part of our job is to find a system of performance bonds and guarantees over time" to ensure that preferred suppliers fulfil their side of any final deals

Investment and countertrade offers have been evaluated according to a formula which takes into account their projected returns over seven years although many are expected to remain productive for many years thereafter

Women make the grade as SANDF breaks gender barriers

ARGUS CORRESPONDENT

ARG 11/6/99 (254)

Pretoria - The practice of men and women army recruits training together - unheard of in the old South Africa - is coming along very nicely.

That's the word from Antonie Bornman, the lieutenant-colonel Commanding the Army Gymnasium, who has 85 women in a group of 370 recruits training for seven weeks in arduous conditions at Kaallaagte, near Wallmansthal

The closure of the South African Army Women's College in George last year gave the Army Gymnasium at Heidelberg, south of Johannesburg, a mixed intake of 1 650 rookies in January

Colonel Bornman said then that it was a challenge to be faced

by the new South African army. He says now that the challenge has been successfully met

"Some of the women are struggling with the field exercises, which include route marches carrying full packs and light machine guns, but they are trying their best and we do what we can to help them," he said

"Men are different from women, and we recognise this"

The climax of the training will come in a fortnight, when the 370 new soldiers embark on a gruelling, three-day, 80km hike to mark the completion of this phase

Those who are successful will become candidate officers, or will join the ranks of non-commissioned officers and become trainers in their own right

"The Army Gymnasium is here to train the future officers and NCOs who will be the leaders and decision makers in years to come," said Colonel Bornman

"This is our first mixed intake and, although there have been hiccups, we know a lot more now than we did at the beginning of the year," he said

His views were echoed by David Phillips, the major commanding the 103-strong C Company at Kaallaagte

"The women in my company have proven time and again there is a place for the fair sex in the Army," he said

One of them, Rifleman Elaine Joseph said "Sure it's tough, but we knew full well what we were in for when we joined"

SO Wrote 4/6 1999 Modise announces R4,5-bn submarine deal

By Jimmy Seepe

OUTGOING Defence Minister Joe Modise announced yesterday that the Government's international offers negotiating team has finalised discussion with a German defence supplier for the acquisition of three submarines for the South African Navy at a contract price of R4,5 billion.

Modise said the acquisition of the three submarines from the

German Submarine Consortium was expected to have great industrial benefit for the South African economy to the tune of R19 billion.

But the supply of the submarines and the enforcement of the deal was still subject to the new Cabinet's approval.

The submarines - called the Class 209 submarines - will be delivered to the country five years after the finalisation of the deal.

Modise said the terms of agree-

ment have to be ratified by the ministerial sub-committee and concluded by his successor under the guidance of the strategic defence packages chaired by Thabo Mbeki.

New equipment

Government chief negotiator Mr Jayendra Naidoo, who led discussions about the acquisition of new equipment, was eager to give exact figures about how many jobs would be created as result of the deal.

Naidoo said the supply of the equipment would involve the building of a huge plant, plus the establishment of two other plants for small and medium type enterprises. An incubator project for micro and small enterprises was also envisaged.

He said this project was still in its pre-feasibility phase and must still prove its viability from the final bankable business plan to be ready in six months.

Consortium to invest R19bn in return for R4,5bn submarine sale

Defence procurement lifts off

(204) CT (PR) 14/6/99

LUKANYO MNYANDA

ECONOMICS EDITOR

Johannesburg - The government had concluded a draft agreement with a German consortium to supply the South African Navy with three submarines valued at R4,5 billion in return for R19 billion in investments into the local economy, Joe Modise, the minister of defence, said yesterday

The consortium, consisting of Howaltswerke Deutsche Werft and Thyssen Nordseewerke, the German submarine-building shipyards, truck and machinery maker MAN and trading house Ferrostaal, is expected to deliver its first submarine five years after the signing of the agreement

It is the first agreement to be concluded with the preferred bidders since the government decided to undertake a controversial R30 billion defence procurement package last year

Agreements with other preferred bidders, including Swedish, British and Italian manufacturers of helicopters and jet fighters, are expected to be hammered out in the coming months

The terms of the agreement with the German consortium should be signed by July if it met with the approval of President-



ARMS TALK (from left) Ron Hayward, the chairman of Armscor, Mamatho Netsianda, the secretary for defence, and Joe Modise, the minister for defence, put their heads together yesterday PHOTO JOHN WOODROOF

elect Thabo Mbeki's Cabinet, said Jayendra Naidoo, the government's chief negotiator

The deal is also subject to the completion of an affordability study by the ministry of finance

Naidoo said the R4,5 billion price tag for the three submarines was "well within" the original price approved by the government when the contracts first went into tender

In line with the government's insistence that preferred bidders invest in the local economy, the German consortium agreed to fund a steel mill project in the Eastern Cape, with 50 percent of the construction work reserved for emerging businesses

Naidoo said it was still not possible to say how many jobs would be created in the mill but

estimated total investments would reach R6 billion and generate export earnings of about R1,6 billion

The consortium also committed itself to forming a \$10 million venture fund which would be used to encourage the establishment of downstream plans for small and medium enterprises, subject to the conclusions of feasibility studies

SA initials deal for three submarines

Consortium agrees to invest R19bn in a stainless steel plant in return

RD 14/6/99 (254)

Stephen Laufer

NEGOTIATORS for government and a German consortium have initialled a draft agreement for SA to buy three submarines for a total price of R4,5bn in return for a R19bn stainless steel plant investment, probably at Coega in the Eastern Cape.

The deal is part of the arms-for-investment package being negotiated by an interdepartmental team reporting to a ministerial committee led by Deputy President Thabo Mbeki.

The steel plant could generate 3 000 jobs during construction and 1 000 permanent jobs once production begins.

In one of his last official acts before retiring, Defence Minister Joe Modise yesterday welcomed the agreement as a contribution to SA's defence and development.

Negotiating team leader Jayendra Naidoo said final agreement with the German Submarine Consortium was subject to cabinet approval. It would depend on government taking an overall view on the affordability and financing structure of the entire package, which includes fighters, jet trainers, helicopters, corvettes and submarines.

A consortium representative said a group led by Ferrostaal, the trading house of German truck and machinery

maker MAN, would build the steel plant "because it makes sense and is feasible". Ferrostaal director Hans Muhlenbeck said SA's submarine deal had swayed the investment decision, which could otherwise have gone to the Far East or the US.

Ferrostaal SA MD Andreas Jahnel said the international market for stainless steel had grown at 7% a year for 15 years. The new SA plant would "cover a year's growth, equalling 7% of current world output of 12-million tons".

Besides Ferrostaal, the consortium that will build the submarines includes HDW and Thyssen Nordseewerke. They have supplied 120 submarines to 16 navies in the past 30 years.

Naidoo said the civilian industrial participation had been valued at 2,852bn euros, or almost R19bn. Defence-related offset would account for an initial additional 175m euros, mostly for equipment for the boats.

The consortium's investment had been valued over seven years for the purposes of offset calculations. Steel production would begin in year five of the contract after four years spent building the plant. Years five, six and seven were expected to generate steel exports valued at 1,642bn euros, and domestic sales of 250m euros, together valued currently at just more than

R12bn. The consortium would mobilise investment valued at 960m euros, or about R6bn, to start up the plant.

Naidoo said the German consortium would be subject to stringent guarantee requirements. Because the offset was well above 100% of the purchase price, it had been agreed that penalty cover in the form of a first demand bank guarantee be 10% of the purchase price of the boats, up from the normal 5%.

The guarantees could be called in should any of a number of construction and production milestones for the plant not be met. Negotiators said Naidoo had made all sides work hard to get agreement on the fine print, with Jahnel saying the penalties "really hurt".

Besides the steel plant, the consortium will put \$10m into a venture capital fund to help small- and medium-sized downstream stainless steel enterprises to get off the ground. At least 15% of the plant's construction contracts will go to previously disadvantaged individuals.

Raymond Parsons, business convenor of the National Economic Development and Labour Council, said some "very positive signals seem to be coming out of this process of upgrading defence". He was impressed by the sensitivity with which a balance was being sought between fiscal policy and maximising investment and job creation.

R4,5-billion subs deal surfaces

(254) ARG 14/6/99
Johannesburg - A draft agreement was reached this week for the defence ministry's purchase of three class 209 submarines for R4,5-billion from the German Submarine Consortium.

Defence Minister Joe Modise said yesterday "The international affairs negotiating team has reached a milestone in finalising the equipment supply cost, and the industrial participation draft terms of the agreement for

the acquisition of three submarines for the South African Navy

"The industrial benefits that will accrue to the South African economy as a whole from this acquisition will amount to R19-billion"

The first submarine is set to be commissioned five years after the final agreement, the second the following year and the third the year after that

- Sapa

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Pacifist defence deputy says Quakers an asset in ministry

MELANIE GOSLING

(254)
ET 18/6/99

THE new Deputy Minister of Defence, Nozizwe Madlala-Routledge, is a member of the Quakers, one of the original Christian pacifist movements which believes war is against the will of God.

One observer has described the appointment as "either a stroke of genius or a monumental gaff".

But Madlala-Routledge believes being a pacifist in a ministry concerned with guns and war will be a strength.

"Quakerism is about recognising and upholding life, and being a Quaker helps me to centre myself and to think deeply about issues, and I believe we need that to achieve peace," she said yesterday.

While many think of Quakers sitting in quiet meditation listening for the "inner voice", Madlala-Routledge

believes this image of Quakers does not show the full picture.

"Yes, it is a pacifist organisation, but like Gandhi who believed in non-violence, many Quakers are very active in bringing about social justice and have been (doing it) throughout history. I have never met a Quaker who thought that sitting and meditating would solve the world's problems," she said.

Madlala-Routledge was active in the former UDF and is an old friend of the new Defence Minister Patrick Lekota.

Her husband, Jeremy Routledge, is the director of the Quaker Peace Centre aimed at resolving conflict on the Cape Flats.

Quakerism arose in Britain in the 1640s. Although there are fewer than 200 Quakers in South Africa, they have been active in working towards resolving conflict.

Cape munitions maker set to bag R1bn British deal

Somchem wins race for army contract

(STAFF) ARG 24/6/99
(254)

Cape munitions manufacturer Somchem will consolidate its international reputation soon with the signing of the first part of a R1-billion, 10-year deal to supply artillery propellant to the British Army.

The first part of the contract, for R146-million, was to have been signed today – but the ceremony was cancelled at the last minute. It is understood a technical problem has caused the hold-up, but parent company Denel is confident the signing will go ahead soon.

Overall, the 10-year deal – announced in December – is the biggest contract in Somchem's 27-year history, according to Denel, and will sustain 100 jobs, including 30 new posts. It has been reported that about R10-million from the contract will be spent, through small enterprises in the region, on modifying the Somchem plant in Somerset West and making new equipment.

The imminent signing follows four years of negotiations, and fierce competition with main rival, Royal Ordnance of Britain.

The contract will be for an estimated 1,2 million propellant charges for the British Army's fleet of AS90 self-propelled howitzer guns.

Somchem's modular charge system reportedly earned the highest rating in three months of trials at the

MICHAEL MORRIS



SPECIAL WRITER

Eskmeals test range in northern England in 1997

The charges were developed for South Africa's revolutionary G5 and G6 family of long-range artillery.

Modular charges are easier to transport, less wasteful and more cost-effective than the traditional "bagged" – literally, explosives in a bag – propellants they are replacing.

Propellants provide the explosive power to shoot an artillery shell out of a gun barrel. The wider significance of the deal lies in Somchem's having won the contract in competition with a top British company, on price and quality, says Jane's Defence Weekly correspondent Helmoed Romer-Heitman.

"What it means in marketing terms is that an army regarded as one of the best professional forces in the world has selected Somchem because of its product quality and price.

"The initial contract of R146-million is not especially large, but it's the signal that goes out to arms buy-

ers internationally that is important. In the meantime the plant ticks over, potentially in anticipation of other orders."

Mr Romer-Heitman said the economic "knock-on" effect throughout the local economy should not be under-estimated. For South Africa's defence industry, the order is significant, although analysts say more international business will be vital to the industry's future.

In 10 years, Department of Defence spending in the domestic armaments sector has dwindled from 44% to about 9%. With dipped profits in recent years, Denel's future depends increasingly on foreign buyers, analysts say.

The Somchem propellant, the development of which went hand in hand with the hi-tech metallurgical engineering that assured the success of the G5 and G6 guns, is understood to include an additive that combats barrel erosion.

The Achilles heel of guns with long barrels was excessive wear, said Mr Romer-Heitman. South Africa's hardware was a "proven technology."

Part of this was the extensive chemical research and development on the modular charges.

"The speed and temperature of the 'burn' – the explosion of the charge – is vital to efficiency."

SA will not be region's watchdog, says Lekota

bd 24/6/99

A largely African peacekeeping force operating under a UN mandate likely to be deployed in Congo, writes **Stephen Laufer**

(254)

SA WOULD not become an international policeman or the regional supervisor, but would be guided by other African nations in making its military capacity available for peacekeeping, Defence Minister Patrick Lekota said yesterday.

Speaking just before he left for the Lusaka meeting of foreign and defence ministers preparing for Saturday's ceasefire summit on the Democratic Republic of Congo, Lekota said there was "no doubt we are committed to peace".

If there were to be peacekeeping operations in the Congo, "I think we would be invited to participate, and we would regard ourselves as having obligations under the United Nations (UN) or Organisation for African Unity".

Sources say a largely African peacekeeping force operating under a UN mandate appears likely to be deployed in the Congo once the belligerents have agreed to a ceasefire, expected on Saturday.

The standstill of forces would initially be policed by the belligerents themselves.

Lekota said he was determined to ensure that the SA National Defence Force (SANDF) would contribute to achieving government's overall objective of development and stability in SA and the region. He was still receiving briefings by force commanders and senior defence secretariat civilians, "but we are lucky to inherit a very organ-

ised department which will give good advice and is flexible enough to incorporate new ideas".

On the prospects of deploying SA troops beyond the country's borders, Lekota said there was "no period of rehabilitation required" for the SANDF before it could be used internationally. The democratically elected government was responsible for deciding on where and when to deploy troops and would only do so as "partners of other African nations to collectively resolve problems".

The liberation background of those in government today meant they knew and were close to SA's neighbours. This, combined with the SANDF's democratic and human rights-based mandate meant "we have nothing to be ashamed of when deploying. They have nothing to fear".

Besides the external use of the SANDF, Lekota and his deputy, Nozizwe Madlala-Routledge, talked in their first wide-ranging interview since taking office about democratic control of the military, reconciliation within the armed forces, and the future of the R29,7bn arms-for-investment package.

On the package, Lekota said "policy does not belong to one individual. It has been approved by cabinet," and would stay.

He did appear to hint, however, that adjustments could still be on the cards. "We may make recom-

mendations to add here, subtract there. We will be guided by circumstances. But the policy is in place".

Madlala-Routledge said the fact that she was a Quaker and had been active in pacifist organisations created "a positive tension, not contradictions" in her new position. During the struggle against apartheid she had run underground support structures for cadres. "As Quakers we live in the real world, involved in ensuring social and economic justice".

Asked about the number of military officers and almost complete absence of civilians in the minister's office inherited from his predecessor, Joë Modise, Lekota said a measure of civilian control "has to be maintained or put in place".

He would listen to those grappling with these issues, and consult the president, cabinet and former minister. The end of conscription and the professionalisation of the military necessitated a civilian management and control element.

Madlala-Routledge said the SANDF had "displayed tremendous unity" in recent years, "a major achievement, given the history" of former adversaries who had combined in the new organisation.

Lekota said reconciliation within the armed forces would continue to be a priority. The military had to be "unified, grounded in the constitution, and do its job based on constitutional principles".

Mixed reaction to peace troops plan

ET 1/7/99

(254)

PRESIDENT Thabo Mbeki's announcement that South African troops would be sent to the Democratic Republic of the Congo (DRC) as peacekeepers has drawn a mixed response from opposition parties and analysts

Democratic Party defence spokesperson Phillip Schalkwyk said Mbeki's announcement "came as a bit of a surprise, but we could have expected a call for assistance", while former defence force chief and Freedom Front leader Constand Viljoen said the country's troops were not equipped for the mission

In replying to debate on his address to Parliament last Friday, Mbeki said progress was being achieved in the DRC and he was confident that a solution would be found

"As part of that solution, we will have to send some South Africans to contribute to the peace-making process that must be an outcome of these negotiations

"The government will take all the necessary constitutional and legal steps to ensure that any deployment of our troops, as will happen, is handled correctly," Mbeki said

Schalkwyk said he neither condemned nor supported the decision, but added South Africa had to be certain there was a peace agreement accepted by all parties before sending in its troops

The peacekeeping force's objectives needed to be clearly spelt out, as did the time-frame for the operation

"We should also be absolutely sure we are capable of doing this"

New National Party foreign affairs spokesperson Boy Geldenhuys said South Africa could not escape its peacekeeping responsibilities in Africa "It is important — we are an African country. We cannot expect the Americans or the French to sort out our problems for us"

However, there could be no question of troops going to the DRC if there was not a comprehensive ceasefire agreement "We must distinguish between a peace-making and peace-keeping force. If we need to force peace we should not do it"

It also had to be determined beforehand who would pay for the operation

United Democratic Movement leader Bantu Holomisa said he had no problem with South African troops going to the DRC, which would be in line with a decision by the United Nations and the Organisation of African Unity

"It is felt that we should participate

"What we should do now is not repeat the same mistakes we made in Lesotho, we should not go there with the aim to kill and shoot"

Viljoen said, "I am on record as saying that the troops are not well trained or disciplined enough for this kind of mission. Discipline is of absolute importance, as the troops have to be completely neutral"

Viljoen also questioned who would pay for the peacekeeping operation, saying it was likely the burden would fall on the taxpayer

He was not in favour of sending troops to the DRC, although South Africa should support other efforts to obtain peace there African Christian Democratic Party



CONCERNED. Constand Viljoen feels SANDF troops are not up to the job

leader Kenneth Meshoe also voiced opposition to South Africa sending troops to the DRC "There is crime in our country. If we cannot handle crime here, we should forget about dealing with crime in other countries"

The operation would be expensive, and the money could be better used to pay the country's policemen and women who were doing a good job, he said

Institute for Security Studies director Jakkie Cilliers said it was vital for South Africa and Africa as a whole that any peacekeeping force be properly mandated by the United Nations Security Council

Cilliers said South Africa had clearly created an obligation during the Lusaka peace talks to participate in any peacekeeping operation

However, the big issue at stake was who would pay for the exercise.

The United States appeared keen that those who participated should pay the costs. It was also unlikely that President Bill Clinton would get Congress' approval, at this stage of the US involvement in Kosovo, to participate in the DRC

Another problem, Cilliers said, was that the UN was going ahead with a plan to provide a peacekeeping force of no more than 30 000 peacekeepers for the DRC. Although this was large by international standards, it was hopelessly inadequate for the DRC — a country the size of Europe — if one looked at the nature of the challenges

The Nato peacekeeping force in tiny Kosovo consisted of 50 000 troops, he said

The Coalition for Defence Alternatives, a grouping of non-government organisations, said the use of troops for peacekeeping was a contradiction in terms

"The Zimbabwe experience in the DRC has proved disastrous, as has the military intervention in Kosovo," spokesperson Terry Crawford-Browne said

"South Africa's positive experience has been in mediation, not intervention. Hopefully South Africa's troops will be used in a monitoring capacity and not in military intervention" — Sapa

Women adapt well to integrated training

(254) BD 16/7/99

Funds limit the army's gender equity efforts, writes James Eedes

AT 3 SA Infantry (SAI) Battalion outside Kimberley in the Northern Cape, a squad of women volunteer army recruits are engaged in a simulated riot control exercise. In a last-ditch effort to protect lives and property, the recruits "open fire" on the rioters who, not surprisingly, beat a hasty retreat.

Women in the SA National Defence Force (SANDF) are not new. What sets these recruits apart is that they came to Kimberley to begin the process of gender integration in army training.

By next year, it is planned for the same exercise to be performed by squads containing equal numbers of men and women.

It is something the female recruits see as a turn for the better, their male colleagues are less effusive in their praise.

Argument about integrated training has little to do with the competence of women in the military since they have been involved long enough to prove their worth. The question is whether integration should take place at the training level.

The move was prompted by the closure of the women's training college in George last year. Now all nonleader group basic training for both men and women is conducted at the Kimberley base.

This year only certain training activities put men and women together, but simply being on the same base meant comparisons are continuously drawn.

If the evidence of 3 SAI is anything to go by, women are gaining

more from integration than the men. The desire to prove their sceptics wrong is proving a strong motivating force to most of the women recruits. "This is a man's world," says Private Joyce Malefetsse. "I want to prove to myself and everyone else that I can conquer the toughest challenge."

The battalion's commanding officer, Lt-Col Piet Stander says standards and methods have not been lowered to accommodate women. "The physical training curriculum had to be modified. Women do push-ups with their knees on the ground, but they have to do everything else," he says.

While women recruits concede they are unlikely to ever match up to the men on the physical side, they are already outperforming their male colleagues in areas needing more than just brute strength. A woman recruit came out top in the driver and maintenance course and the second best marksman was a woman too.

However, there is resentment among young male recruits. They complain that not only are standards slipping but women are an unwelcome distraction to the business of war. "They are not up to standard," says aspirant paratrooper Pvt Paul Gloys.

Their concerns are no different to elsewhere in the world where women have made an assault on this traditional preserve of men. What is perhaps more worrying is the picture sketched by male recruits of growing indiscipline. "There is lots of climbing over

walls and in through windows," says one recruit who did not want to be named. That contradicts Stander who says the privacy of women recruits is strictly enforced. "It is impossible to try to keep them entirely apart," he concedes, but he is emphatic the women's barracks are off limits to men.

So far there have been no allegations of sexual harassment, nor have there been any unplanned pregnancies — exactly the kind of sordid pitfalls detractors will cite when arguing the demerits of integrated training.

However, when budget cuts force change on the army it serves little purpose to debate endlessly the concept if it detracts from the quality of the recruits themselves. The 126 women who will finish their basic training on July 28 were selected from nearly 6 000 applications, meaning that the army was able to cherry-pick the best.

Stander says at least 50% to 60% of the group are capable of completing a junior leader course. Even then it is expected that only 3% of the recruits will be offered a contract with the SANDF.

Whether or not this training experiment delivers better adjusted and trained soldiers will be difficult to tell. Next year the volunteer intake for 3 SAI has been set at 350 recruits of which only 50 will be women. That severely restricts the army's ability to ensure gender equity in each training squad, which in turn probably means preconceptions about the inadequacies of women will persist.

Lekota outlines military union rights

Stephané Bothma

PRETORIA — A five-year battle by the SA National Defence Union (Sandu) to be legalised will finally be won next month when regulations are promulgated allowing soldiers to join unions

Draft regulations opening the military's doors to labour rights were released by Defence Minister Patrick Lekota yesterday. The minister's action followed a Constitutional Court ruling on May 26 that a blanket prohibition of trade unions in the SA National Defence Force (SANDF) was unconstitutional.

The regulations guarantee the right of uniformed soldiers to form and join military unions, to participate in activities and programmes of unions and allow military unions to engage in collective bargaining with the defence department.

Among notable restrictions imposed on soldiers by the regulations are that they may not

- Embark on strike action or incite others to go on strike or picket in support of any strike,
- Refuse to obey lawful orders on the ground that some matter is a subject of collective bargaining, or
- Engage in activities that impede or undermine military operations or their preparation.

Membership in military trade unions is also limited to uniformed members of the SANDF.

"Military unions may not have a political character and may not affiliate to any political party or trade union that is not recognised in terms of the regulations," Lekota said. This restriction was made necessary by the constitutional provision that neither the security services nor any of their members may, in the performance of their duties, prejudice a political party interest that is constitutionally legitimate or further in a partisan way the interests of a party.

Observers said the regulations met constitutional requirements.

Lekota said the activities of military trade unions would be suspended if a state of emergency was declared and when the president had employed the SANDF in defence of the country.

The draft regulations also establish a military bargaining council that will serve as a vehicle for collective bargaining between union members and the department.

A deadlock-breaking body known as the military arbitration board

will be created to resolve disputes.

To qualify for registration by the defence minister — not with the labour department as is the case with other unions — military unions must prove a membership of at least 5 000 uniformed SANDF staff and provide the names of paid-up members.

Sandu national secretary Cor van Niekerk welcomed the draft regulations, saying that with the exception of a few points, the limitations imposed were not unreasonable or unfair.

"Sandu will make a formal presentation on these draft regulations and specifically those limitations which may seem unfair or impractical," Van Niekerk said, referring to the regulation prohibiting civilian SANDF employees from joining military unions. He said it could prove impractical not to have affiliations to other unions. Sandu currently had about 20 000 members, Van Niekerk said.

The SANDF has about 54 000 permanent force members, while soldiers in the commandos and citizen force total more than 150 000.

Lekota said comment and submissions on the draft regulations should reach his office by August 3.

BD 22/7/99

(254)

Army allowed limited

union activity

MOVES to open South Africa's military doors to limited labour union activities were unveiled in Pretoria yesterday

Releasing draft regulations to this end, Defence Minister Patrick Lekota made it clear that significant restrictions should be imposed on such unions

Lekota said they should not be allowed to strike or embark on sympathy strikes. There should be no room for unions with a political character or for activities that could impede military operations

The regulations proposed strict conditions to prevent discipline in the military from being undermined

"Members of the defence force may not refuse to obey lawful orders on the grounds that some matter is a subject of collective bargaining," Lekota told reporters

The moves to allow unions were forced on to the South African National Defence Force by a Constitutional Court ruling on May 26

It found that a section of the Defence Act prohibiting trade unions in the SANDF was unconstitutional

The order was suspended for three months to enable the defence minister to set up a regulatory framework for uniformed SANDF members to exercise limited labour rights

Lekota said this period would expire on August 26, by which time the regulations would have to be promulgated

The limitations in the proposed framework, described as significant by Lekota, were imperative to maintain a disciplined military force

"Members of the defence may not embark on strike action or incite others to go on strike, nor may they picket in support of any strike action," he said

"Military trade unions may not engage in activities that impede or undermine military operations or preparations for such operations"

Should a state of emergency be declared, all military trade union activities would be suspended

Lekota said a military bargaining council would be set up for collective bargaining between SANDF members and the Ministry of Defence

It was proposed that unions with a proven membership of 15 000 be allowed to apply to be a party to the council

The regulations also provide for a military arbitration board to resolve disputes by arbitration. This board should comprise two people nominated by the SANDF and two trade union representatives

It should be chaired by a senior commissioner of the Council for Conciliation, Mediation and Arbitration

Military unions would have to be registered by the Defence Minister - not the Department of Labour - to be recognised

To qualify, they would have to be able to prove a membership of at least 5 000 uniformed



Defence Minister Patrick Lekota

SANDF staff, and provide the names of paid-up members

Unions would have the right to recruit members, and to have access to SANDF information they required to function properly

Members of military unions could authorise the SANDF to deduct subscriptions or levies for the union from their wages

In terms of the regulations, unions could make representations on behalf of their members with regard to salaries, service benefits, conditions of service and labour practices

Lekota said comment or submissions on the draft regulations should reach his office no later than August 3 - Sapa

Leaner Armscor makes fat profit

ET (BR) 28/7/99

(254)

ROY COKAYNE

Pretoria - Armscor, the government's defence acquisition body, had turned a R1,1 million loss into a R5,5 million profit in the 1998-99 financial year, Ron Haywood, the chairman, said yesterday.

This is Armscor's second best financial performance in five years. It achieved a profit of R13,2 million in 1996 and R5,2 million in 1997 but reported losses of R600 000 in 1995 and R1,1 million in 1998.

A R6,6 million rise in the group's net income in the 1998-99 financial year was largely the result of a R17,8 million decrease in operational expenditure, mostly through downsizing.

Armscor retrenched about 15 percent of the staff, or 153 people, about 80 percent of whom took voluntary severance packages. "Armscor has come out of it more streamlined and offering more value for money," Haywood said.

Other reasons for the increase



ARMS AND THE MAN Ron Haywood

PHOTO LORI WASEICHUK

in net income were a R1,6 million decrease in legal costs, a R700 000 drop in marketing costs and a R1,2 million increase in the government allocation.

However, Armscor experienced a R5,5 million drop in the profit of subsidiaries - because, Haywood said, it had to take over a number of strategic facilities from Denel and "keep them alive"

- and a R9,2 million decrease in net interest and other income.

He said Armscor had taken over the Gerotek test facilities and had secured very successful contracts from the transport department to train taxi drivers, while automotive companies were using it more and more to test their vehicles.

For the 1998-99 financial year, Armscor received R163,2 million from the state's defence budget allocation. Of this amount, R161,3 million was used to defray operating expenditure and R1,9 million to purchase assets.

The total value of Armscor's acquisition activities for the year was R2,41 billion, mostly for the purchase of equipment for the South Africa National Defence Force.

Haywood said the defence budget seemed to be levelling off at 1,5 percent of gross domestic product. The vision over the longer term was for a 30 percent capital spend to replenish ageing equipment.

Cabinet to probe arms deal

ARGUS CORRESPONDENT

(274)

ARG 28/7/99

stage to re-arm

Pretoria - The Cabinet is to discuss the affordability of the R29,7-billion arms procurement package for South Africa.

Defence Minister Patrick Lekota said yesterday "It will not be too long and I look forward to seeing the plan unfold."

The SANDF is hoping to acquire new corvettes (ships), submarines, jet fighters and helicopters, with first deliveries expected from 2002.

Mr Lekota, in a speech read on his behalf at the presentation of Armscor's annual report, said he believed the impact of the packages on the economy would benefit everyone.

His remarks come after criticism that the country cannot afford at this

Armscor chairperson Ron Haywood said he had no doubt the arms package would be concluded.

He said investments totalling R110-billion were expected to flow into the country as part of industrial participation programmes being negotiated with equipment suppliers from Britain, Sweden, Germany and Italy.

"Negotiations, as well as affordability studies required by President Thabo Mbeki, have almost been completed and the Cabinet should be considering these next month," he said.

Thandi Modise, chairperson of Parliament's joint standing committee on defence, told a defence summit in Sandton yesterday that South Africa "must provide for the protection of its citizens against external attacks".

SANDEF plans to shed 30 000 staffers (254)

EVEN the SA National Defence Force cannot escape restructuring - plans to cut its posts from just under 100 000 to at least 70 000 are still on track, army spokeswoman Major Merle Meyer confirmed yesterday.

Meyer cited a diminished defence budget, previously agreed post-integration restructuring and Government's plan to trim the public service as reasons for the cuts.

She said the integration of the old SA Defence Force with the Transkei, Bophuthatswana, Venda and Ciskei defence forces, Umkhonto we Sizwe and the Azaman People's Liberation Army in 1994 had swelled ranks to about 100 000 soldiers.

"We have always said we have to cut down," said Meyer.

Restructuring would include the closure and amalgamation of certain bases and units.

From August 1, the SANDEF would reduce its command headquarters to only five provinces, with regional joint task forces in Cape Town, Port Elizabeth, Durban, Gauteng and Pietersburg.

Gauteng's base in Thaba Tshwane, Pretoria, would look after North West and Free State, while Pietersburg would look after Northern Province and Mpumalanga.

Meyer said there were voluntary severance packages in place for people who wanted to leave the SANDEF.

However, for people who found themselves without a post during restructuring and were unable to transfer to a post in another province, they would have to be retained until there was an employer retrenchment initiative.

The initiative was the responsibility of the Department of Public Service and Administration and the terms still had to be set. It would be a last resort after unsuccessful attempts to place them in other Government departments.

Meyer said many people integrated in 1994 were reluctant to take severance packages as their pensions would still be small.

She said the restructuring would affect "from cleaners to colonels" and would also create new posts for which people could apply. August 26 would add a new dimension to

the restructuring when soldiers would for the first time be given limited union rights in keeping with a May 26 Constitutional Court ruling and subsequent Department of Defence announcement.

However, they would not be allowed to strike or incite others to strike, nor would they be allowed to picket in support of any strike action. They would also not be allowed to engage in activities that impeded or undermined military operations, according to the stipulations announced by Defence Minister Patrick Lekota earlier this month.

In a state of emergency all military trade union activities would be suspended.

To be acknowledged, a union would have to have at least 5 000 paid up uniformed SANDEF staff.

One such union is the SA National Defence Union which claims to have up to 20 000 members. Sandu marks its fifth anniversary on August 26 and will end an era of using its own lawyers to address unlawful arrests, long detentions and promotion problems - Sapa

Defence 'brings in investment'

(254) CT (BR) 29/7/99

LUCIA MUTIKANI

Johannesburg - South Africa's plans to re-equip its defence forces were injecting much-needed foreign investment into the economy, a senior industry official said yesterday.

Ron Haywood, the chairman of Armscor, the state's defence acquisition organisation, told an African Defence summit in Johannesburg that South Africa was starting to reap the benefits of the investment-linked defence procurement programme.

"Investments have already started to be made in South African companies and joint ventures are starting to increase too," he said.

The government, planning to spend up to R14 billion on its rearmament programme, had sought the best possible financing arrangements and linked the deals to substantial investments in the country. It plans to spend R1 billion a year over 10 years to equip its forces with new corvettes, submarines, jet fighters and helicopters.

Faced with rampant crime and soaring unemployment, Pretoria has been unable to attract sufficient major investment. "The defence procurement programme has certainly focused overseas companies on a number of possible investment opportunities which would not otherwise have been identified," said Haywood.

These investments include Thompson CSF, the French defence group, buying a controlling stake in Altech Defence Systems, and British Aerospace acquiring a stake in The Aeronautics Group.

British Aerospace is also now in talks to acquire at least a 20 percent stake in Denel Aerospace, a subsidiary of state arms manufacturer Denel.

The defence summit is an annual gathering of defence chiefs and experts from the African continent to review developments in the industry - Reuters

Arms deal set to give W Cape big boost

ARG 29/7/99
Simon's Town bonanza

ARGUS CORRESPONDENT (49A) (254)

Johannesburg - South Africa - and the Western Cape in particular - is beginning to reap the benefits of the proposed R29,7-billion arms procurement programme even though contracts have not yet been finalised.

Foreign governments have authorised investments and sanctioned joint ventures in strategic defence industries in the buildup to an expected Cabinet announcement next month.

The African defence summit in Sandton was told yesterday that R110-billion of investments was expected to boost the economy as a result of the acquisition by the SA National Defence Force of corvettes, submarines, jet fighters and helicopters.

Among the big beneficiaries will be Simon's Town, where corvettes and subs will be based.

The defence industry stood to gain at least R15-billion of investment, the conference was told, with the other R95-billion going to activities such as the construction of a harbour at Coega, the motor and electronics industries, a stainless steel factory and downstream plants, hospitals, schools and housing.

The Western and Eastern Cape, Gauteng and KwaZulu Natal have been targeted by the Government and foreign suppliers for new industrial activity, job creation, housing, and socio-economic infrastructure.

Armscor chairman Ron Haywood said the Western Cape and Simon's Town would benefit hugely from the contracts.

Millions of rands have already been spent or guaranteed for ventures linked to the procurement.

A large number of jobs in the skilled and semi-skilled sectors are expected to become available in the first seven years of the contracts and a significantly larger number from about 2006.



Campaign executive committee member Corlett has called on government to reconsider its plans for arms purchase programme
Picture TREVOR SAMSON

Group steps up bid to block R30m arms deal

Taryn Lamberti

(MFL)

THE Ceasefire campaign has stepped up its efforts to block government's R30bn arms for investment package, claiming a cabinet decision is imminent

Terry Crawford-Browne, who chairs the Economists Allied for Arms Reductions — SA, said that a decision was likely to be made after a Cabinet meeting scheduled for Wednesday. However, observers familiar with the process said they doubted that it was so far advanced and it was more likely to be some weeks before a final decision on a number of options was reached

A technical group led by former National Economic Development and Labour Council executive director Jayendra Naidoo has been involved in detailed negotiations with bidders for several months

At an arms control and disarmament conference hosted by the Ceasefire campaign in Johannesburg on Friday,

ND 16/8/99

Crawford-Browne said "The military establishment wants to spend R30bn of public money on new weapons when 40% of South Africans are unemployed 8-million live in shacks, crime is out of control, the illiteracy rate is 60% and the majority of South Africans live on less than R3 500 per annum"

He said the package included four frigates and three submarines from Germany costing R11bn, 28 Saab Gripen fighter aircraft from Sweden costing R11bn and 24 British Aerospace Hawk fighter trainers costing R5bn

"The reason is the lure of offsets being promoted by the international armaments industry. It is supposedly a free lunch' by which South African taxpayers spend R30bn, but the private sector and armaments industry get back R110bn," Crawford-Browne said

He said the Saab Gripen had been a financial and political "disaster". There had been steering problems which caused two prototypes to crash

Root out graft in armed forces, says Nhlanhla

Wyndham Hartley (2/4)

CAPE-TOWN — Rooting out corruption in the security forces was vital because if this was not done, corruption in general could not be beaten. Intelligence Minister Joe Nhlanhla said on Friday.

In a briefing to MPs considering membership of Parliament's intelligence oversight committee, Nhlanhla said the intelligence services — the National Intelligence Agency and the SA Secret Service — had to solve the problem of corruption and this meant starting with corruption in the ranks of the intelligence community itself.

He said the process of complete transformation would see some members leave the service. The emphasis would be on quality recruitment so as to "improve the final product offered by the intelligence community".

Nhlanhla said that the services had taken a "deep look and we are certain we will break the back of crime in this next period". Crime was a scourge which had to be destroyed. The intelligence services were working closely with the police and wanted to establish a close liaison with business.

The long outstanding appointment of an inspector-general of intelligence was about to be finally resolved. Nhlanhla said one would be appointed within the next few weeks.

He said the secret service would play an increasing role in the region and in Africa because it was being called upon to do so. Initially a low-key approach was adopted but it is becoming clear that problems cannot be resolved unless SA is involved and this must have a strong intelligence base.

Demands on the intelligence services were growing and this had material implications which would be part of the department's request to Parliament.

BD 16/8/99

Committee to examine union powers in SANDE

Sowetan 18/8/99 (254)

By Claire Keeton

TRADE union powers to organise in the military will be examined by Parliament's defence portfolio committee new chairwoman M Thandi Modise said after her uncontested election yesterday.

She accepted the recent court decision to allow trade union activity in the military saying its members needed a structure for bargaining for their conditions and welfare.

"There are a number of limitations and (the committee must see) how limiting these are and whether trade unions will be able to organise effectively or not," Modise said.

She said before the court decision the committee had already found sections of the military disciplinary code to be outdated and potentially in conflict with the Constitution. It was further that the lives of soldiers could not be ruled by draconian measures with the deepening of democracy in South Africa.

All political parties represented in the committee congratulated Modise on her election as chairwoman.

Although she is the first woman to chair the committee, she chaired the joint standing committee on defence last year. She was part of the African National Congress' armed struggle from 1976.

She joined the defence committee in 1994 and is a member of the ANC's subcommittee on peace and stability dealing with security policy.

Modise said studying had convinced her that "civil authority over the military was important" and this view was reinforced by a working trip to East Timor, from which she returned yesterday.



Thandi Modise

She urged members of the committee to work together on defence issues – including the Defence – and not treat them as "political footballs".

All political parties supported the call for cooperation in the committee. "Defence is the most important national issue in Parliament and all of us must abide by this," General Constand Viljoen of the Freedom Front said.

The lack of consensus on South Africa's role in conflicts outside its borders needed attention, Mr Masilo Mabeta of the United Democratic Movement said.

Soldiers have rights but no trade union power ⁽²⁴⁴⁾

SHOULD personnel bodies in the South African National Defence Force be called military trade unions, military associations, bargaining associations, or professional associations?

This is the question facing the National Assembly's defence committee after a recent Constitutional Court ruling that military personnel were "workers" and as such entitled to belong to military trade unions, although these rights could be limited. Committee members were told

during a briefing yesterday by senior departmental officials that new regulations sought to address the labour relationship between defence force personnel and the department.

The regulations would give personnel the right to create and join such bodies, but would limit the scope of their activities.

Limitations included no strikes, limited protests, no membership of unions outside of the army, no political alignment and no bargaining on issues

such as command structures, control, operations and exercises.

Officials assured MPs that the right to strike was not at issue and said the regulations would affect the functioning of the force or interfere with the chain of command.

An independent military arbitration board will rule on disputes within its mandate, while those outside will go to Cabinet for a decision.

After about an hour-and-a-half of discussion, committee chairwoman

Thandi Modise said it appeared that members were not opposed to collective bargaining rights, what was at issue was what to call the bodies.

It was recommended that they not be called trade unions.

Members expressed the opinion that while there was clearly a need for collective bargaining on such matters as salaries and conditions of service, defence force members were not part of a trade as such, and could not belong to trade unions with the right to strike.

The rights affirmed by the court ruling would not be affected and only the term trade union needed attention, they said.

Soldiers had to take orders and one could not send trade union members to fight in defence of the country.

Members said troops were a special kind of worker, and the normal rights could not be allowed to affect discipline. The term trade union could cause problems and conflict in this regard, they contended.

- Sapa

Defence billions to be slashed

Report on arms spending
to recommend huge cuts

Jayendra Naidoo
some
purchases 'may be
deferred', he says



Defence billions to be slashed

(254) ST 22/8/99

HENRY LUDSKI

THE government is to slash billions of rands off its planned R29-billion purchase of new equipment for the military after an extensive investigation ordered by President Thabo Mbeki

Jayendra Naidoo, the man tasked with investigating the spending plan, is to recommend the cuts in a report to be handed to Mbeki this week.

Naidoo said "We are saving billions and making billions."

Naidoo was asked to investigate the impact of the purchases on the economy after the Minister of Finance, Trevor Manuel, expressed concerns about the plan.

Defence Minister Patrick Lekota said Cabinet would discuss the purchases at its next meeting.

Naidoo confirmed that some of the purchases "may be deferred", but said he was not able to divulge "changes in the delivery timetable" or details of which purchases could end up being indefinitely shelved.

He said negotiations with all suppliers had been concluded and that, "in the end, it is Manuel who will decide".

Naidoo was speaking as a furore erupted over an anonymous report distributed in Parliament this week claimed that R6-billion would be wasted if the navy went ahead with its plan to buy new ships and submarines.

The document, claiming to be a research paper for Parliament's portfolio and joint standing committee on defence, stated that "Members of Parliament believe it is possible to save the country perhaps in excess of R6-billion in this procurement process."

Senior ANC MPs have confirmed that the report "reflects the views" of many in the party.

Naidoo told the Sunday Times he would ask Armscor to investigate the report's claims because "it raises a lot of questions of a military and technical nature and they need a military answer".

But Lekota said the report had no official status and its origin could not be verified.

"I'm quite satisfied that our experts are on top of the situation. I would challenge anyone to come forward and say before the nation that the men and women in the defence force as well as its related industries are fakes," he said.

The report concluded that while the government set out to buy corvettes it had been sold frigates — larger and more expensive vessels.

In the document it is also argued that the weapons systems chosen by the government were in conflict with the defence force's "primarily defensive orientation and posture".

The report was circulated to members of Parliament's defence portfolio committee and the joint standing committee on defence this week. The Sunday Times has confirmed that the document emanated from within ANC ranks.

It stated that the "procurement process for the South African Navy surface vessels has gone astray".

A senior ANC MP said the party's members were reluctant to break ranks publicly over the defence spending plan because this would expose them to attack from within the organisation.

The document also raises the issue of whether the expenditure can be justified, saying that the projected over-expenditure should be viewed against the greater need for social spending, poverty relief and job creation.

Last November the government announced its preferred bidders for six strike craft, three submarines, four corvettes, four maritime patrol helicopters, 40 light utility helicopters, 24 lead-in fighter trainer planes and 28 advanced light fighter aircraft.

In naming the preferred suppliers — from Germany, Italy, Britain and Sweden — the government estimated that the deals were linked to more than R110-million worth of counter-trade and would create 64 165 new jobs.

However, these figures have been disputed by groups opposed to the deals, which they claim were taking place at the expense of social spending.

The Ceasefire Campaign, Economists Allied for Arms Reduction and other pressure groups — some of them believed to be aligned to rival bidders — have stepped up their drive to block the defence spending.

'MIXED UP FRIGATES AND CORVETTES'

SA could save R6bn in defence spending

ET 23/8/99

(254)

A RESEARCH paper conducted for the Parliamentary Committee on Defence and the Joint Standing Committee on Defence, provides details of how the government can save at least R6 billion on defence spending by changing its procurement procedures GUSTAV THIEL reports

THE research paper has no binding force, but it is reliably understood that Jayendra Naidoo who was tasked by Finance Minister Trevor Manuel to investigate the military's spending plans, will incorporate suggestions made therein

The paper aims to aid Parliament in its attempts to "contribute constructively to the arms procurement process to ensure that money is not only well spent, but also that if possible, money is saved"

The paper states that several members of Parliament believe that Government can save up to R6 billion if the procurement process is changed

The Sunday Times reported yesterday that Naidoo confessed only that some of the intended military purchases "may be deferred" Naidoo is handing over his report on defence spending to President Thabo Mbeki this week and cabinet will discuss the proposals at its next meeting

While the nature of the possible changes to defence spending

packages are not yet certain, the research paper suggests that government has not informed the public about the amount of money being spent on defence

The paper states "Government has publicly announced in November 1998 that spending on all packages has been estimated at R29,7bn before negotiation with suppliers

"Our information leads us to believe that, after negotiation, the spending has now reached a level of over R31bn"

Government has not informed the public about this additional expenditure

The research paper states further that the coffers of the state will in fact, be depleted to a far greater extent than the almost R30bn budgeted "due to the interest rate applied for financing"

If, according to the paper, the rand remains stable over the next 20 years, "the disbursement that government will need to make will be in the region of R60bn"

The White Paper on Defence and the Defence Review calls for

the procurement of six strike aircraft, three submarines, four corvettes and five maritime helicopters

The research paper states that Armscor went out to tender on the international market for ships "which are not corvettes but frigates", and adds that "It is common knowledge in the international defence and naval community that surface ships are classified by their size in tonnes of displacement"

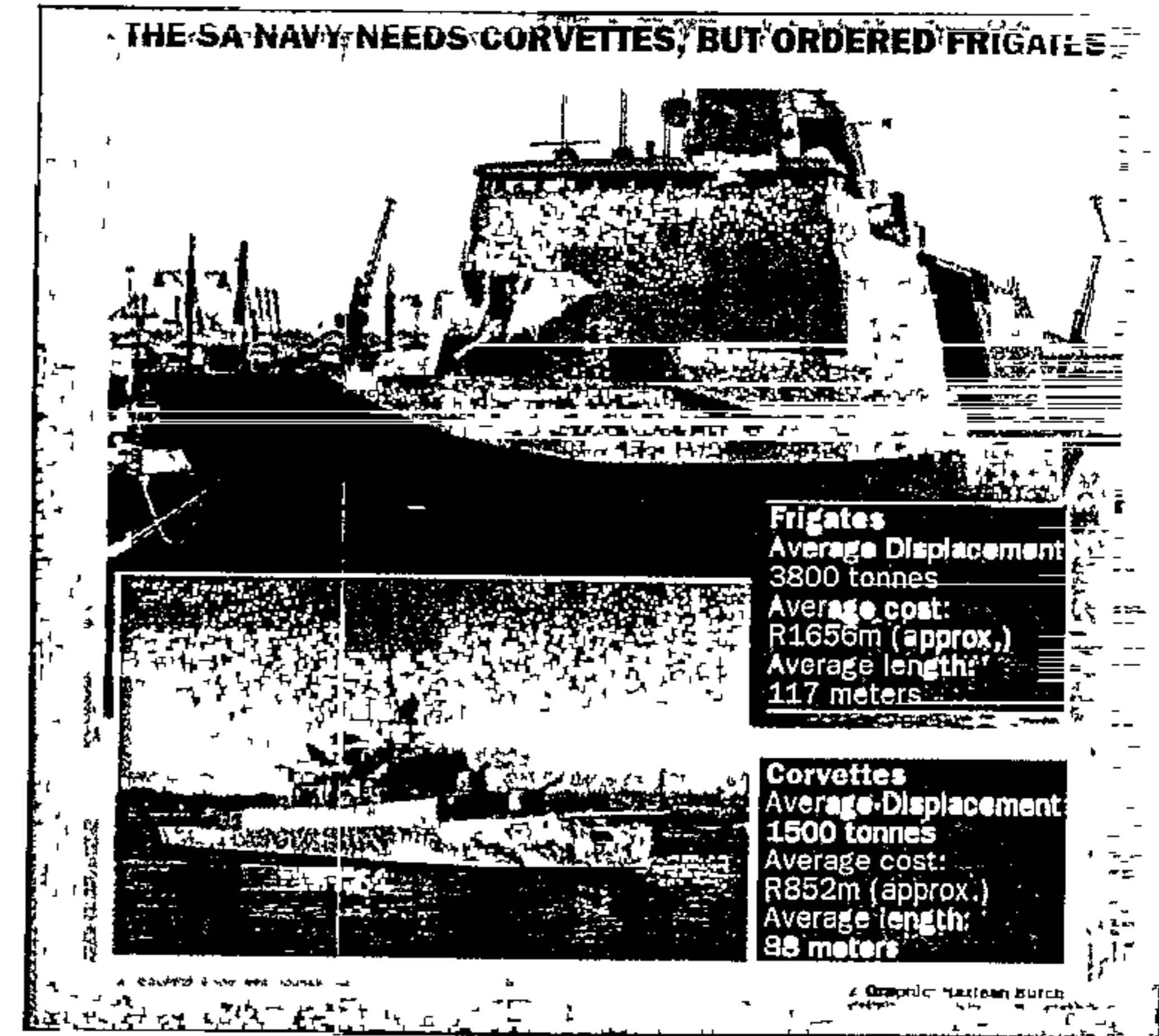
A corvette is generally between 600 and 2 000 tonnes, while a frigate is between 2 000 and 4 000 tonnes

A corvette will cost, on average, \$142 million as opposed to \$276m for a frigate

Government can thus save almost \$536m (about R3,26bn) if they simply buy the correct ship that is required for South African conditions

The research paper says in the light of what is exposed above it seems obvious that the procurement process for the SA Navy's surface vessels has gone astray and needs to be brought back on track

It suggests that, "no ratification of the present purchase under negotiation should be made pending the outcome of a study made to justify an over



THE SA NAVY NEEDS CORVETTES, BUT ORDERED FRIGATES

Frigates
Average Displacement: 3800 tonnes
Average cost: R1656m (approx.)
Average length: 117 meters

Corvettes
Average Displacement: 1500 tonnes
Average cost: R852m (approx.)
Average length: 98 meters

spending of R3bn"

The announced cost of the acquisition of three submarines is R5,2bn

It has been brought to the attention of members of Parliament that Italy included in its original tender offer a proposal for two second hand submarines

"The total cost of this offer is approximately \$400m (about R2,4bn) This compares favourably with the proposed R5,2bn announced by government as a possible spending for the German 209 class sub-

marines," the paper states

It also suggests that government should look at ways to revive the local shipyard industry to try and limit the purchases from overseas

"South Africa had for many years a successful shipbuilding industry until management inefficiencies led to the ever increasing reliance on government subsidies

"When these subsidies were removed, this industry collapsed or rather it should be said that the Dorbyl Shipbuilding activities collapsed, as this was the industry's

main player"

Private industry in South Africa has revived local shipbuilding and it is known that larger sized ships are being built in Durban

The building of a corvette takes about three years and the navy's procurement process could thus guarantee work for South Africans for several years and ensure industrial and technical independence from Germany, Italy and the UK who are traditionally the main suppliers of military equipment to South Africa

Leaner arms deal may boost trade

Stephen Laufer

BD 23/8/99

(254)

THE cabinet committee on arms packages, chaired by President Thabo Mbeki, is to be told this week that detailed negotiations have yielded draft agreements which could produce as much as a rand-for-rand counter investment in SA by UK, German, Italian and Swedish companies

The investments would be in the civilian and military field and match a purchase price for the weapons systems in tens of billions of rands

Government sources were keeping the exact total close to their chests yesterday before briefing Mbeki and the ministers of finance, defence, state enterprises and trade and industry, but it is understood to have been cut significantly during "very tough negotiations with the preferred bidders" and could be below the R29,7bn announced last November

It is understood that specifications for a number of the weapons systems have been cut drastically in an effort to limit costs, including an overall downsizing of the navy's corvettes. Systems will also be bought later than initially planned in order to stretch outlays

The value of the civilian and military investments would be enhanced by ex-

ports generated by new plants as well as through guaranteed purchases from existing SA industries

Chief negotiator Jayendra Naidoo, who is to brief the members of the cabinet committee on the package this week, said yesterday it had been decided to entirely revamp the accounting method used in determining the value of the countertrade connected to the weapons deal. Only the value of the direct investment in SA, plus the value of exports arising from the investments, plus purchases from existing SA companies would be counted

Other tender requirements, including black empowerment and small business and regional development components, would no longer function as rand multipliers in the accounting system

This meant the totals generated by the package would be lower than the R110bn initially announced

"The totals will accurately reflect the real economic value to be generated by the package for SA," Naidoo said. This did not mean the empowerment and regional development requirements had been dropped, but that they would simply no longer figure in the accounting process

Sources said the real cost of the package would be lower and the real

benefits higher than at the beginning of the detailed negotiations led by Naidoo. Investment and export benefits could run as high as double the purchase price of the weapons systems, which include submarines and surface ships, maritime and utility helicopters, fighter trainers and jet combat aircraft

Financial models generated by economists from outside government are understood to be part of detailed proposals to be shown to Mbeki and the ministers this week. Affordability over a period of 15 to 20 years will be key to the cabinet's final decisions, which could be taken within weeks

News of the slimmed-down package came as an anonymous document was circulated to members of Parliament's defence committees questioning many of the agreed fundamentals of the package and claiming possible savings of billions of rands

Centred on the naval acquisitions, the paper's conclusions appeared to favour the failed bids of the Italian state shipyard Fincantieri over the winning German offers, which they criticise heavily. Analysts said the paper could have been written for and distributed by those hoping to keep the Fincantieri bid alive in the hope that the German offers might falter at the last hurdle

'Civilians need to have a say in military spending'

By Claire Keeton (2/14)

CIVILIAN control over defence spending is one way to ensure the military does not become too powerful in a democracy, United States military expert Professor Paul Stockton told MPs yesterday.

Stockton, the director of the Californian-based Centre for Civil-Military Relations, was briefing MPs from the defence portfolio committee.

He said MPs had a responsibility to monitor the military "You've been elected, they haven't. There are a number of tools to provide this kind of civilian control. The first way is to control the money."

Stockton outlined other measures to keep the military in check, including control over military personnel, the military's organisational design and its operations.

He explained the fundamental difficulty with the process of civilian control "Civilians have to make decisions but yet they have very little defence expertise. The mil-

itary has the expertise but not the legitimacy to make decisions. The problem is to bridge this gap."

Stockton said he was proposing a meeting in South Africa between members of the defence committee, the joint standing committee on defence and the Department of Defence "to build a consensus about the roles that should be played by parliamentarians."

Defence committee chairwoman Ms Thandi Modise said committee members needed support to perform effectively in overseeing the defence budget.

"We need to be more proactive, more involved. We need to get into the process earlier. We need to be more educated," she said.

"The budget usually comes to us with cuts and we do not know what must go. We come with suggestions and the military says they will not work. This leaves us helpless. We took a decision to be included in the budget cycle. Now we must give the new minister a chance to respond."

25/8/99

KICKBACKS ALLEGED

ANC rocked by arms deal row

(254) 27/9/99

CRACKS ARE EMERGING in the ANC over the alleged involvement of some top officials in "facilitating" arms deals for kickbacks. Their names are expected to be read out in Parliament today.

VERY senior ANC officials in Parliament and others now in business are accused in a confidential document, signed by "Concerned ANC MPs", of enriching themselves from the country's proposed R24 billion arms purchases through their support for rival multinational arms manufacturers bidding for contracts.

Several arms consortiums from Germany, Italy, Britain and Sweden are vying for the lucrative business deal and as incentives have offered certain offset benefits for South Africa, including the creation of thousands of jobs.

Some of the ANC politicians are alleged to have taken kickbacks from these arms consortiums in return for their facilitation of the bids. Others are accused of forming business associations with companies which have an interest in the sales of arms to South Africa. And

yet others are said to have ensured that when the deal is finally clinched, black empowerment businesses with which they are associated will have a piece of the pie.

Those against whom allegations are made include at least two members of the ANC's national executive committee. Their names — which are known to the *Cape Times* — are expected to be read out in Parliament today by PAC MP Patricia de Lille, to whom the document was addressed.

De Lille recently won her case in the Supreme Court of Appeal after being accused by the Speaker of Parliament, Frene Ginwala, of abusing parliamentary privilege when she accused senior government officials of having been apartheid spies.

De Lille told the *Cape Times* she would be proposing a motion in Parliament this afternoon calling for a com-

mission of inquiry into the arms acquisition process. The MP said she didn't know why she was targeted as the recipient of the document, but conceded that it may have had something to do with her recent victory in the Supreme Court of Appeal.

"I read through it several times and it contains some very serious stuff and allegations. It is also very disturbing because if what is in the document is proved to be true then there is no difference between the old (Afrikaner) Broederbond and the new 'black broederbond'."

Some of the authors of the document, titled "Briefing to the Honourable Patricia de Lille MP", are very highly-placed and credible ANC officials with respected credentials in military affairs.

The document expresses particular concerns about a well-known Western Cape ANC MP and his affluent lifestyle that seems far beyond his income.

The document comes out in support of the idea of an inquiry and calls on the cabinet to halt any further arms acquisitions until a national consensus has

□ Turn to Page 3

Arms deals

□ From Page 1 (254)

been reached on the issue. Anglican Archbishop Njongkulu Ndungane, the Coalition for Defence Alternatives, Economists Allied for Arms Reduction and other parties have also raised the question of lack of transparency in the process.

Critics of the proposed deal are sceptical about the figures of jobs these consortiums have promised to create and say such consortiums have been notorious for similar "wheeling and dealing" in a number of Third World countries, where they ended up creating a small percentage of the jobs they had promised.

They have argued that South Africa, which faces large-scale poverty, unemployment, an acute Aids crisis, education funding problems and a high crime rate, cannot afford to spend almost R24 billion on arms, especially when there is no immediate external security threat.

On November 18 last year the cabinet approved the "core-force" equipment it wanted to purchase subject to the availability of funding. It included four frigates and three submarines from Germany, four marine helicopters and 24 BAe/Hawk aircraft from the UK, 40 utility helicopters from Italy and 28 BAe/Saab aircraft from a joint Swedish/UK consortium

Finance Minister Trevor Manuel was reportedly opposed to the scheme, in spite of cabinet colleagues arguing that the expenditure would generate foreign investment and exports worth R110bn and create 65 000 jobs.

But the "Concerned ANC MPs" are worried that the public has been denied details of the offsets in terms of the "confidentiality clause" and that there is an "absence of logical explanation" for the purchases.

They say the Italian bidder, Augusta, was party to a major scandal in Belgium, the so-called "Augusta Dassault affair", in which it was accused of bribing former Nato secretary-general Willy Claes and of giving kickbacks to several Belgian politicians.

The joint Swedish Saab and British Aerospace/JAS39 Grippen proposal, they say, has been a cause of political embarrassment in Sweden, and the Swedish government was still debating whether to mothball its Grippens after two of its prototypes crashed because of steering problems.

The document cites a case of a bid by the corporate communications manager of a German luxury car manufacturer to bribe MP Nyami Boo, head of the Thabo Mbeki Crossroads Educational Trust, to facilitate a meeting with the President to discuss arms deals. — Staff Writers

Govt warns envoys over graft claims

The allegations were first raised publicly by Pan Africanist Congress MP Patricia de Lille

Stephen Lauffer (M74) and Sapa

AMBASSADORS from some of the countries involved in the bidding for SA's arms-for-investment deal were yesterday summoned officially to be told of government concerns over corruption allegations around the multibillion-rand package.

It is understood that the ambassadors were told by very senior officials that SA suspected the source of the rumours was not purely domestic. It was believed these could be part of a plan hatched elsewhere to derail the deal, possibly by suppliers or countries not shortlisted during the tender process.

Spanish, French and Canadian companies submitted unsuccessful bids that were indicated to the ambassadors that there could be a negative effect on SA's relationships with their countries should the suspicions prove true.

Senior SA politicians among them Defence Minister Mosisua Lekota, have rejected the corruption allegations, which were first raised publicly by Pan Africanist Congress MP Patricia de Lille. She received an anonymous document purportedly from ANC MPs opposed to the arms purchases.

Lekota said he had questioned chief

package negotiator Jayendra Naidoo and others on the allegations, and they would only pursue the allegations if they were made by someone willing to come forward.

De Lille said yesterday she would not reveal the names of those who wrote the report or those it mentions.

The allegations of corruption read like a Who's Who of SA politics and the black empowerment end of business. Often posed in question form and written in poor English, the document names politicians such as Deputy President Jacob Zuma, who was a KwaZulu-Natal MEC at the time.

It also alleges the private purchase of cars, decisions by senior public figures, and investments by trade unions and firms were linked to illegitimate attempts to sway decisions on the arms.

A government source said any attempts to bribe MPs, would have been a waste of money as decisions were taken by government and not by Parliament.

The package is due to be finalised by the cabinet soon, probably tomorrow. Under it, the SA National Defence Force is expected to acquire ships, submarines, helicopters and jet trainers and fighters over 15 years in return for trade and investment with suppliers in Germany, the UK, Sweden, and Italy.

KICKBACKS SCANDAL

(M74) 14/9/99

Arms deal: Envoys quizzed

INTERNATIONAL "dirty tricks" could be behind the allegations of domestic arms-deal corruption leaked in Parliament last week. PETER FABRICIUS of the Independent Foreign Service reports.

AMBASSADORS of countries which have bid for a cut of South Africa's R29 billion arms deal were called in by the government yesterday amid growing suspicions that the deal — details of which were leaked in Parliament last week — are not coming from domestic interests.

An official source said Spain was one of those called in to answer questions about the report, which implicates prominent ANC members — from Deputy President Jacob Zuma down — in receiving kickbacks for giving deals to certain countries.

Although the leaked report which PAC MP Patricia de Lille bransomed in Parliament could have come from any one of several different interests opposed to the arms deal, it is understood that official suspicion is now turning to countries which bid for parts of the contract but were not among the shortlist of preferred bidders announced this year.

They are suspected of trying to upset the deals with the preferred bidders and thus get back into the bidding.

Spain was one of the big losers in the deal. Four years ago it seemed set to win the contract to supply four corvettes to the SA Navy for about R1,7bn.

The report says the Germans were not shortlisted until then-deputy president Thabo Mbeki visited Germany in 1995.

"Suddenly the British and Spanish were ousted from the shortlist and the Germans were included," says the report.

"What caused this change of events? From a non-preferred bidder to the winner of the bid seems suspicious."

But the report is not entirely kind to Spain. It does say that the Spanish "offer" for winning the corvette contract would have been to build 30 fishing trawlers for underprivileged commu-

nities and two massive fish-processing factories on the Cape West Coast, creating 23 000 jobs.

However, it also notes that the annual harvest of hake needed to supply the factories "would have resulted in the total collapse of the fishing industry, which employs about 85 000 people."

"So much for the 23 000 jobs which the Spanish corvettes would supposedly produce," the report says.

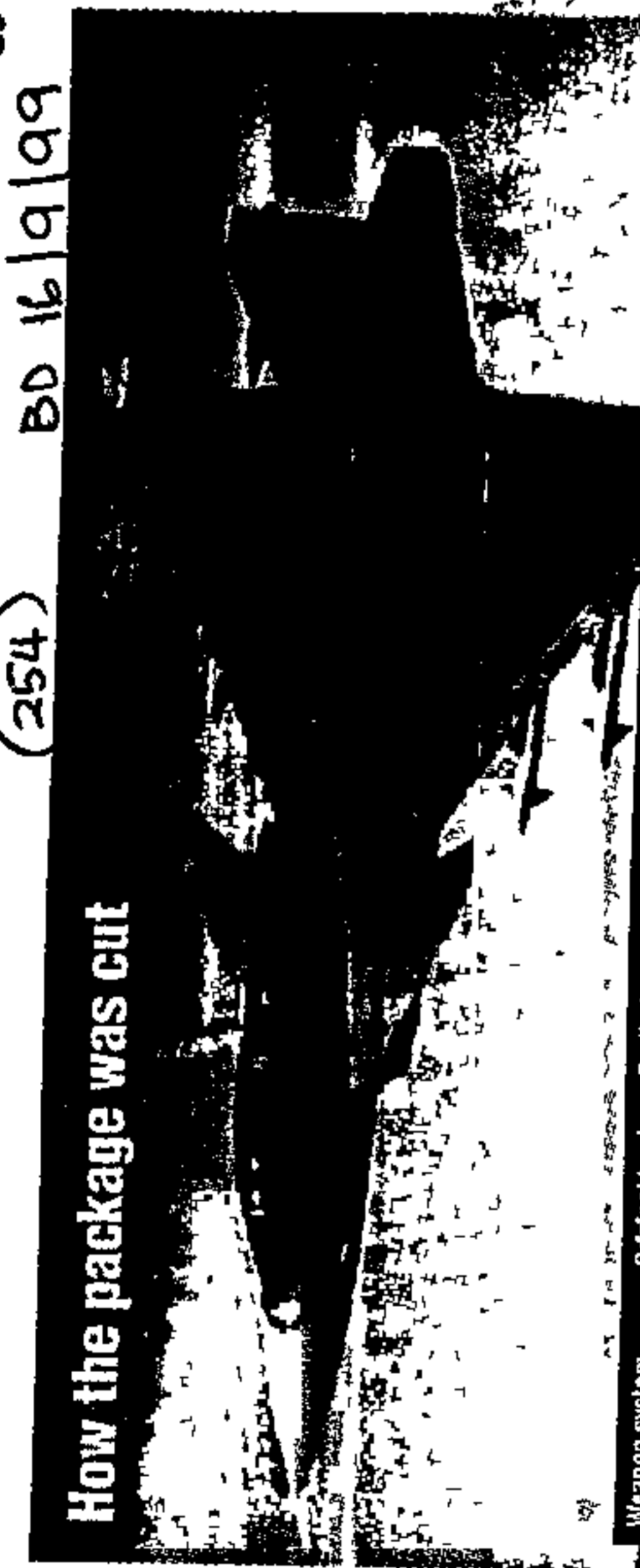
Other big losers in the bid were the Italians and the French.

The Spanish embassy was approached for comment yesterday but had not responded before the Cape Times went to press.

The Department of Foreign Affairs declined to comment.

Arms package shrinks

Detailed negotiations result in an affordable defence deal which underpins SA's industrial strategy (254) BO 16/9/99



How the package was cut

Weapon system	Original tender	Preliminary decision (Nov '94)	Final cabinet decision (Sept '99)
Light fighter	23	23 (Scrubbed Gripen)	23 (Scrubbed Gripen)
Light utility helicopter	24	24 (British Aerospace Hawk)	24 (British Aerospace Hawk)
Patrol corvette	4	4 (German frigates consortium)	4 (German frigates consortium)
Submarine	50	50 (German submarine consortium)	50 (German submarine consortium)
Maritime helicopter	4	4 (Westland)	4 (Westland)
Light utility helicopter	40	40 (Agusta A-109)	40 (Agusta A-109)
Major land tank	3	3	3

DAVID GREYBE — The cabinet has approved a 30% leaner arms-for-investment package, valued at R21.3bn, but said it might exercise options for a further R8.5bn of military hardware later.

Defence Minister Mosiuoa Lekota said the smaller package was the result of several months of detailed negotiations. "The results of this whole process is an affordable defence package combined with an industrial and economic investment package spanning a variety of sectors and underpinning (SA's) industrial strategy."

Government would not face any penalties or costs of cancelling the options should it decide not to take the outstanding equipment.

SA will pay the R21.3bn over the next eight years. Lekota said government would "most probably" exercise its options on the additional R8.5bn worth of equipment, but not later than 2004.

The cabinet agreed to buy nine dual seat Gripen light fighters and 12 Hawk jet trainers from British Aerospace-SAAB to replace the Cheetah and Impala aircraft. Options would be taken on the balances of 12 Hawks and 19 single seat Gripens", Lekota said.

Four Patrol Corvettes from the German Frigate Consortium, which are "slightly smaller" than originally planned, will replace the navy's 30-year-old strike craft.

A spokesman confirmed that the cabinet had scrapped its original intention to buy four maritime helicopters. SA would purchase 30 instead of the planned 40 light utility helicopters from the Italian helicopter manufacturer Agusta which will replace the 40-year-old Alouette helicopters.

Three submarines from the German

Submarine Consortium will replace SA's ageing Daphne class submarines. The R21.3bn deal included all statutory costs such as VAT, custom duties, freight, export credit guarantees, and programme management, Lekota said.

"This compares with the estimate last November of a cost of R31bn, which included equipment costs of R29.7bn, together with provisions for price escalation and the cost of financial cover required," he said.

In spite of the 30% cut, the SA National Defence Force still gets "the required equipment". This was because SA took "full advantage of the excellent financing and industrial participation terms negotiated but without creating immediate fiscal pressures".

Since the preliminary cabinet decision last November, several government teams supported by academic economists and international legal and accounting experts have negotiated with preferred suppliers. The teams, headed by Jayendra Naidoo, sought major concessions on price, counter-trade, forward investment for SA and payment terms.

Among issues to get significant attention were the effect of the purchases on SA's cash flow, balance of payments and the role of the raid against major foreign currencies.

Opposition parties generally welcomed the decision to re-equip the defence force.

Freedom Front leader Constand Viljoen said it was "a brave but controversial decision", and urged members of the defence force and the minister "to look after your new toys". Lekota will announce full details of the arms-for-investment package today.

Meanwhile, successful joint bidders British Aerospace-SAAB said they had been "impressed by the professional procurement process".

One-third cut in arms 'unrealistic'

JONATHAN ROSENTHAL
CT (MR) 16/9/99 (Cap 4)

The elimination of the naval helicopters from the list would leave the Navy's four corvettes with a vastly reduced capacity, a navy source said.

"The helicopters are the eyes and ears of the corvettes," he said. Without them, the corvettes would lose their ability to search over the horizon or conduct anti-submarine operations.

But Helmoed Heitman, a defence analyst, said he was not concerned by these issues as he believed additional Gripens and naval helicopters would still be purchased. "I believe that the other 19 single-seater Gripens will follow. It's just a question of when," he said.

He said the government would probably have to go back to a fresh tender process for the naval helicopters. He said he was more concerned by the reduction in the number of utility helicopters "because 40 was already too few".

Meanwhile Jac Laubscher, the chief economist at Censec Asset Management, said the purchase could add 0.5 percent to the budget deficit.

"The arms procurement deal should not be allowed to cloud government's fiscal priorities and upset the progress that has been made in reducing the budget deficit," he said.

The Democratic Party (DP) yesterday said that it supported the purchase, but questioned the lack of transparency surrounding the whole deal.

Mike Ellis, a DP MP, said the party had heard that there "are differences in what has actually taken place in comparison with what we were told was taking place some time ago, in particular with regard to the whole issue of helicopters. We regard this in a very serious light."

Johannesburg — Defence analysis and industry sources yesterday cast doubt on the government's one-third cut in its R40 billion arms purchase, saying it was an unworkable compromise that was likely to be reversed.

The compromise essentially entails cutting by two-thirds to nine the number of Gripen jet fighters on order and by half to 12 the number of Hawk trainers. It also entails completely scrapping the order of four Lynx naval helicopters, which would have equipped the Navy's new corvettes, and cutting by a quarter to 30 the number of light utility helicopters.

But the compromise order is likely to generate even more controversy than the initial planned purchase. Economists warned that buying even the reduced number of weapons would still add 0.5 percent to the country's budget deficit over the next five years, while defence sources warned that the reduction in numbers would effectively pull the teeth out of the South African Air Force (SAAF).

A defence industry source said that with only nine two-seater jet fighters in service, the SAAF would be unable to deploy more than four jets for missions. The remaining aircraft would be needed for training or routine maintenance.

"That's not really enough to do any sort of job," said the source, a former SAAF pilot.

A further concern was that with only a single squadron of Gripens in service, the SAAF would be unable to train its pilots to specialise in air to air missions or bombing missions. This would mean certain capabilities, like night bombing, would be lost to the force.

Business Watch, Page 2

SA's R21,3-bn arms deal 'to create 65 000 jobs'

CHARLES PHILLAKE AND CLIVE SANWYER
AR 15 16/9/99

The 21.3-billion arms acquisition deal will bring more than 65 000 jobs and create permanent investments in South Africa, Cabinet ministers said today.

Defence Minister Patrick Lekota, Finance Minister Trevor Manuel and Trade and Industry Minister Alec Erwin today disclosed details of the weapons deal at a news conference in Parliament.

Mr Manuel issued an assurance that the deal should not affect the Government's deficit targets.

Mr Erwin said the employment created would be "high quality manufacturing jobs" and the scheme had a strong training component.

He emphasised that the offsets in investments in South Africa would be long term. "We have negotiated investments that are going to be here permanently."

Mr Lekota said the negotiating team headed by Jayendra Naidoo had done excellent work and the defence force would be in a position to meet its commitment to peace-keeping.

The Government will buy:

- Nine dual seater Gripen and 12 Hawk aircraft from British Aerospace to replace the SA Air Force's ageing Cheetah and Impala jets — with an option on a further 12 Hawks and 19 single-seater Gripens
- Four patrol corvettes from the German Frigate Consortium to replace 30-year-old SA Navy strike craft.
- A total of 30 light utility helicopters from the Italian manufacturer Augusta to replace outdated Alouettes
- Three submarines from the German Submarine Consortium.



Cut price: Patrick Lekota



Govt pushes ahead with arms deal

(2014)

Sowetan 16/10/1999

By Waghled Misbach
Political Correspondent

GOVERNMENT will go ahead with its controversial multibillion rand arms deal despite the furore about claims that senior government officials are taking kickbacks from European arms manufacturers bidding for the contracts.

Defence Minister Mosiuoa Patrick Lekota told the National Assembly yesterday that there was no substance to allegations that senior ANC officials and other parties, were taking kickbacks from the bidders. Cabinet did not see the need for a judicial inquiry into the allegations and had decided to go ahead with the procurement of the arms, Lekota said.

He said the allegations were like a "cloud hanging over the country that had to be cleared".

Lekota said that the deals with various European bidders would amount to R21,3 billion over the next eight years.

The Government would buy the following:

- Nine dual-seater Gripen and 12 Hawk aircraft from British Aerospace-SAAB, to replace the Cheetah and Impala aircraft. A further option has been taken on the balance of the 12 Hawks and 19 single-seater Gripens,

- Four patrol Corvettes from the German Frigate Consortium, to replace the existing strike craft which were more than 30 years old;

- Thirty light utility helicopters from the Italian helicopter manufacturer Augusta, to replace the Allouettes which have been in the defence force for over 40 years, and

- Three submarines from the German Submarine Consortium, to replace the Daphne submarines which have been in service for more than 30 years.

If South Africa exercises the option to buy the additional Gripens and Hawks, the total



Mosiuoa Lekota

equipment cost will rise by R8,5 billion to R29,9 billion over 12 years. The options should be exercised no later than 2004.

Lekota said that the Government would "most likely" buy the additional equipment.

The R21,3 billion cost includes all potentially hidden costs such as Value Added Tax, customs duties, freight, export credit guarantees and programme management.

Lekota said that the deal would benefit the economy and advance the socio-economic interests of the country.

The National Party has supported the deal, saying it would create R110 billion in offsets - or wealth for the country, with a total of 64 000 new jobs created.

The Democratic Party has also supported the deal but criticised the Government for wasting five years getting the deal off the ground.

LMP Patricia de Lille's allegations were contained in a document allegedly written by a group of "Concerned ANC MPs" and leaked to the Pan Africanist Congress.

De Lille then proceeded to call for a special judicial inquiry into the allegations in the National Assembly.

In response to the announcement that the deal would go ahead, De Lille told *Sowetan* that it was a "sad day" for this country.

The fact that a judicial inquiry had not been set up to investigate the alleged kickbacks to certain parliamentarians was a blow to "transparency and openness", she claimed.

Sitole still

By Waghled Misbach
Political Correspondent

CORRECTIONAL SERVICE COMMISSIONER Dr Khulekani Sitole, who is accused of corruption and mismanagement, has not been completely let off the hook by the Public Accounts Committee. He will have to explain to a select committee...

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Arms deal worth R70bn — Erwin

David Greybe — The economic benefit to SA of the two-phase R30bn arms-for-investment deal will be more than R70bn over the next 11 years if all countertrade agreements negotiated are counted, according to government.

The package ought to result in the creation of at least 65 000 new jobs, mostly in manufacturing and many of them skills-intensive, Trade and Industry Minister Alec Erwin said when details of the countertrade were announced.

Erwin said more than 40 such trade deals were negotiated as part of the package. This would not have been possible without the arms deal because it was used to showcase SA to foreign investors.

An official said afterwards that while details of the projects were not all finalised, "ultimately all provisions will benefit".

The German Frigate Consortium, which is providing SA with four patrol corvettes, is just one of the successful bidders involved in a number of project proposals.

Perhaps the biggest such project is the stainless steel plant at Coega in Port Elizabeth, which is meant to play a crucial role in kick-starting the Eastern Cape economy.

The Coega project is expected to lead also to expanded port and rail facilities in and around Port Elizabeth.

Some of the other projects the German Frigate Consortium is involved in are an upgrade of a mini steel mill, new technology for a crank shaft foundry manufacture of automotive components,

production know-how — applicable also to an ostrich skin tannery — British Aerospace and Sweden's SAAB, which worked together to provide nine Gripen light fighters and 12 Hawk jet trainers under the first phase of the deal are involved in various projects.

Volvo, in its effort to expand identified SA as one of its strategic markets, government said. As a result, Volvo would establish a purchasing organisation in SA to source component parts.

SAAB will begin a programme to increase furniture procurement from SA using the Swedish furniture industry's global network.

Electrolux SA will become a preferred buyer and as a result develop production facilities in Cape Town and Bronkhorstspruit to manufacture floor care products

David Greybe — The SA Navy is acquiring four patrol corvettes, including support equipment, at a cost of R6,917bn. The ships were due for delivery from Germany to SA from the end of 2003. Defence Minister Moshuoa Lekota said yesterday.

The multipurpose ships, consisting of Blohm & Voss, Thyssen Werf and Thomson CSF, France, would be operationally ready by 2006, he said.

The SA Navy has no ships in this class having lost the last frigate-type 12-class ship to obsolescence in 1986.

"The corvettes would be the workhorses of the SA Navy," Lekota said. They are designed to carry one helicopter, "which would significantly improve and extend its surveillance, operational and sea-rescue capabilities".

The intention remained to equip each corvette with a maritime helicopter by the time it went into operation in 2006.

The corvettes' tasks would include regular patrols to protect SA's marine resources against poaching and pollution, law enforcement at sea with respect to piracy and the smuggling of drugs, weapons and other contraband, search and rescue missions as far south

as the Prince Edward and Marion Islands and support for land forces, as well as the transport of limited equipment and personnel in support of land action, especially during peacekeeping missions, Lekota said.

The first A109 helicopter from Agusta, Italy, would be delivered in 2003. Thereafter, about 10 of the twin-engine light utility helicopters would be delivered each year. SA will eventually acquire 30, including support equipment, at a cost of R1,949bn.

They would be operated at lower cost levels than the 40-year-old French Alouette III helicopters currently in service, Lekota said.

The helicopters are to be used for training, providing emergency medical services and humanitarian aid, search and rescue, forward air-borne control in operational conditions, patrol operations and SA Police Service support, he said.

They would also play a major role in internal security, border patrol and peacekeeping operations.

Submarines Manuel said SA would buy three Class-209 Type 1400 MOD diesel-electric submarines, with logistic support equipment, for R5,354bn.

They will be provided by the German Submarine Consortium, consisting of

Thyssen Nordsee Werke, Howaldtswerke Deutsche Werf and Ferrostaal, and would be delivered between 2005 and 2007.

The submarines would replace SA's French Daphne-class submarines, which have been in service since the 1960s "and for which certain spares have become obsolete", Lekota said.

With more than 95% of SA's imports and exports (in terms of tonnage) and more than 80% in terms of monetary value passing through the country's ports, "the SA Navy's primary function is to ensure that its seaborne trade is not threatened", Lekota said.

The submarines would be deployed to support international peacetime joint operations, "act as a deterrent against would-be future aggressors", patrol and protect SA's natural resources, and gather intelligence.

□ Hawk lead-in fighter trainer

□ The SA Air Force (SAAF) would acquire 12 British Aerospace-supplied Hawk 100s customised to meet specific SA requirements, for about R2,377bn.

The dual seat Hawks, which have a maximum level speed of Mach 0,85, would be "optimised for jet training as well as weapon-delivery training", Lekota said.

"Assuming a contract effective date of April 1 2000, the first 12 Hawks will be delivered by 2005 and the next batch of

Lekota details weapons acquisitions

Most of the arsenal will be delivered from end of 2003, with corvettes operationally ready in 2006

12 Hawks by 2006, if government should exercise the second tranche option," Lekota said. The Hawk would replace the SAAF's Impala trainers and would be used for jet conversion training, operational fighter training, fighter instructor training, search and rescue and border patrols.

□ Gripen advanced light fighter aircraft

The SAAF would acquire nine customised British Aerospace/SAAB-supplied JAS 39 dual seat Gripens for about R4,74bn, Lekota said. They will fulfil the role of an advanced light fighter aircraft for SA. The Gripen is a highly integrated multichoice aircraft, capable of flying air-to-air, air-to-ground and reconnaissance missions and has a maximum speed of Mach 1,4.

The nine Gripens would be delivered between 2006 and 2008 and the next batch of 19 single-seat Gripens between 2009 and 2011, again "subject to government exercising the option on the remaining aircraft", Lekota said.

The Gripens would replace SAAF's Cheekah D and Cheekah C, due to be phased out between January 2008 and December 2012. They would be used for tactical offensive fire support (land and maritime), counter air operations and interception, tactical reconnaissance, and "autonomous air operations and effective airspace control".

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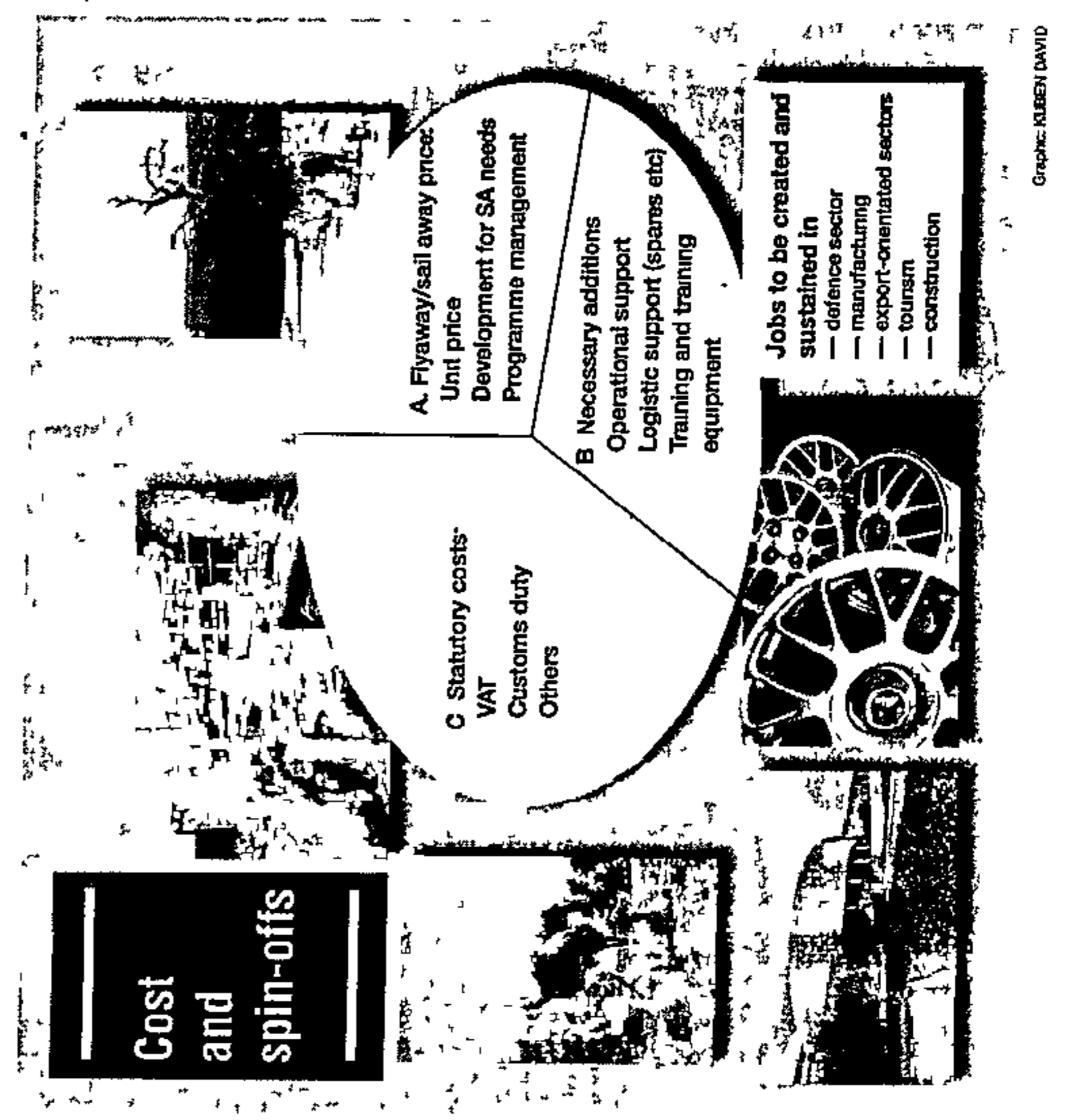
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PERSPECTIVES

Why SA needs military hardware

(284) 60/17/9/99

SANDF must be ready to deploy in southern Africa, writes Defence Minister Mosisoa Lekota

SHORTLY after I took office as defence minister in July I received thorough briefings on the proposed strategic defence package deals from the defence department, Armscor and industry, among others. These briefings revolved around the military requirements as well as products that had been selected to meet the needs of the SA National Defence Force (SANDF).

I am completely satisfied with the methodology that was used to select the preferred bidders and with the thoroughness, accountability and transparency of the process that has been followed over the past three years. They have brought us to the point where a decision could be made by the cabinet on Wednesday.

The initial stages of the process, during which tenders were solicited and adjudicated in order to determine the preferred bidders, was led by a strategic offers committee made up of representatives of the departments of defence, finance, trade and industry, and Armscor.

Subsequent to the decision by the cabinet in November last year on the preferred bidders, a sub-committee made up of the ministers of defence, finance, trade and industry, and public enterprises was appointed to oversee the final stages of the process.

The financial implications to the state—as well as the economic benefits that would accrue to the country as a result of the acquisition of the military equipment—were further investigated and final negotiations with the preferred bidders were conducted.

I welcome the appointment and involvement of the subcommittee of ministers in the process as this provided an independent and high level of involvement by other government departments in the total process. I also welcome the appointment by the cabinet of an affordability team to investigate the fiscal implications of the proposed acquisition as well as maximisation of the economic benefits that will accrue to SA.

I am satisfied with the appointment by the cabinet of an independent chief negotiator, Jayendra Naidoo who does not report to any single minister but rather to the committee of ministers.

Subsequent to the cabinet decision last November a negotiating team was appointed with representation from the departments of defence, finance and trade and industry as well as Armscor, to finalise all contractual and legal issues pertaining to the proposed acquisition.

of the negotiation process. The conclusion of the deals for the required military equipment brings extensive benefits to the SA defence industry, which has been suffering from severe cutbacks in local military spending during the past few years.

To cite a few examples of the benefits for the local industry: the deal to acquire the light utility helicopter from Agusta in Italy will result in a significant portion of the helicopters being manufactured locally by Denel. The agreement negotiated with Agusta also gives Denel the licence to manufacture the Al09 Power commercial version of the helicopter and to market it into Africa.

This agreement will serve to utilise and further boost the capacity and ability of Denel to manufacture helicopters in this country for the export market.

As a result of the acquisition of the Hawk and Gripen aircraft from BAe in the UK, a teaming arrangement between BAe, Denel and other local avionics suppliers has been concluded, whereby certain components for both of these aircraft will be exclusively manufactured and integrated in SA. This teaming arrangement will place the SA aeronautics industry in the international league of aeronautics suppliers and integrators, and will allow it to participate in international sales of the two aircraft.

In terms of the agreement that has been reached with a German frigate consortium for the supply of the corvettes to the SA navy, the combat suite will primarily be sourced from local industry. This agreement will bring about 20 local suppliers into a single project, providing a broad local industrial base for the development and supply of technology and systems of this nature.

On the need for the acquisition of the equipment the following: The last frigates in use by the SA navy were finally decommissioned during 1986. The last time the navy acquired any surface combat craft was when the Hero class strike craft were bought during 1974. These ships will become obsolete by 2004, after which the navy will have no surface capability if new ships are not acquired now.

The Daphne class submarines were acquired during 1986 and the last of these submarines will be decommissioned by 2005. Similarly, the decommissioning of the Daphne submarines will leave the navy with no underwater capability.

capability at all. At its peak, the air force operated 240 Impala and these aircraft will now be replaced by only 12 Hawk trainers as part of tranche one.

In order to put the acquisition of the new aircraft into perspective, it should be noted that the air force has significantly downscaled its force will possess no jet training

frontline capability over the past years. The last Mirage III fighter aircraft was taken out of service during 1994 and the Mirage F1 during 1996, and

The Chetah C and D frontline fighter aircraft acquired up to 1986 only have a usable life until 2010, after which they are due to be

decommissioned. Where the air force at one time operated a total of 54 frontline fighter aircraft, these will now be replaced with only nine Gripen fighters (tranche one), and later on by a possible additional 19 as part of tranche three.

During the past decade the defence department has undergone a major downscaling in its equipment inventory to what is now called a core force. The department's personnel budget has increased from 19% of the total defence budget in 1990 to 57%.

This significant increase in personnel costs is largely attributable to a change in national policy to move away from conscription to a full voluntary force, as well as to the integration of various statutory and non-statutory forces into the present SANDF.

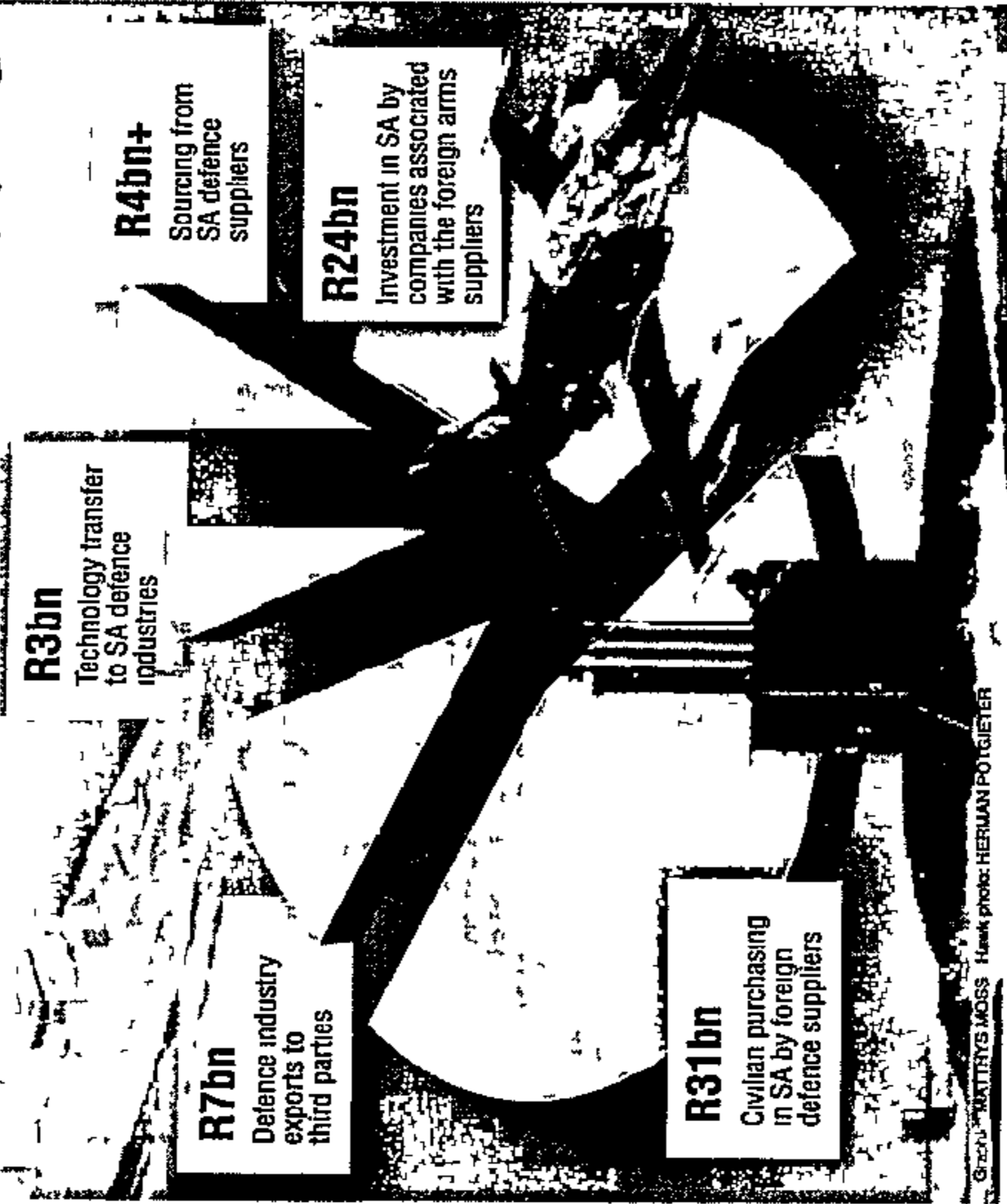
A process by which the personnel numbers of the department will be decreased has already begun and will be concluded in three to four years when the target level of 70 000 will be reached.

The recommendations now put before the cabinet with regards to the acquisition of new strategic military equipment represents a compromise between fiscal management, economic growth, and critical military requirements. Each of these elements have a huge impact on each other.

Without an adequate defence capability SA will not be able to fulfil its role as peacekeeper in southern Africa. The role that SA will play in providing stability in the region is of utmost importance if we are to achieve sustained economic growth in the region.

The importance of the SANDF being in a position to participate in peacekeeping operations in the region and to enforce negotiated solutions if necessary, cannot be overemphasised in order for the SANDF to fulfil this obligation, it is of great importance that it be sufficiently well equipped with modern military equipment.

Benefits to SA of the arms-for-investment package



Graphic: MARTIN MOSS. Head photo: HERMAN POTGIETER

No, we need social development

Real costs of projected arms purchases are far higher than stated, writes Guni Govindjee.

MORE arms fewer jobs, fewer social and health services the arms acquisition programme is a costly mistake.

While appreciating the cut in the acquisition programme to the short term will incur billions in the short term will

programme must not be allowed to disguise the fact that it is only part of a bigger expenditure programme for the SA National Defence Force. The SANDF is also acquiring 12 Rooivalk attack helicopters to the value of about R1bn.

New purchases will incur billions in the short term will

that they will not show up in the defence budget but will be an additional expense that will be mainly financed by incurring new debt. The cost of interest payments on the loans is also not yet reflected in the figures published and must be added to paint the full picture.

ly serves the purpose of making the deal more acceptable to the public. In the light of the assessment of the defence review that SA does not face any medium-term external threat but rather internal socioeconomic threats the Ceasefire Cam-

was appointed to oversee the final stages of the process.

The financial implications to the state—as well as the economic benefits that would accrue to the country as a result of the acquisition of the military equipment—were further investigated and final negotiations with the preferred bidders were conducted.

I welcome the appointment and involvement of the subcommittee of ministers in the process, as this provided an independent and high level of involvement by other government departments in the total process. I also welcome the appointment by the cabinet of an affordability team to investigate the fiscal implications of the proposed acquisition, as well as maximisation of the economic benefits that will accrue to SA.

I am satisfied with the appointment by the cabinet of an independent chief negotiator, Jayendra Naidoo, who does not report to any single minister, but rather to the committee of ministers.

Subsequent to the cabinet decision last November, a negotiating team was appointed with representation from the departments of defence, finance and trade and industry as well as Armscor, to finalise all contractual and legal issues pertaining to the proposed acquisition. I am totally satisfied that all aspects have been properly considered, and negotiated to the best interest of SA.

I am furthermore satisfied that full transparency and accountability was maintained throughout the negotiation process, by means of regular reporting to the appointed ministers' committee by the negotiating team. The team also made use of the opportunity to regularly seek guidance from the ministers' committee regarding the direction

teaming arrangements will place the SA aeronautics industry in the international league of aeronautics suppliers and integrators, and will allow it to participate in international sales of the two aircraft.

In terms of the agreement that has been reached with a German frigate consortium for the supply of the corvettes to the SA navy, the combat suite will primarily be sourced from local industry. This agreement will bring about 20 local suppliers into a single project, providing a broad local industrial base for the development and supply of technology and systems of this nature.

On the need for the acquisition of the equipment, the following:

□ The last frigates in use by the SA navy were finally decommissioned during 1986. The last time the navy acquired any surface combat craft was when the Hero class strike craft were bought during 1974. These ships will become obsolete by 2004, after which the navy will have no surface capability if new ships are not acquired now.

□ The Daphne class submarines were acquired during 1986 and the last of these submarines will be decommissioned by 2005. Similarly, the decommissioning of the Daphne submarines will leave the navy with no underwater capability, were the acquisition of new submarines not to be initiated now.

□ The Alouette III helicopters presently in use by the air force were acquired during the early 1960s and will finally be decommissioned during 2005. Where the air force operated with more than 90 Alouette III helicopters at its peak, they will now be replaced with only 30 Augusta light utility helicopters. It should also be noted that the original requirement for 60 of the new helicopters has since been



R31bn
Civilian purchasing
in SA by foreign
defence suppliers

By GUY LAWRENCE FOR THE MAIL AND HERMAN PONGIETIER

impact on exit.

Without an adequate defence capability, SA will not be able to fulfil its role as peacekeeper in southern Africa. The role that SA will play in providing stability in the region is of utmost importance if we are to achieve sustained economic growth in the region.

The importance of the SANDF being in a position to participate in peacekeeping operations in the region, and to enforce negotiated solutions if necessary, cannot be overemphasised in order for the SANDF to fulfil this obligation, it is of great importance that it be sufficiently well equipped with modern military equipment.

No, we need social development

Real costs of projected arms purchases are far higher than stated, writes Guni Govindjee

MORE arms, fewer jobs, fewer social and health services: the arms acquisition programme is a costly mistake.

While appreciating the cut in the acquisition programme to R21,3bn in the short term with a possible option of extension to R29,9bn in coming years, the Ceasefire Campaign registers its opposition to the decision.

The programme will contribute to a remilitarisation of the southern African region, it will burden the economy for many years to come, and it will drain vital national resources from sectors where they are desperately needed.

The focus of public attention on this latest arms purchase pro-

gramme must not be allowed to disguise the fact that it is only part of a bigger expenditure programme for the SA National Defence Force. The SANDF is also acquiring 12 Rooivalk attack helicopters to the value of about R1bn.

New purchases will incur big costs for the maintenance of weaponry and for training.

For example the training of one pilot for the Rooivalk helicopter costs about R4m and fuel costs will be exorbitant. All of these additional and consequent costs have not yet been included in the figure that is currently being quoted.

Payments for the acquisition will burden the national budget for many years to come. The costs will be financed "off-budget", meaning

that they will not show up in the defence budget but will be an additional expense that will be mainly financed by incurring new debt.

The cost of interest payments on the loans is also not yet reflected in the figures published and must be added to paint the full picture.

When "hidden" costs are taken into account the expenditure will be much higher than government's statement indicates.

Although government boasted that many jobs would be created, officials now admit that this is not a job-creation programme and will indeed create only a modest number of jobs. Claims that 64 000 or even 100 000 jobs would emerge are not substantiated, it is our view that the promise of job creation on-

ly serves the purpose of making the deal more acceptable to the public.

In the light of the assessment of the defence review that SA does not face any medium-term external threat but rather internal socio-economic threats, the Ceasefire Campaign calls on government to scrap the arms acquisition programme in favour of higher spending on reconstruction and development.

We also urge the cabinet to make the report of the special commission on the arms purchase programme public to facilitate an informed public debate on this matter that will affect people's lives for many years to come.

L Govindjee is a member of the Ceasefire Campaign.

Arms deal 'won't affect deficits'

ET (M) 17/9/99 (254)

LYNDA LOXTON

PARLIAMENTARY CORRESPONDENT

Cape Town - The government's planned R29,9 billion arms procurement deal was not expected to affect Budget deficit targets, Trevor Manuel, the finance minister, said yesterday.

At an inter ministerial briefing, Manuel said payment for most of the equipment would be spread over eight years with some payments, as in the case of the aircraft packages, extending over as much as 14 years.

The government would be able to cut the cost of the package to R21,3 billion if it cancelled orders for trainer and light fighters "if adverse economic circumstances demand it" Manuel said.

The details of cash flows will of course, be negotiated. The impact will be relatively attenuated and we believe it will be accommodated within the medium term expenditure framework.

"The indications from all the work we have done are that we will cover the payments without



TARGETING COSTS (from left) Trevor Manuel and Jayendra Naidoo present the financial aspects of the arms deal in Cape Town yesterday

PHOTO: NADINE BROWN

altering the deficit targets"

Asked which departments were likely to face Budget cuts as a result, Manuel said he would "deal with that issue on

Budget day in February. It is very clear some adjustments will have to be made.

"If government and parliament have both decided to have a

defence capability as set out in the Defence Review process, which was very open then clearly it will have cost implications"

Because the state would not exceed its Budget deficit targets it would not have to borrow a great deal more. Manuel said the interest burden had fallen from 7,6 percent in 1995/96 and was now down to 4,9 percent. The arms deal would probably push it up to 6,3 percent.

Manuel said the finer details of the deal and its consequences would now be "intensely" negotiated within the government and the public would have an opportunity to judge the results when the medium term policy statement was released next month.

On allegations that South Africa could have sourced cheaper equipment Jayendra Naidoo, the chief negotiator, said he was satisfied no premium would be paid.

The price of every piece depended on local specifications and was not directly comparable across countries, he said. "The prices we are referring to are within world standards"

Business Watch, Page 2, Procurement, Page 5

CAPE TIMES
FRIDAY, SEPTEMBER 17, 1999

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WEAPONS PURCHASE PLAN

'Arms won't affect deficit'

ET 17/9/99 (254)

FOREIGN suppliers in the R30bn arms acquisition deal would be obliged to create thousands of permanent jobs
Reports by Political Correspondent ANDRÉ KOOPMAN

THE arms acquisition deal could result in the creation of more than 65 000 jobs in reciprocal industrial commitments — or offset deals — estimated at about R104bn, government officials said yesterday.

Scepticism has been raised about the offset deals on the grounds that these have not always been successful in other countries.

Trade and Industry Minister Alec Erwin said arms suppliers would be held to their commitments through "performance bonds", whereby they would have

to channel 10% of the total value of a contract into an institution in South Africa if the supplier did not meet its offset requirements.

Meanwhile, Finance Minister Trevor Manuel said the arms deal is not expected to affect deficit targets.

He pointed out that payment for the arms — which include jet fighters, helicopters, submarines and corvettes — would be staggered over many years.

Four corvettes are to be delivered to South Africa from the end of 2003 to mid 2005. The aircraft

package, including 12 Hawks from the British Aerospace/Saab consortium, would be spread over about 14 years.

Chief arms negotiator Jayendra Naidoo, commenting on reports that some of the arms could be acquired much cheaper and that the government had been "stung", said prices quoted for ships and planes are often "sail away" or "fly-away" prices. Such equipment needs to be adapted to South Africa conditions, he said.

Costs included not only the unit prices but also operational support and training as well as VAT, customs duties, freight, export credit guarantees and programme management.

Defence Minister Patrick

Lekota said he was "happy" that the defence package would allow the SA National Defence Force to meet its constitutional obligation of defending the country.

It would also allow the country to meet its military commitments in the subcontinent, including peacekeeping and support operations.

Naidoo said the financing of the multi-billion deal, to be negotiated in dollars and euros, is expected to be finalised by the end of the year.

Meanwhile, Sapa reports that three diesel-electric submarines from the German Submarine Consortium, including logistic support equipment, are to be delivered between 2005 and 2007.

Thirty Augusta light utility helicopters from Italy, capable of carrying eight occupants each, are to be delivered over a period of several years from 2003, Lekota said.

Arms manufacturer Denel anticipates defence equipment orders of up to R3,5bn through industrial spin-offs from South Africa's arms renewal package.

The company said in a statement "The orders will benefit Denel's extensive network of sub-contractors, including small, medium and micro enterprises"

Erwin outlines some offset deals in the pipeline

TRADE and Industry Minister Alec Erwin has released details of offset deals linked to South Africa's arms purchases.

These include:

● The local development of new technology to produce automotive crankshafts for export.

● The sourcing of automotive components from South Africa intended for overseas markets,

including the US.

Proposals under consideration include:

● The manufacture of silicon for solar energy applications

● The establishment of a stainless steel plant, possibly in the Eastern Cape.

● The manufacture of stainless steel kitchen sinks and cutlery

● The establishment of a plant

to produce special steels (bar and wire products), most of which are currently imported.

● The establishment of a purchasing organisation to source car parts, including alloy wheels, starter motors, wiper motors and catalytic converters. Volvo has undertaken to provide South African suppliers access to export markets.

IS THIS BODY STILL NEEDED?

Kept going by old-era law

FM 17/9/99

Last week, Armscor handed over its annual report to the Parliamentary Standing Committee on Defence. While operating as a separate entity the body is State-owned, falling under Defence. Its mission is simple. To meet the acquisition needs of the Department of Defence and other government departments of the RSA, in terms of armaments and related products and services to maintain key industries and technologies, as well as to market and promote the local defence related industry.

Armscor has celebrated its 50th anniversary and under non executive chairman Ron Haywood and CEO Llew Sivan has a rainbow spectrum of officials serving the new defence establishment. Senior manager (industrial participation) Johan van Dyk is overseeing the countertrade benefits of the projected R24bn R30bn acquisition package.

However that package — including corvettes, submarines, helicopters and fighter jets — has become the target of corruption allegations and a coordinated antimilitarist assault. As important for Armscor is whether it is needed at all.

In its report Armscor does strive for transparency, as well as setting the record straight on the timing of payments. Full acquisition will take 16 years.

Purchases are to be in phase with financial planning so that, over time, the Defence budget — at 1,5%-1,6% of GDP — will allocate 30% of its funds to capital equipment. According to its income statement, Armscor received R163,2m for 1998/1999 of which R161,3m went to operating expenditure and a mere R1,9m for asset acquisition.

Though the report has been signed off by the auditors (KPMG and Gobodo Inc), many details are shrouded in fog. The reason is simple. In terms of the Armaments Development & Production Act (1968) the Minister need not disclose the contents of the report if in his opinion it jeopardises the safety of the State. The Minister also nominates the auditors. And the auditors in turn state that their report complies with the provisions of the Act.

In short, a law designed to shield the activities of an arms acquisition body serving the apartheid State — under an arms embargo — remains in force.

Peter Wilhelm

Arms deal expected to create 65 000 new jobs

(173)
(254)

DD 17/9/99

David Greybe

CAPE TOWN — The R29,9bn to be spent on re-equipping the SA National Defence Force over the next 12 years would generate about R70bn worth of inward investment, exports and local procurement by foreign companies, government said yesterday.

At the same time, Finance Minister Trevor Manuel said the deal would not negatively affect the budget deficit.

Trade and Industry Minister Alec Erwin said that the more than 40 countertrade investment deals which were part of the arms package ought to create at least 65 000 new jobs, mostly in manufacturing and many of them skills-intensive.

The countertrade investment should mean that the package would have a neutral effect on the country's economy. "An investigation of international experience suggests that the ratio between benefits and costs which SA has achieved is probably unprecedented," Erwin said.

The cabinet agreed to a two-phase purchase deal this week. In the first phase R21,3bn would be paid over eight years for four patrol corvettes, three submarines, nine Gripen light fighter

aircraft, 12 Hawk jet trainers and 30 Agusta light utility helicopters.

The second gives SA the option to buy a further 19 Gripens and 12 Hawks for R8,5bn by no later than 2004, to be paid over the next 14 years.

Defence Minister Mosiuoa Lekota said only adverse economic circumstances would result in SA exercising its "no-penalty" refusal option under phase two of the package.

Erwin said while the total contracted commitments amounted to R104bn, "the actual economic benefit deriving from these commitments will amount to about R70bn over a period of 11 years".

The benefits would come in three forms.

Defence-related offsets worth R14,5bn. Local defence firms will earn more than R4bn via direct participation in the production of the aircraft and ships being procured. The suppliers will also transfer technology worth about R3bn in royalties and licence agreements to SA firms, and will direct other export orders worth more than R7bn to local firms.

Counter purchase by the defence equipment suppliers of SA goods to the value of R31bn, and

Foreign investments — making up the remaining R24bn — in SA by companies associated with the equipment suppliers.

Chief negotiator Jayendra Nalduo said the process achieved substantial savings and yielded significant measures for government to minimise the risks of a large import-orientated procurement of this kind.

For instance, cash flows were significantly altered to bring the annual payments in line with available funds.

Nalduo said the outcome of the loan negotiations allowed government to pay for all the local content in rand.

In addition all the payments in foreign currencies will now be financed from officially supported export credit loans "on terms which are highly attractive". About R300m was saved through price reductions.

Public Enterprises Minister Jeff Radebe said the cash-strapped state arms manufacturer Denel would benefit from the package by more than R3,5bn over the next seven to 10 years. New technology transfers to Denel would amount to a further R3,1bn.

More stories. Page 6
Why SA needs arms hardware. Page 11

Tempe time bomb

British experts warned army bosses that base was racial powder keg

HENRY LUDSKI, MZILIKAZI WA AFRICA and MICHAEL SCHMIDT

BRITISH military advisers warned the government two years ago that the Tempe military base in Bloemfontein, where a black lieutenant shot dead six white officers and a civilian woman before being fatally wounded on Thursday morning, was a racial powder keg waiting to explode.

In a series of confidential reports, copies of which are in the possession of the Sunday Times, the British military advisory and training team warned of the "far-reaching" implications of the hardening of race attitudes at the 1 SA Infantry Battalion in Bloemfontein by the military top brass towards former guerrillas in their ranks. The Tempe base is located within 1 SA's precincts.

Defence force officials, including SANDF chief General Siphiwe Nyanda, have played down suggestions that the killing spree was race-related.

But the mother of Lieutenant Sibusiso Madubela, who shot and killed six officers and a white woman administering wages, is adamant that he was the victim of racial abuse at the base.

Tiny Madubela, a 59-year-old widow, told the Sunday Times at the family home in Umata yesterday that her son had been stabbed by a white colleague at the base in a racial incident, but there was no record of the stabbing on Madubela's file at the base. "My son has been a victim of racism at work. He was once stabbed by his white colleague and had been complaining for years that his white colleagues had been victimising him."

"He refused to take a package because he loved his job. He was well-disciplined and very quiet; a God-fearing person who could not hurt a fly."

Madubela opened fire on the white officers after his pay was suspended as punishment for going AWOL for seven days after he took five days' leave to attend the funeral of his father.

The children they left behind

— Page 2

former member of the Azanian Peoples' Liberation Army

Willie Els, the grieving father-in-law of Sergeant Willie Nell, the last officer to be gunned down by Madubela, said he felt sorry for the killer despite the tragedy. He said Madubela "went on his own mission he hated the white man."

Defence Minister Mosiuoa Lekota said yesterday he planned to speed up the transformation of the defence force "I am having ongoing discussions with the British team and the chief of the SANDF, Siphiwe Nyanda. We are working full steam on a number of fresh plans which I plan to announce soon."

However, Lekota said he was not prepared to comment on the content of the British reports for fear of jeopardising the relationship between the team and the SANDF command structure.

The British reports listed cases which were wrongly handled by military leaders at military bases including:

- A white warrant officer who locked three former liberation army fighters in a room and sprayed it with teargas, an incident described by then Defence Minister Joe Modise as "revolting";

- Disproportionately heavy punishment meted out to 187 former liberation fighters who were found guilty of mutiny, degraded in rank and in certain cases discharged after protesting over deployment allowances

- The unsatisfactory handling of the certification of liberation movement fighters, and

- "Shoddy" training of senior officers. At the time Modise said "The SANDF cannot afford any incidents which appear to result from racism."

Lekota has ordered a full-scale inquiry into the massacre at the base. He told the Sunday Times he wanted to know as a matter of urgency:

- What the contributing factors were, and
- What substance could be attached to reported claims a few days before of a general state of lawlessness, gun-running and vehicle theft at Tempe.

Saying that the killing did not appear to be premeditated, Lekota posed a number of searching questions about the combination of factors which may have led to the slaughter.

"We want to go inside and look at this young man. He recently lost his father. What was the impact of the loss? Nobody has psychoanalysed what the relationship was between him and his father."

But he added that he preferred to avoid speculation ahead of the inquiry for fear of creating a body of opinion that might serve to discredit its findings.

MICHAEL SCHMIDT

IN THE heart of a city where artillery shells are used as door-stops and the army is a defence force employees died in a hail of gunfire this week.

As the stunned residents of Bloemfontein grappled with why a "straightforward" infantry officer rampaged through 1 SA Infantry Battalion on Thursday with his R4 rifle blazing, racism reared its head as his most probable motive.

A special police investigations team and Director Paul de Kock were reluctantly forced to admit on Friday that Lieutenant Sibusiso Madubela, 28, a former Apla cadre from Umata, had brushed aside black colleagues to kill six white officers and a white civilian woman and wound five white soldiers.

The acting officer commanding Free State Command, Brigadier-General Hans Heitze, appealed for calm as emotions at Tempe military base threatened to boil over.

Madubela's reasons for picking only white victims would "pour oil on the flames", making "both sides [white and black soldiers] more aggressive".

"If we are talking in terms of relationships between the various races, my soldiers and my civilian people work with each other — on the sports field, in the lecture room and socially," Heitze said.

Battalion commander Lieutenant-Colonel Jan Wessels, who would have been Madubela's first target had he not been away, dismissed suggestions that the attack was racially motivated, saying his 800-strong unit of mostly black soldiers was "like a family".

He said he believed the trigger which made the "straightforward" infantry officer "lose his head" was the suspension of his pay after he went absent without leave for 12 days.

Madubela had been given five days' leave to attend his father's funeral, but failed to return on August 28.

1 SA, the mechanised infantry battalion of the SANDF's rapid deployment force, which saw action in Lesotho, has an

Countdown to slaughter

ST 19/9/99 (A74)

Rumours of racism as emotions run high

80 percent black leadership core. Troops are 95 percent black. The highest rank held by a black is that of major, one level below Wessels.

But despite official denials of tensions at Tempe, a visibly angry white non-commissioned officer hinted at race-related disciplinary problems, saying: "There's not a colonel here that hasn't been threatened with his life by his troops."

Following the shooting, Defence Minister Mosiuoa Lekota warned that soldiers who still thought of themselves in terms of the armies and guerrilla groups they had belonged to before integration had no place in the SANDF.

Madubela was shot dead by one of his wounded victims, Sergeant-Major Aldo Mattheus. Told there was nothing to prevent Madubela being given a military funeral, his family wished it, a white sergeant said.

"I'll take his beret and throw it on the floor in front of his mother and piss on it."

But another white soldier added "We'd feel the same way if he was white."

The hero of the shooting, San-lam adviser Abrie Kleynhans, who chased the killer while calling the police on his cellphone, said Madubela had ignored a crowd of about 20 black troops waiting for haircuts and entered headquarters, deliberately targeting white officers.

Bleeding bodies littered the bloody trail through the HQ, where he found Coetzer lying on his back, dying of a shot to the head.

He then followed Madubela's white survivors down the corridor. "I heard later he passed a Major Majola, looked him in the eyes and ran on," Kleynhans said.

Madubela was still going from building to building, shooting. Kleynhans ran to the main gate. But when the Flying Squad arrived and heard the shooting was still going on, they refused

to proceed, saying they were "under orders to wait for back-up."

"I'm really pissed off with the police," said Kleynhans. "They were the only ones there who were armed and people were dying."

He eventually got a ride with a group of paramedics but by then another two people, including Madubela, lay dead.

Wessels said Madubela had drawn his R4 from the store shortly before the massacre because he was due to take his 60-member company to the shooting range at De Brug outside the city that morning.

But questions remain as to how the killer managed to get ammunition from the duty room, where he later shot dead Sergeant Eric Douglas, 29.

Douglas's widow, Annelize, 24, declined to say what she thought of Madubela.

"Broken, dead. I don't know how to feel," she said. "I never thought such a thing could happen. I know most of those killed, and their wives it's unreal."

One of the survivors, Captain Jan Steenkamp, 35, who was shot in the shoulder when he tried to phone for help, said "The worst thing is all my friends. This is very bad."

"Just this morning [Thursday], my wife and I were discussing the massacre in Texas." His wife, Frieda, said. "Jan called me on his cell and said he was lying on the floor. I thought he had fallen, but he said he had been shot."

The bodies will be released to their next of kin once autopsies have been carried out.

A pall of sorrow hangs over Bloemfontein. The string of funerals is expected to begin on Wednesday.

Naidoo's 'tough but fair' negotiating skills pay off

(254) BD 28/9/99

Chief arms negotiator emerges from SA's biggest defence deal with his reputation intact, writes Bernard Simon

JAYENDRA Naidoo's negotiating skills have been tested to the limit over the past nine months. But the former trade unionist appears to have emerged from the arduous talks on SA's biggest-ever defence contracts with his reputation intact — and perhaps even enhanced.

"We think he's a tough negotiator, but he's also a fair one," says Sven Moeller, project manager for the local subsidiary of Thyssen, the German industrial group that is a part of the consortium chosen to supply four patrol corvettes.

Naidoo, who turned 39 earlier this month, led the three SA teams that locked horns with 18 international suppliers and four European banks to nail down the contracts, including financing arrangements and the all-important investment and trade commitments made by the successful bidders.

"We had to be stubborn and flexible at the same time," says Naidoo. "Stubborn on what we wanted from the issues, and flexible on how we got them."

The tensions surrounding the negotiations attest to Naidoo's stubbornness. One infamous meeting with the German submarine consortium — by all accounts the toughest nut for the South Africans

to crack — dragged on until 4am. An official in another consortium recalls that "we had walkouts from both sides."

In another episode, Naidoo called off a scheduled meeting after a group of bid negotiators had already boarded a plane from London to Johannesburg. "It was not our intention to deliberate to deliberate," he retorted.

"But we were sending a message that if you want a meeting, you need to have a firm agenda and a mandate."

Flexibility, however, ultimately won the day. The cabinet approved deals last week worth at least R21.3bn and as much as R29.9bn if all options are eventually exercised.

The equipment on order he was executive director of the

includes jet fighters and trainers, corvettes, submarines and helicopters. The winning bidders have also promised to come up with a wide range of defence and industrial "offset" projects.

Durban-born Naidoo is nothing if not a seasoned negotiator. Starting as an organiser at the SA Commercial Catering and Allied Workers Union in the early 1980s, he moved to the head office of the Congress of SA Unions in 1992 as negotiator for Cosatu and SA Communist Party delegation to the National Peace Accord talks in 1991.

News-maker

Jayendra Naidoo Government's chief arms negotiator



Jayendra Naidoo

National Economic Development and Labour Council (Nedlac), where his job was to build bridges between business, labour and government on a wide range of often intractable policy issues.

One former colleague remembers Naidoo as a quick study "who likes to look at the big picture. He tends to spread himself a bit thin because he is interested in so many different things."

His mental agility was in evidence at last year's jobs summit when he took the chair at Nedlac used to joke that his picture appeared in the papers more often than many politicians (Naidoo retorts "I don't see myself as a publicity hound I'm a pretty normal person").

He acknowledges that learning the ropes of the weapons business was "a bit of a struggle". His own efforts were focused on the negotiating group that dealt with non-defence industrial participation deals. (The other two groups

involved technical specifications and prices, and defence-related offset projects.)

But negotiating with arms manufacturers was not much different from dealing with employers in his union days. "They all belong to the

same species, these fellows," he says with a chuckle.

With the arms talks out of the way, what will Naidoo do next? After a short holiday, he plans to pursue his already substantial business interests.

He is a director of Worldwide African Investment Holdings, an empowerment group with stakes in, among others, the oil industry (Africoil and Zenex), media (African Media Entertainment) and financial services (Regaland Alexander Forbes).

Naidoo appears especially fired up by his involvement in Motu, a "quite interesting" (as he describes it) company that is developing smart cards for consumer and financial services. Its shareholders include taxi associations, trade unions and community associations. Naidoo helped set up the company and is currently its chairman.

One safe bet is that he will not be short of job offers.

Joe Makobe, a fellow director at Worldwide, observes that "we wouldn't have approached him if we had any doubts about his business acumen and abilities."

'SANDF sitting on a time bomb'

2/19/97

Sandhu

By Gershwin Chuenyane

The National Youth League (NYL) is a political organization that has been active in the struggle for the liberation of South Africa. It is a part of the African National Congress (ANC) and has been instrumental in the formation of the South African Defence Force (SADF). The NYL has been accused of being a front organization for the ANC and of being involved in the recruitment and training of guerrillas. It has also been accused of being involved in the sabotage of infrastructure and the assassination of government officials. The NYL has been a major force in the anti-apartheid struggle and has played a key role in the formation of the new South African government. It is a highly organized and disciplined organization and has been instrumental in the success of the anti-apartheid struggle. It is a part of the African National Congress (ANC) and has been instrumental in the formation of the South African Defence Force (SADF). The NYL has been accused of being a front organization for the ANC and of being involved in the recruitment and training of guerrillas. It has also been accused of being involved in the sabotage of infrastructure and the assassination of government officials. The NYL has been a major force in the anti-apartheid struggle and has played a key role in the formation of the new South African government. It is a highly organized and disciplined organization and has been instrumental in the success of the anti-apartheid struggle.

Tempe murders a typical example of workplace violence — forensic psychologist

GILL GIFFORD

LAST week's bloody rampage at the Tempe Military Base in Bloemfontein in which a soldier shot dead seven colleagues could trigger more mass murders — which are already an increasing phenomenon in South Africa.

Mick Pistorius, an internationally known forensic psychologist, said yesterday that the Tempe massacre was a typical example of workplace violence perpetrated by a person who was at the end of his tether and felt he had nothing left to lose.

The latest tragedy follows a recent incident

in which a Soweto teacher, Charles Raboroko, shot dead three fellow teachers in the staff room.

According to Pistorius, people who resort to mass murder generally fit a particular profile and give warning signs before they snap.

"A person who resorts to such violence is someone who has let go. Someone who is at the end of his tether, feels he has nothing left to lose and that there is no way out — a type of person who is extremely dangerous," she said.

Mass murderers generally felt all their reasons for living had been taken away. They had weak

inter-personal relationships and a general paranoid feeling that others "are out to get them".

The killing spree of Lieutenant Sibusiso Madubela, 28, the man who shot dead six white officers and a civilian woman during a 15-minute rampage at the 1 SA Infantry Battalion, ended when he was shot dead by colleagues.

Madubela had taken more leave than he was given after his father's death, and returned to work to find his salary had been suspended. The suspension of his pay is believed to have sparked the murders.

"If this man had not been shot he would

have carried on killing, although it was something more than a simple racial attack," Pistorius said.

Pistorius, working on basic information gathered from news reports of the Tempe massacre, described Madubela as a person who felt he had been driven too far, possibly suffered some kind of personality disorder, found it difficult to get along with others and generally felt life owed him something.

She said mass murderers snapped as a result of a build up of factors. "People don't just wake up one day and snap. It's not a senseless thing. There are signs

along the way. The final rejection or incident that sparks the murders is generally the last straw in a build up that drives them over the edge," Pistorius said.

Warning signs included a person's threats to kill, the sudden acquisition of a firearm and a sudden desire to get their wills in order.

It was difficult to draw a specific profile of a mass murderer, but they included "people who have a keen interest in weapons, loners, bullies, people who don't allow others to get close to them and those who identify themselves with other killers".

Pistorius advised companies to adopt a

workplace violence policy and have a plan in place for emergencies.

"If someone snaps at work and takes a hostage, few companies have a floor plan available. Most would not know how to cut the water and electricity to a particular area in a large building or how to secure the premises if an employee was in danger from a stalker or abusive partner. In fact, a basic procedure such as who should phone whom is often not known," said Pistorius.

She predicted an upswing in mass murders, as highly publicised killings tended to spark other incidents.

TRANSFORMATION HAS LONG WAY TO GO

at 22/9/99 (254)

SANDEF a 'racial volcano'

THE KILLING of eight soldiers at Tempe military base shows that South Africa is sitting on a racial volcano, parties say. Political Correspondent ANDRE KOOPMAN reports

POLITICAL parties said in a National Assembly debate yesterday that the killing of seven white troops by a black soldier who was himself shot dead had highlighted an "explosive situation" in a defence force fraught with racial tensions.

They called for an honest, reasoned approach to racial and integration problems in the defence force, which should be faced head-on, as they posed a grave threat to the country.

The British military advisory and training team overseeing integration had repeatedly warned of racial tensions at Tempe.

And former defence minister Joe Modise had reportedly tongue lashed former chief of the army General Reg Otto because of continual problems at the base between old guard members of elite units based there and former members of liberation formations.

Last Thursday Lieutenant Sibusiso Madubela shot dead six white officers as well as a white civilian woman on the base, and shot and wounded five white soldiers

said that overall, "groundbreaking progress" had been made in the defence force. The incident should be seen as a "shocking reminder" that the process of transformation and change had a long way to go.

Velaphi Ndlovu of the Inkatha Freedom Party said it is important to recognise that transformation deals not only with race but with former enemies working together to put aside the past, which is "never an easy task".

United Democratic Movement leader Bantu Holomisa said Parliament should adopt a more "hands on" approach to military affairs since "this house is not fully familiar with stresses and strains remaining in the SANDF".

Worse still was the lack of action after the situation was brought to the attention of the authorities.

Federal Alliance leader Louis Luvt said the Tempe incident "could be the fuse that ignites all out racial conflict in country".

This could "explode into a volcanic inferno" if the government did not act swiftly and decisively "to quell fears of the public in general and white servicemen in particular".

"The achievement of the last

five years could not be lost and restore tranquility to a shaken society".

Mosibudi Mangena, leader of the Azanian People's Organisation spoke of "split loyalties and poor administration" at Tempe.

Arms has been stolen, he pointed out.

The nation cannot afford a defence force that is "divided against itself". How could it protect and defend the country if its members "train guns on each other".

Former defence force chief and Freedom Front leader General Constand Viljoen said there was a perception of racism, lack of discipline and personnel management in the defence force. There were also perceptions that transformation had led to interference in the military. It was necessary to find out if other units were experiencing the same problems as Tempe.

The New National Party's H A Smit said the "responsible opinion" would be to research the root causes of the incident and that steps should be taken to prevent a possible repetition.

"South Africa needs cool heads and not people who want to capitalise on emotions," Smit added.



HONOURS Twelve black parachutists from 44 Parachute Brigade at Tempe formed the guard of honour for their slain comrade, Major Jacques Coetzee as his coffin was placed on a gun carriage after his funeral service yesterday. PICTURE: CHARL LOMBARD

Mbeki 'supports inquiry into SANDF'

22/9/99 (254)

David Greybe

CAPE TOWN — President Thabo Mbeki had thrown his weight behind a wide-ranging ministerial inquiry into the SA National Defence Force (SANDF) following last week's killings at Tempe military base, Defence Minister Mosuoa, Lekota told Parliament yesterday.

During a special debate in the National Assembly the African National Congress (ANC) called for the transformation of the SANDF to be speeded up.

"I would urge all South Africans to see this act as a shocking reminder that the process of change and transformation still has a long way to go, rather than (as) a catalyst for chaos," said ANC MP and member of the defence portfolio committee, James Ngcuku.

"We have, as Parliament and as MPs, a very distinct responsibility to ensure that the transformation of the defence force is speeded up," said Ngcuku.

Democratic Party MP and defence spokesman James Selfe requested the snap debate to discuss last week's fatal shooting of six soldiers and a civilian employee by a colleague.

Selfe said the various inquiries into the killings had to look at four specific issues: recruitment and training, control over weapons, the

integration process and discipline.

There was also the issue of racial tension. "We could be sitting on the edge of a racial volcano," he said. It was important therefore that the inquiries got to the bottom of the matter as soon as possible.

Lekota told MPs the ministerial inquiry was necessary because the scope of the SANDF's own internal board of inquiry into the shootings was limited by law. Mbeki and Deputy President Jacob Zuma had both backed a ministerial inquiry.

The defence force inquiry had already started its work and was expected to report in about two to three weeks, Lekota said.

He would announce the members of the separate ministerial commission of inquiry soon, including its terms of reference, which would be much broader and therefore take much longer.

Ntsiki Mashimbye, ANC MP and chairman of the joint standing committee on defence, said the inquiry should include members of this committee. He also called for the urgent reconstruction of the parliamentary integration oversight committee.

Meanwhile, Sapa reports that Lekota had told Parliament's defence committees earlier that the lieutenant who killed seven of his colleagues would not be buried with military honours.

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ME OUT

EDUCATION

Now as Friday
November 24 is a
holiday. Watch
Community News
today.

No honours in death for soldier

(254) *Secretary 22/9/99*

By Waghied Mlsbach
Political Correspondent

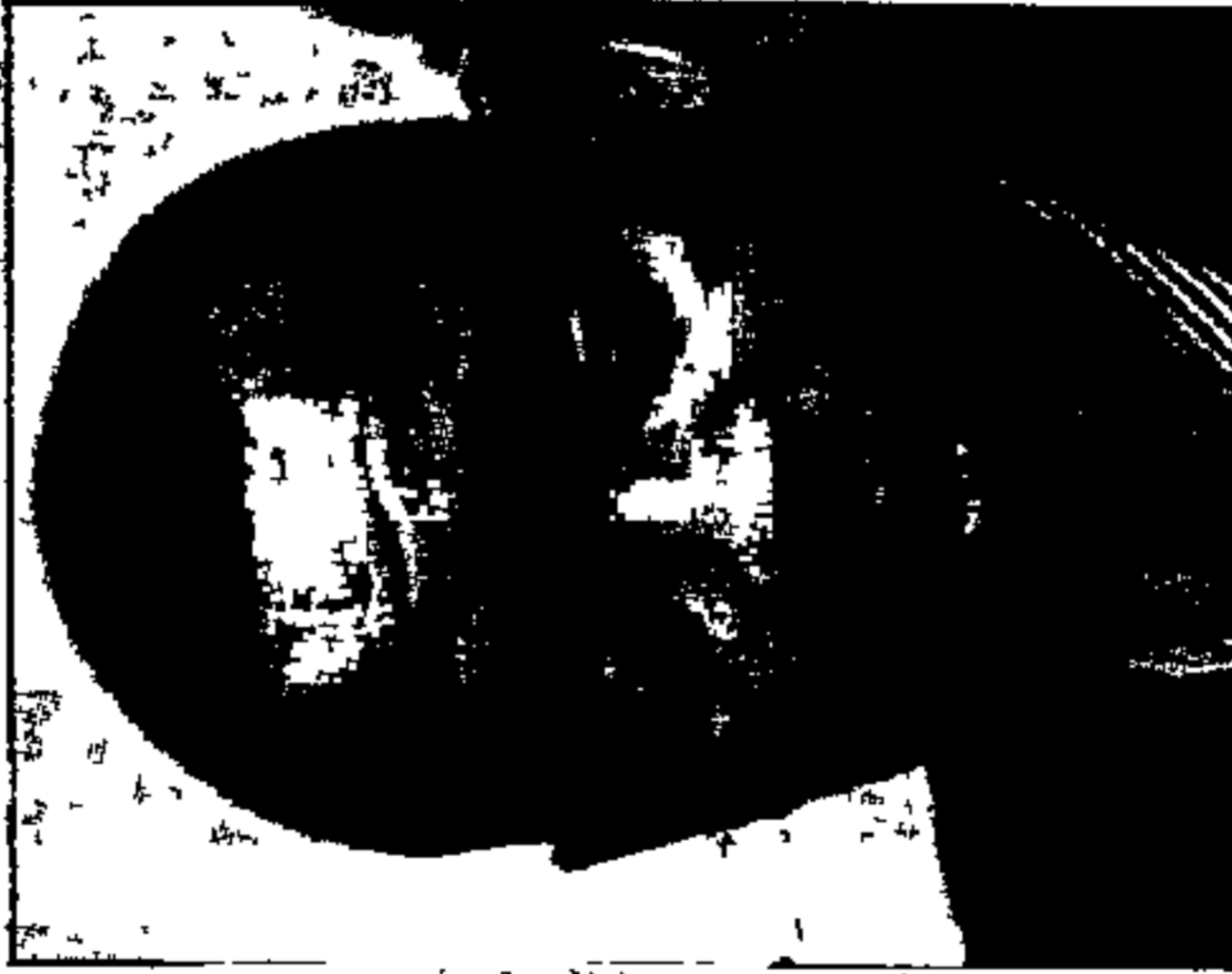
THE SOLDIER who went on a shooting rampage at the Tempe Military Base in Bloemfontein last week - killing seven colleagues and wounding five others - will not be buried with full military honours, it was decided in Parliament yesterday.

And in a dramatic turn of events at the troubled base, Defence Minister Mosiuoa Lekota revealed that the Government will launch an investigation into whether "certain pockets" of rightwing groups are arming themselves with weapons stolen from the Tempe base.

Lekota revealed that a few days after the shooting thieves broke into the base, stole an army vehicle and left behind a slogan from an extreme rightwing organisation.

The slogan read, *Ons Kom Weer - BWB (We Will be Back - BWB)*. Lekota said BWB stood for the Boere Weerstand Beweging.

He also said the BWB had issued a statement on September 16 calling on



Defence Minister Mosiuoa Lekota

its members to avenge last week's killings at Tempe.

Lekota confirmed that the South African National Defence Force would cover the funeral expenses of Lieutenant Sibusiso Madubela, but it would "not be right" for the army to confer military honours on a person who had taken the lives of others.

The Government would appoint a

full ministerial inquiry into the reasons for the killings. This task team would have wide-ranging powers to investigate the general state of Tempe, and other army bases.

It would also investigate the theft of weapons from various army bases over the last few years, including an inquiry into racial integration and the progress of integration of former liberation armies with the old army.

The task group would have wider powers than the current board of inquiry that is focusing on the circumstances that led to Madubela's shooting spree.

Lekota said he had sleepless nights deciding whether Madubela should be buried with full military honours. "I am an African, like Madubela is an African. But surely it would be wrong for me to agree to honour somebody who has done what he has done."

He said this decision, taken after lengthy consultation with army chief General Siphwe Nyanda, was "not to pass judgment" but to send a message to other soldiers that this type of behaviour would not be tolerated.

Madubela apparently went on the

shooting spree because his salary, or part of it, had been withheld by the Tempe Command.

It was not clear at this stage why his salary was withheld, said Lekota. On the day of the killing Madubela had gained access to his weapon and ammunition for training purposes. He was eventually shot dead by a colleague who was wounded during the attack.

The Tempe Military Base has recently made news headlines following the theft of a number of weapons.

Lekota confirmed that since January, 10 weapons, including a number of R-4 assault rifles and hand-guns, had been stolen from the base. He denied recent reports of widespread theft of weapons from the base.

Two years ago soldiers from the Tempe base were also implicated and charged with hijacking a military vehicle and killing their colleagues in the car.

Pan Africanist Congress president Dr Stanley Mogoba said they wanted a full military funeral for Madubela but accepted Lekota's ruling.

Arms deal a 'compromise'

MTC 17-22/9/99 (254)

Howard Barrell and Barry Streek

South Africa's reduced R21.3 billion international arms deal represents an uneasy compromise between government ministers who have been arguing over the size of the deal for the past year.

The ministries of defence and of trade and industry enthusiastic supporters of the deal, came under heavy pressure from Minister of Finance Trevor Manuel and his senior officials.

Manuel was determined to ensure that the conservative fiscal policies he and his department have fought hard to put in place in recent years were not disturbed to pay for the armaments. Finance did not want to have to increase government borrowing to pay for the deal.

Other pressures for reduction in the size of the deal came from the major spending and delivery ministries, such as education, health and welfare, which feared the deal could eat substantially into their own budgets.

Significantly, the government claimed in a briefing paper on the deal, released on Thursday, that it would not cause the state to exceed its budget deficit target in coming years or raise its interest burden.

The government also stated, delicately, that it did not expect the deal to cut into the budget allocations of other departments excessively.

South Africa is buying three submarines and four corvettes from Germany, 30 light utility helicopters from Italy, nine dual seater Gripen fighter aircraft from a joint Swedish British consortium and 12 Hawk trainer aircraft from Britain at a total cost of R21.3-billion.

If South Africa exercises its options to buy a further 19 Gripen fighters and 12 Hawks — which Minister of Defence Mosisoa Lekota said it "most probably" would — the total cost of the deal will rise to R29.9-billion.

Minister of Trade and Industry Alec

Erwin was a strong, though qualified, supporter of the deal, seeing it as an opportunity to draw billions in fixed investment into the country from the successful arms suppliers.

But the Ministry of Finance and a number of other economic analysts doubted that much of the offset investment into South Africa promised by the successful bidders would materialise. The government admitted as much on Thursday at the briefing on the deal in Cape Town.

It said in a paper "Government is naturally aware that the risk of the Defence Industrial Participation and Non defence Industrial Participation programmes not materialising fully is intrinsic to the procurement."

Similar offset deals reached between smaller countries and the major arms producing nations have more often than not failed to produce the benefits promised. An exception was Australia which — apparently because of its relatively sophisticated industrial base — managed to ensure that two American guided missile frigates and ANZAC Class frigates were built in Australia, and that 21 Hawk Lead In Fighter trainers

were assembled in Australia in the course of a major international defence procurement programme in 1996/97. Australia managed to spend more than half of its R10-billion on major and minor capital equipment inside Australia.

The South African offset deal in industrial participation projects is supposed to result in total contracted commitments of R104 billion.

The deal takes three forms:

- Defence related offsets: R14.5 billion, with local defence firms earning over R4-billion through direct participation in the production of aircraft and ships.

- Suppliers will also transfer technology worth about R3 billion in royalties and licence agreements to South African firms and will direct export orders to South African firms for more than R7 billion.

- Counter purchase by the defence equipment suppliers of South African goods,



Minister of Finance, Trevor Manuel

worth R31 billion, including automotive components, furniture, fabricated metal goods including railway wagons and electronic goods.

- Foreign investment in South Africa by companies associated with the equipment suppliers estimated at R24 billion.

The investments are supposed to include projects for a steel mill to make auto body steel for cars for export and galvanised sheet which at present is being imported, the production of automotive crankshafts at Atlantis, a stainless steel plant, a steel mill to produce special steels for tool bearing, engineering and forging steels, manufacture of gold chains by a gold manufacture jewellery firm, the manufacture of mohair products, a Volvo purchasing organisation to source component parts including alloy wheels, starter motors, wiper motors and catalytic converters, a manufacturing facility, originally planned for Hungary, to produce base stations for use in extreme climatic conditions, a fish processing facility, a programme to increase furniture purchases in South Africa for Sweden and the production of circuit breakers.

Various other projects are under consideration including the manufacture of kitchen sinks from stainless steel, the manufacture of cutlery, an ostrich skin tannery, a British Aerospace Industrial Park, an industrial agri business park, and other manufacturing projects.

M+G @ 23-30/9/99 (254)

Lekota takes charge of Tempe

Howard Barrell

Minister of Defence Mosiuoa Lekota returned to Tempe military base outside Bloemfontein on Wednesday to resume his hands-on treatment of the crisis there after a young black officer shot dead seven white officers and army support staff, and wounded five others.

Lekota was also due to attend the funerals of a number of the dead.

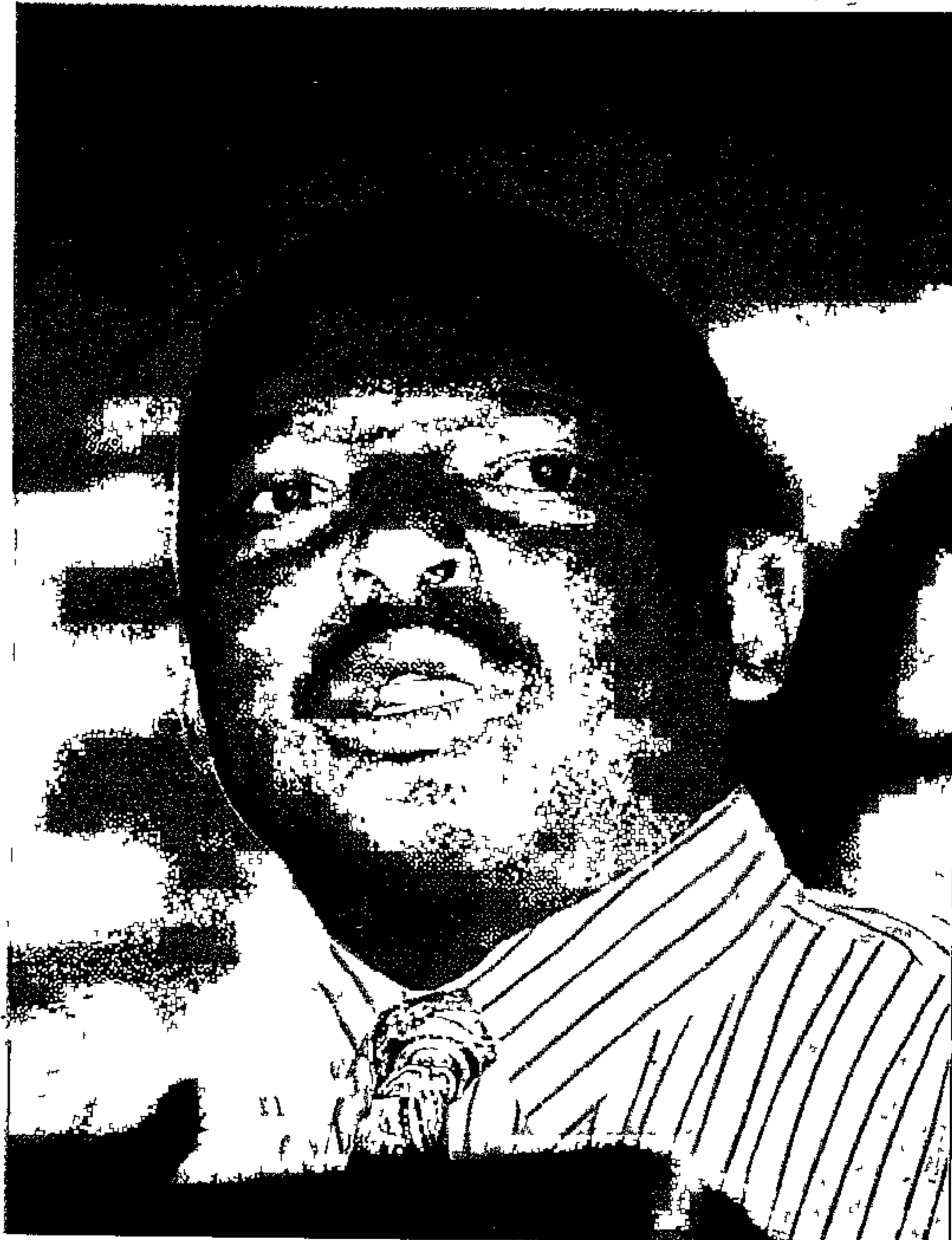
He was accompanied by senior South African National Defence Force (SANDF) officers on a flight from Cape Town. On Tuesday, Lekota gave MPs a series of briefings on the tragedy, in which the young black officer involved, Lieutenant Sibusiso Madubela, was also shot dead.

Lekota has impressed MPs and observers with his handling of the crisis, which has included strenuous personal efforts to reduce racial tensions at the base after the incident.

Lekota is also setting up a ministerial inquiry into the shooting. It will complement an army board of investigation appointed by the head of the SANDF, Lieutenant General Siphwe Nyanda, and an ongoing police probe.

Lekota said the ministerial inquiry would investigate, among other things, a press report in the *Sunday World* on the weekend before the Tempe shooting — the reliability of which he challenged — which alleged widespread ill discipline and the theft of several hundred weapons from Tempe in recent months.

He also wanted the inquiry to look into a breach of the security perime-



Good job: Mosiuoa Lekota has impressed observers with his handling of the Tempe crisis. PHOTOGRAPH: ELMOND JIYANE

ter around the base shortly after the shooting, the theft of a minibus and a threat issued in the name of the Afrikaner Weerstandsbeweging daubed on a wall of the hangar in which the vehicle had been parked.

Lekota announced on Tuesday that the SANDF would not provide a guard of honour for Madubela but that it would pay for his funeral, which is due to take place in Umtata on October 2.

In an eloquent address to members of Parliament's joint defence committee on Tuesday, Lekota said he was deeply worried about possible racial dimensions to the Tempe shooting. "The life of any individual,

whatever their colour, sits heavily on my conscience," he told them. "It doesn't matter what political party they come from, they may even hate me and my views, but the life of any individual is important."

Referring to the peaceful settlement achieved in South Africa between 1990 and 1994, Lekota added "We know in the silence of our rooms and in the isolation of our hearts and minds that what happened in Bloemfontein is precisely what we wanted to avoid when we started negotiating."

Mark of leadership, PAGE 22

PERSPECTIVES

Racism in military must be punished

Focus on Tempe killings should examine racial tension in defence force and the need for stern disciplinary measures, writes Laurie Nathan



Side by side they march, but where is the enemy?

THE killing of soldiers by a fellow officer at the Tempe military base is a shocking event it will lead to many inquiries and retributions.

The inquiries will undoubtedly consider Lt Sibusiso Madubela's circumstances and allegations of racism at Tempe. This narrow focus is necessary but insufficient. The issue at stake is not only a dramatic and tragic incident. It involves an institutional problem of racism and racial tension. What ever the situation at Tempe, this problem is widespread in the defence force. It has been raised and debated at a number of forums.

Addressing the problem of racism and other types of prejudice is a constitutional obligation and a military imperative. Divisions within the ranks of the defence force undermine its legitimacy, unity, morale and discipline. These are critical elements whenever the SA National Defence Force (SANDF) is deployed on internal and external operations.

First, however, we must acknowledge the existence and inevitability of racial tension in virtually all governmental and non-governmental bodies. The military is typical and not exceptional, in this regard.

Nowhere will the ugly legacy of apartheid be overcome easily and quickly. Conservative mindsets on the part of many whites, and enduring anger and frustration on the part of many black people are hardly surprising. Moreover, affirmative action and other efforts to redress historical disadvantage will themselves generate anxiety and friction.

We could reasonably have expected these negative dynamics to be especially acute in the SANDF,

criminality practices and through training and support for historically disadvantaged personnel.

Regulations allowing the formation of military trade unions have been enacted. The aim is to manage labour conflict and address unfair labour practices in a constructive fashion.

The system of military justice safeguards now protect the accused against possible injustice. In addition, military judges will be accompanied by assessors who reflect the social and cultural background of the accused.

A code of conduct for the SANDF has been formulated. It emphasises mutual respect between officers and subordinates, and respect for all, regardless of race, ethnicity, gender, sexual orientation or religion.

A new Defence Act, currently under consideration by the parliamentary defence committees, provides for unfair discrimination and offensive racial and sexual conduct to be criminal offences.

These measures are significant but inadequate. They should be buttressed and enhanced.

The civic education programme — and its focus on cultural diversity in particular — should be strengthened. The programme suffers from a chronic lack of funds, staff and skilled trainers.

The equal opportunity office should also be given additional resources. These are needed to establish the envisaged ministerial advisory committee and to train and deploy equal opportunity

officers in all military units.

The status and profile of the military ombudsman in the Public Protector's Office should be raised. If soldiers are subjected to racism and lack confidence in internal complaints channels, the ombudsman could provide a legitimate alternative avenue of redress. Yet most soldiers are unaware of the appointment mandate and powers of the ombudsman.

The oversight role of the parliamentary defence committees should be bolstered. They should receive biannual progress reports from the civic education committee, the equal opportunity office and the military ombudsman.

Although many black officers have been appointed to top posts, greater effort should be made to increase representation at the middle management level.

Since the new Defence Act will be promulgated only next year, the provisions on racial and sexual offences should be enacted immediately. Racist and sexist conduct which does not warrant criminal prosecution should be subject to other sanctions. Commanding officers who tolerate discrimination are unfit for command and should be removed from their posts.

Disciplinary action is the most important and most neglected aspect of transformation. Over the past few years the defence department may have felt that dismissing or disciplining senior officers would undermine unity.

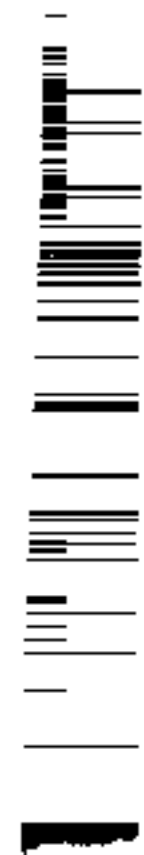
The opposite is true. If racism will flourish and severely damage morale and cohesion. Whereas civic education is a general preventive strategy, rigorous disciplinary action would be a deliberate response to specific problems.

This is necessary because

racism does not exist to the same extent in all sectors of the SANDF. Some units and officers require greater attention than others. Two years ago, for example, the Cassinga massacre was celebrated at the Tempe base.

By sending a clear message on what constitutes unacceptable behaviour, effective discipline would also serve a preventive function. These proposals offer no comfort to the relatives of the soldiers killed at Tempe. But their implementation might reduce racial tension and prevent future conflicts from exploding into violence.

Nathan is executive director of the Centre for Conflict Resolution in Cape Town and has served in various advisory capacities to the defence minister. The opinions expressed here are his own.



Current Affairs



Arnold Pronto

Mosiuoa Lekota don't leap to conclusions based on race

TEMPE MILITARY BASE

(254) FM 24/9/99

DOWNSIZING OF THE SANDF EXTRACTS RACIAL TOLL

Former guerrillas least secure in transformation process

Defence Minister Mosiuoa Lekota and SANDF Chief Siphwe Nyanda, appalled by the killing of six officers and a civilian employee by a beserk soldier at the Tempe military base near Bloemfontein, have urged the public to desist from interpreting the bloodletting as a manifestation of racial hatred.

Lekota, anxious to avoid conjecture

he similarly eschews a racial interpretation while conceding that it might appear as though there is one "I appeal to everybody to patiently wait for the findings of the investigation being conducted by the SA Police Service," he exhorts.

But the known facts underpin the view that race was a central factor in the tragedy Madubela, a former member of the Azanian People's Liberation Army (Apla) who was killed by one of the men he shot, was black, all his victims — including the five who were injured — were white.

It is rational to hypothesise that Madubela, who hails from Transkei, would have killed and wounded fellow blacks had he embarked on a random killing spree, the more so as the majority of soldiers at the base are black.

The immediate cause of his dementia appears to have been the suspension of his pay following his return to base — 12 days late — after attending his father's funeral.

Lekota says "Nobody has psychoanalysed what the relationship was between him and his father" But even if the death of his father contributed to Madubela's homicidal behaviour, it does not explain the racial selectivity of his actions.

Sociology professor and co-editor of *From Defence to Development*, Jacklyn Cock has no doubt that the grievances of many former Apla and MK combatants in the SANDF are racialised. She identifies three underlying causes for the racialised grievances of former guerrillas.

Transformation is a process which arouses fears and anxieties, particularly in the SANDF where previously warring and racially distinct armies are being amalgamated into a single force.

Former guerrillas in the emerging new

defence force are at a disadvantage because the upper echelons of a conventional force like the SANDF will be drawn largely from the old conventionally structured and white-controlled SADF, many of whose officers are still imbued with obsolete attitudes on race (of which celebration of the bombing of civilians at Kassinga in 1978 is a glaring symptom), and

Downsizing of the SANDF, a central feature of defence policy, falls heaviest on former Apla and MK combatants because they are the most dispensable (and, at the same time, the least equipped to find employment in an economy that has shed "500 000 jobs" since 1994).

It is against that background that the warning of British military advisers, issued two years ago, should be seen: they warned that Tempe was a cauldron of racial animosity waiting to explode.

The circumstances surrounding last year's hijacking of a 10 t truck from Tempe containing more than 100 high-powered weapons, including automatic rifles, machine guns and rocket-launchers, provide a glimpse into that cauldron.

Former Staff Sergeant Hendrik du Preez, his brother Petrus and a Free State farmer, Marius Swanepoel — all alleged members of a fanatical nightwing organisation known as Die Volk — are standing trial for the heist and the murder of the black drivers of the truck, corporals Chere Leisenyane and Gilmore van Wyk, whose bodies were found by police divers at the bottom of the Modder River.

Simmering racial tensions over the murder of the two drivers were fuelled by a now discredited police report blaming the heist on "MKapla", a mythical organisation supposedly drawn from MK and Apla, and re-acceptance into the SANDF of Hendrik du Preez until his presence was exposed in the media.

Patrick Laurence

12 000 soldiers to lose their jobs

(254) *soalalan 27/9/99*

By Waghied Misbach
Political Correspondent

ABOUT 12 000 soldiers will be retrenched from the South African National Defence Force (SANDF) by the end of next year, in a bid to save costs, it was revealed in Parliament.

Minister of Defence Mosiuoa Lekota told Parliament that the retrenchments will take place in stages - with about 2 000 permanent jobs cut by next April, and a further 10 000 towards the end of the year.

The army complement currently stands at 84 562 full time soldiers. The personnel numbers will be reduced to 82 372 by April 1 next year, with further cuts later. The retrenchments might not end there. The ideal number of army staff was about 70 000, Lekota said.

The army has not yet worked out the criteria for the retrenchments, but these discussions were almost finalised and would be passed onto

later this year. Presently the army is reducing its workforce by means of selective appointments, natural attrition (including voluntary termination of contracts) and the government's voluntary severance package.

Lekota said during the period January 1995 to July this year, 2 820 officers had resigned, 62 retired and 1 983 had taken the voluntary severance package.

This reduction in staff had been from the office of the Chief of the SANDF, the army, air force, navy and the military health service.

Lekota said he was concerned about the loss of key skills from the army as a result of the cuts, and had appointed a task team to investigate this issue.

The team had already started its investigation and would make recommendations to the Defence Staff Council 'as soon as possible'.

Many of the resignations, particularly in the specialist areas such as pilots and bridge-watch keeping officers, were because of budget constraints.

However, the SANDF had turned down a number of voluntary retrenchment applications because of the possible loss of operational and strategic skills, Lekota said.

MPs' Tempe probe hints at racism

ARG 29/9/99 (254)

Bloemfontein – The shooting rampage at 1 SA Infantry Battalion at the Tempe military base recently, which resulted in the deaths of nine people, was possibly caused by racial tensions or a failed administrative system, the joint parliamentary committee on defence has said.

After a visit to Tempe by the committee, chairman Mtsiki Mashibye said yesterday the committee was convinced there were two possibilities for the massacre on September 16 that the administrative system had somehow failed or that there were tensions around racial transformation and the slow pace of such transformation

Mr Mashibye said the committee received a very detailed briefing on the

sequence of events that led to the incident in which Lieutenant Sibusiso Madubela killed seven people and injured five before he himself was shot

Another of the victims, Major Zirk Coetsee, died at the weekend of his wounds and will be buried today

Mr Mashibye said the committee had asked thorough questions to satisfy themselves

The committee was convinced that the committees had to look at the "bigger picture"

Whatever had provoked the shooting, it was an incident that could not be condoned

Members of the joint committee, the minister and officers of the defence force had a responsibility to deal with the perception that the SANDF contin-

ued to be an army divided into antagonistic black and white camps

In need of review was the position of the military ombudsman in the Office of the Public Protector. This appointment had been made about 10 months ago and it needed to be asked whether the ombudsman was functioning in the manner that had been envisaged

Referring to reports that black members of 1 SAI had refused to attend funerals of members who had died in the shooting, Mr Mashibye said that there had been no incident where members of the defence force had deliberately decided not to attend

■ The SANDF said it would allow soldiers to attend the Umtata funeral of Sibusiso Madubela, the SABC reported yesterday – Sapa

Morality questioned as arms trade booms

Sowetan 30/9/99

By Waghied Misbach
Political Correspondent

SOUTH AFRICA has sold almost R2,5 billion worth of arms to 83 foreign countries over the past three years, raising the question as to whether it should continue to do so, particularly if the sales are to governments involved in armed conflicts

Minister of Defence Mosiuoa Lekota confirmed in Parliament recently that last year alone exports totalling almost R650 million was earned by defence manufacturers involved in the sale of arms. In 1997, exports came to a total of R1.3 billion and in 1996 to a total of half a billion rands

Sowetan had requested comment from Lekota on South Africa's continued sales of arms to warring countries, but he could not be reached for comment

Lekota also confirmed that South Africa, through its weapons agency Armscor, has supplied a number of neighbouring African countries with arms to the tune of more than R2 mil-



Minister of Defence Mosiuoa Lekota

lion over the last few years

The Government is not directly involved in the sale of arms because the deals are concluded through parastatals such as manufacturers Denel and Armscor, but the state does

have indirect control over all the sales undertaken by the country's defence industries

Government approval for sales is compulsory under the regulations specified by the Conventional Arms Control Committee

There has been a great deal of controversy, particularly from opposition parties, about the supply of weapons to warring neighbouring African countries

Since 1996, the defence force supplied Uganda, Kenya, Angola, Botswana, Algeria and Swaziland with weapons and other equipment, including rockets, spares for military vehicles and mine-sweeping equipment

Last year the Government supplied Algeria with bombs worth R18 000 and arming wire worth almost R20 000. The previous year, in 1997, Algeria had been supplied with rockets costing over R120 000 and almost R15 000 worth of rocket warheads, while Cameroon received military vehicle spares worth almost R250 000

So far this year, Government has only supplied Cameroon with military equipment

Strike on over Denel layoffs

Simphiwe Xako (254)

MORE than 600 Denel employees embarked on a strike yesterday in protest against next week's retrenchment of about 900 of the company's workers

National Union of Metalworkers of SA (Numsa) spokesman Dumisa Ntuli accused government of reneging on assurances that a R21bn arms deal it signed last year would generate more than 65 000 jobs

Ntuli said the industrial action came after management announced its intention to retrench about 900 employees with effect from next week

The union accused government of reneging on its promise on employment, and said it would organise a full-blown strike next week

"We expect government to reciprocate on the resolutions of last year's presidential jobs summit to create more jobs"

Ntuli said close to 6 000 jobs would be lost in the industry at the end of the month.

He said the industry had already lost more than 14 000 jobs recently

BD 21/10/99

FUNDS AND STAFF LACKING

SANDEF mothballs R20bn weaponry

ONCE the SANDEF has determined its future size and mission, a decision will be made on whether to sell or keep military equipment — worth at least R20,4 billion — currently in storage. **ROBERT BRAND** reports.

MORE than R20bn worth of military equipment, including tanks, vehicles, artillery pieces and ships, has been put in mothballs because the South African National Defence Force (SANDEF) does not have the men or the money to use it.

A decision on whether to sell or keep the equipment will be made once the SANDEF has completed a process to determine its future size and mission, Defence Minister Mosiuoa Lekota said yesterday in a written reply to a Parliamentary question by DP MP Philip Schalkwyk.

The SA Air Force has already begun the process of selling several of its ageing jet fighters and other aircraft because it has

become too expensive to maintain and fly them, Lekota said.

These include 17 Cheetah E and D fighters, 22 Mirage F1AZ fighters, and nine Transall C160 transports. The aircraft will be sold together with spares and support equipment, and the government hoped to realise more than R1bn from the sales.

"Funds in the SA Air Force are hardly enough to manage the aircraft fleet," Lekota said.

The SANDEF has acquired new, modern jet fighters and trainers with the R29bn defence package approved by the cabinet last month, but these won't arrive before 2005.

Schalkwyk, a former brigadier in the SA Army, said the air force was keeping

enough aircraft in reserve to prevent a serious gap in air defences between now and the arrival of the new aircraft.

The SA Navy has five ships in storage due to budget constraints, Lekota said. They are two strike craft, two minesweepers and one submarine with an estimated replacement value of R3,8bn.

The navy will receive new submarines and corvettes in terms of the arms deal.

Most of the mothballed equipment belongs to the army, which is in the process of downsizing from three divisions and a parachute brigade to two divisions and a parachute battalion.

The mothballed equipment includes 120 Olifant tanks, hundreds of Rooikat and Ratel armoured vehicles, 56 G6 and G5 cannons, 160 other artillery pieces and dozens of support vehicles with a replacement value of about R20,4bn.

The equipment is coated with preservatives to protect against degradation.

ET 22/10/99 (254)

SHRINK AND STRETCH

(254)

Fm 5/11/99
New shape for defence sector

One of the goals of the ANC at the start of the decade was to destroy the hold giant companies had on the SA economy. Ironically, the transition to democracy has increased concentration in at least one sector — defence, according to research published by the University of Cape Town.

Between 1989 and 1996, many small firms went out of business, left the market or were taken over. And, by 1996, Denel and the three largest private-sector defence contractors — Reunert, Grntek and Altech — accounted for more than 90% of total domestic defence supply. This emerged from research by UCT's Peter Batchelor and Paul Dunne at Middlesex University Business School.

Between 1989 and 1996, government's defence budget was cut by 50% in real terms. As armaments projects were cancelled or postponed, the defence industry's

SHIFT TO EXPORTS

SA arms exports, 1990-1997 (Rm)
Figures are in constant 1995 prices

Year	1990	1991	1992	1993	1994	1995	1996	1997
Defence exports	234	1 097	627	1 050	918	1 033	400	1 106

market shrank nearly 70% in real terms. The value of total arms production dropped 50% and employment fell more than 40%. But the value of exports soared by 400%, with the lifting of the arms embargo against SA in May 1994. All the above changes are in real terms.

Surviving companies aggressively pursued the export market. And they sought international partners for joint ventures.

But the researchers say there will be further cuts in defence spending and over-capacity in the international market will limit expansion. ■

Inquiry to see if Tempe tensions exist at other bases

BY ZOLILE NGAYI

DEFENCE Minister Mosioua Lekota is to set up a broader ministerial inquiry to investigate whether the elements that contributed to the Tempe shooting in September exist at other bases of the South African National Defence Force (SANDF).

Lekota announced this on Friday in Cape Town after the publication of a report by a board of inquiry into the shooting. "Such

an inquiry will give us a bird's eye view of the state of affairs in the SANDF. It will also allow the ministry and the department to develop a comprehensive programme of further extensive and deepening of transformation in the SANDF," Lekota said. He admitted there was an urgent need to unbundle certain clusters of influence within the SANDF in order to defuse tensions.

He said while he believed that the Tempe incident was a tra-

gedy, there were benefits to be reaped from it, such as reviving the transformation process.

The inquiry report found the Tempe incident was not influenced from outside, that the staffing process had created tension and that the process of transformation was still divisive in the unit. There were two distinct camps in the unit. One denied there was racial tension and the other said there was.

"The key personnel running to leave and pay

the administrative section being white, the lower ranks being black, and having no white troops, compounded this. An 'us and them' syndrome based on membership of former forces worsened the situation," General Siphwe Nyanda, SANDF chief, said in a statement.

As part of its transformation process, the SANDF is set to look at streamlining administrative processes especially with regard

70% OF ARMY OFFICERS ARE WHITE

Figures back racism claim

ET 15/11/99 (2714)

IAN CLOVER
PRETORIA

SOUTH AFRICAN soldiers who feel that racism is still rife in the force have the following statistics to back them up. Almost 60% of military personnel are black, while some 70% of all soldiers with rank are white.

On Friday, the results of an inquiry into the shooting at Tempe, where seven white officers and a white civilian were shot by a black officer, revealed that racial tension was indeed prevalent in the Free State.

However, figures from the SA National Defence Force show this could be a much wider pattern.

Chairman of the SANDF Integration Committee, Lieutenant General Amos Masondo, confirmed that of the 83 851 personnel in the SANDF, 23 137 were

white, 10 160 were coloured, 977 were Asians and 49 577 were black.

Of the 22 709 privates, only 683 were white, 1 378 were coloured, 874 Asians and 20 588 were Africans.

The chief of the SANDF was black, but of the other 195 generals 139 are white, two are coloured, one is Asian and only 51 are black.

This means that 71,28% of the generals are white, while 90,66% of the privates are black. Added to that, 77,26% of sergeant-majors, the highest ranking non-commissioned officers, are white.

Masondo said that part of the growing disparity in the lower ranks was due to the fact that this year's intake for many units was almost exclusively black.

The report into the Tempe killing found there was a percep-

tion among top management in the Free State Command that transformation was moving fast, whereas lower ranks believed changes were too slow.

Senior personnel at Tempe were "all white" while lower ranks were "all black", the report said.

The racial split was compounded by an "us and them" sentiment between former members of the apartheid army and former black freedom fighters. From military figures it would appear that this feeling could range wider than just the Free State Command.

Racial tension and lack of transformation was last month cited by some as a reason for an attack by a Sapper on his commanding officer in Pietersburg.

New National Party Defence spokesman Henne Smit demanded a meeting of the Joint Parlia-

mentary Defence Committee to discuss the Tempe report.

This committee was required by the Constitution to oversee defence force matters, but had not yet met this year.

Smit said other inquiries, similar to that conducted at Tempe, should be undertaken in the rest of the country.

"The integration process has to be evaluated and we need to learn where we went wrong. We need more orientation courses and a greater emphasis on making people aware of cultural diversities."

Masondo commented "In fact, integration in the defence force has gone very well. There have been a few incidents, but it is normal in a process like this."

"If there had not been some racism in the defence force it would be strange, because society is still racist," he said. — Sapa

Soldier beaten up

Black colleague was assaulted at same base last month

By Makhudu Sefara

A FORMER Umkhonto we Sizwe cadre working in the South African National Defence Force was allegedly assaulted by white soldiers on Friday for eating with his hands instead of a fork and knife.

Private Randzeka Monzon Mathebula (27), attached to the military police at Karee Base in Pretoriusburg, claimed yesterday that he was refused medication and was instead detained.

Mathebula's beating follows closely the assault of a colleague Private Ivan Nesharotha also allegedly by two white officers last month.

Nesharotha, a former Azanian People's Liberation Army (Apla) member had his lower jaw dislocated during the attack. He was treated at One Military Hospital in Pretoria because his injuries were severe.

No action is taken against his attackers. Mathebula, who had open wounds on his lips and arms told *Sowetan* yesterday that the attack on him was racially motivated.

I used my hands to eat porridge and meat because that is what I'm used to. When I was remanded I charged to knife and fork. But still a white officer said I had leave my food and get out of the hall. I refused and the military police were

called' said Mathebula (254).

He said he was later accosted by a white officer who wanted his particulars.

"He said he wanted to charge me. When I asked for an explanation he said I knew nothing about the army and started pushing me around. I did not realise that he had called other white officers to back him up, so I pushed him back.

I was then attacked with open hands fists and a baton by six white officers. I was also held against the wall while others hit me. While bleeding through my mouth and nose, I was dumped in the military police cells for eight hours. I pleaded in vain for medication as I was in

pain and I was bleeding profusely."

Mathebula said a white doctor wanted to test him for HIV before treating him the next day.

Military police head Captain Danus Mashaba said the incident was being investigated. He declined to comment on allegations of racism at the camp.

"A team of officials from our headquarters recently investigated the matter and I will not talk about it. However, we will do our best to unravel what led to Mathebula's assault and detention."

Police spokesman Superintendent Motlalela Mojapelo confirmed that Mathebula had opened a case of assault against his attackers.

DEFENCE CUTBACKS

SANDF to retrench 15 000 staff

(274)
CT 24/11/99

JUDY DAMON

ABOUT 15 000 SANDF personnel — one in every five — are to lose their jobs over the next three years in a mass demobilisation prompted by budget cuts. Most are former liberation army and homeland soldiers.

SANDF members of all ranks — from generals to foot soldiers and civilian employees — who are considered superfluous to requirements will be offered employment. Initiated retrenchment packages (EIR).

The process of identifying candidates for retrenchment would ideally be completed by the end of the Department of Defence's financial year in February 2000, Brigadier-General Bob Reich, director of personnel separation for the Department of Defence, said this week.

All arms of the SANDF, the navy, army, air force and medical services, will be affected. However, the largest group is expected to come from the army, which has the highest number of personnel.

At present the bloated SANDF has about 80 000 members and needs to trim down to 65 000.

Reich said the defence department was informed about the downsizing about 18 months ago. The relatively high number of soldiers presently in the service was a result of the 1994 integration which amalgamated former liberation, homeland and apartheid armies. The other reason for the retrenchments was that South Africa no longer required a large defence force.

"The process has become quite urgent and we are moving towards a situation where we can only spend 40% of our budget on personnel, 30% on capital and 30% on operating costs."

However, costs and details of the EIR packages, essentially involuntary retrenchment packages, lay in the hands of Minister of Public Service and Administration, Geraldine Fraser-Moleketi.

Reich said that while members of the SANDF awaited final details of the retrenchment package, soldiers and civilian personnel were enduring "great uncertainty, creating low morale."

"This is a very traumatic and unpleasant time for the members. No one knows who are going to lose their jobs and they are asking serious questions. The minister needs to kick this process into gear."

Once the EIR details have been announced, another six months are required to ensure a fair and equal process before anyone is shown the door.

Infantry soldiers would make up the bulk of the personnel to be retrenched, and would be asked to enter the SANDF's voluntary Service Corps programme, regarded as a "crucial aspect of the demobilisation process," said Reich.

"We are zooming in on juniors who are seen as a risk. We cannot have a situation where ex combatants go into crime. There are not many job opportunities and we need to make them marketable."

The Service Corps has been designed to assist with the reintegration of former soldiers into civilian society by upgrading education, and vocational and life skills.

Reich also revealed that South Africa was lagging behind countries like Uganda, Mozambique and Namibia, which have already demobilised surplus troops.

The early retirement of soldiers, deaths, expiration of contracts and resignations will help with the downsizing.

Presently the Department of Defence is concentrating on issues like peace-keeping operations and deterring crime.

Said Reich: "There's been a worldwide move to have smaller defence forces. More money is going into the RDP and other socio-economic programmes, especially in Africa."

"But once downsizing occurs, our defence capabilities are also reduced, a risk the government takes when it cuts the defence budgets, forcing us to make do with what we got."

Taking a closer look at SA's

Reneé Grawitzky asks if govt's job-creation estimates are realistic in the long term

ECONOMISTS the world over believe that every country needs a strategy for economic development. The US has military spending SA seems to be moving in the same direction following the endorsement of a R29,9bn arms deal.

Government would have us believe this was no ordinary deal.

Rather than just buying hardware, the spin doctors emphasised, the deal would result in at least R75bn worth of inward investment and the creation of 65 000 jobs from the purchase of submarines, ships and aircraft.

The procurement of the weapons is a done deal. So it is pointless to debate whether SA should be using much-needed development funds for a military make-over.

What must still be questioned is the deal's significance for job creation, whether the initial figure quoted is a realistic estimate, and whether SA extracted the best investments to boost jobs in potential growth sectors through the counter-trade arrangements.

The cabinet approved a two-phase purchase deal requiring an initial payout over eight years of R21,3bn, with the option of spending an additional R8,5bn by 2004. In return SA will get a number of civil and military industrial participation deals, including investment and export opportunities to the value of R75bn.

The proposed projects range from a stainless steel works in the Eastern Cape and steel mini-mills to boosting tourism and vehicle component exports. There are also a number of others linked to agri-processing, cosmetic packaging and promoting the fashion industry. Initial estimates were that about 40 projects would create up to 65 000 new jobs.

The trade and industry department now says this figure might have to be reworked. Many of the projects are being renegotiated because of the cabinet's decision on a two-phase deal that will affect the offset projects. A final jobs figure will only be released by the end of this month.

When the deal was announced, Trade and Industry Minister Alec Erwin said "an investigation of international experience suggests that the ratio between benefits and costs that SA has achieved is probably unprecedented."

Government's chief negotiator on the deal, Jayendra Naidoo, says the return on investment more than covered the costs.

Offset arrangements are frequently agreed to in military contracts. International experience has also shown that such arrangements often do not materialise in the promised form.

A government source says potential positive outcomes of the counter-trade deals will depend on government's capacity to manage

and enforce the agreements. "Then the investment side of the exercise can potentially lead to the creation of a large number of jobs."

The trade and industry department says part of the current renegotiation is intended to tie companies to specific projects and to ensure their sustainability.

There has been some scepticism over the job-creation estimates quoted by government. FBC Fidelity Bank economist Mike Schussler says the figure of 65 000 should be taken "with a pinch of salt". Other economists believe the package does have an ability to create jobs, although they question the cost of creating them.

Government says the original estimate was reached by adding all direct jobs expected to arise out of individual projects and combining them with expected job generation along supply chains.

Peter Batchelor of the Centre for Conflict Resolution in Cape Town says the figure has to be put in perspective as these jobs will replace the 60 000 jobs lost in the military industry since the late 1980s.

He says purchases by the European suppliers from the local defence industry, together with the prospect of increased military exports, are likely to have a positive effect on job creation.

But Batchelor asks "Why should we be directing all this investment into a sector that is not job creating?"

Naidoo says the deal will help retain existing jobs in the arms industry for the next decade.

Schussler argues that African countries have been spending a lot more of their gross domestic product on defence than they should. "We will be sinking money into something that is not growing."

Ironically, as the deal was being announced, state arms manufacturer Denel was set to further cut its workforce.

Naidoo concedes that creating more jobs will depend on whether downstream opportunities are captured and whether new investments will drive further associated investments.

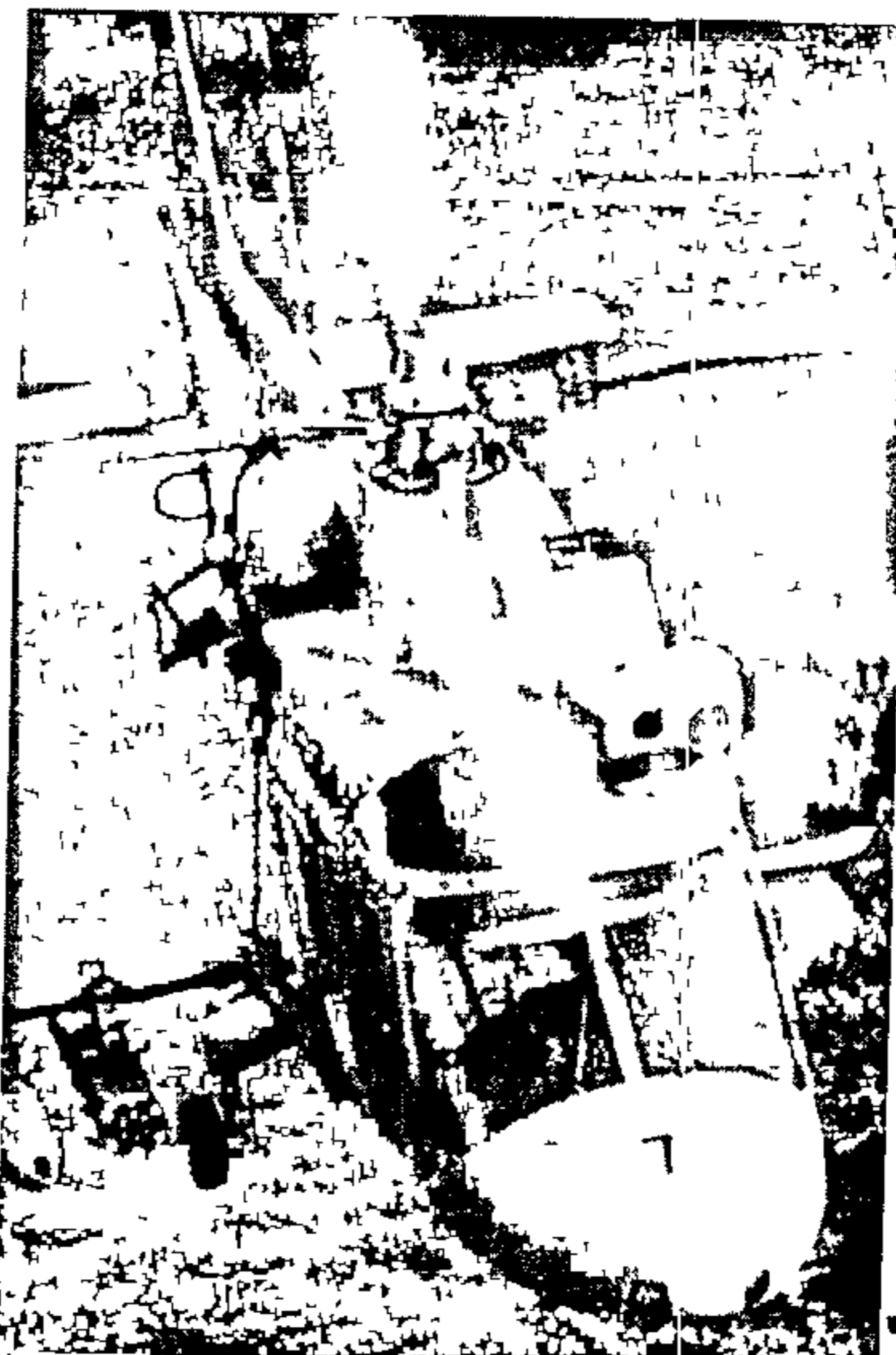
He says high-value jobs will be created. Batchelor estimates that each job will cost R1,7m to create. This is 20 times higher than the average cost per job in the local military industry, a cost already much higher than other sectors because of its capital-intensive nature.

Naidoo argues that the jobs to be created are mainly in hi-tech sectors with a future.

Although the majority of these jobs will be more skilled and technical, he says there will also be a mixture of lower-grade jobs.

A government source says the deal will not create the opportunities for much needed labour-intensive jobs, except possibly for short-term construction work to build plants.

This raises the short-term



The arms-for-investment deal

Phase 1
(R21,3bn over eight years)

- 4 Corvettes
- 3 Submannas
- 9 Gripen advanced light fighters
- 12 Hawk jet trainers
- 30 Agusta light utility helicopters

Phase 2
(R8,5bn over 14 years from 2004)

- Options on 19 more Gripens
- Options on 12 more Hawks

Graphic: MATTHYS MOSS

dilemma government faces with rising unemployment. It has failed to encourage low-wage, labour-intensive jobs capable of absorbing large numbers of unskilled people, economists argue. JP Morgan economist Peter Worthington says if it was government's intention to create jobs, the money would have been better spent on targeted job creation and training.

A report released earlier this year by the Human Sciences Research Council said the majority of jobs that would be created over the next four years in the formal sector would not be among the unskilled and semiskilled, but among professionals.

This further strengthens the argument by those economists and analysts who have questioned the deal in terms of its ability to absorb labour.

Did government sufficiently link

non-defence investment to a targeted industrial strategy?

Batchelor says government still does not have an industrial strategy — nor does it have a clear idea of which sectors it wants to target.

The trade and industry department says the projects are linked into government's industrial strategy, which has identified a number of strategic sectors such as agri-processing, tourism, vehicle components, pharmaceuticals, information technology and telecommunications.

It will be difficult to assess the full effect of the deal on the economy and jobs, even 10 years down the line.

Whatever the outcome, it remains costly as a job-creation exercise. Success in terms of economic benefit will largely depend on government's capacity to carry out a successful industrial policy.

BD 24/11/99

arms deal

The benefits of the package for black business are questionable, writes Sibonelo Radebe

ONE thing government and black business should learn from China's revolutionary leader Mao Tse-tung is that "power grows out of the barrel of a gun" Economic power that is

Government has taken the lesson to heart, at least if the counter-trade promises from overseas manufacturers involved in the arms-for-investment package are anything to go by. Much more questionable is whether black business will benefit.

The problem government and foreign weapons manufacturers looking for local partners face is that the industry is still dominated by the already empowered sector of the SA population.

The first phase of the purchase will see government spend R21,3bn over eight years on four corvettes, three submarines, nine Gripen fighter jets, 12 Hawk jet trainers and 30 Agusta light utility helicopters. SA has options to purchase a further 19 Gripens and 12 Hawks for R8,5bn.

Counter-trade, including civil and military purchasing from SA companies and inward investment in both sectors, is expected to deliver economic activity worth between R70bn and R104bn.

At least half of the price of a particular weapons system must be spent within SA's defence industry.

This is regarded as essential if the fortunes of the local industry are to be revived. SA arms manufacturing hit its production peak when this country was at war with its neighbours, but today it is in the doldrums.

Some observers believe that without the package the industry would have faced a bleak future. One industry source said under-performance and pressure from lobby groups had almost seen the sector fall altogether.

Pressure groups argue that the military industry has no role in post-apartheid SA. They say that the R21,3bn spent on arms could have been put to better use in development projects. Those arguing for the preservation and revival of the industry seem to have convinced government and international players in the sector.

Foreign arms contractors have formed partnerships with local manufacturers or bought niche businesses such as armoured vehicle manufacturer OMC outright. They appear convinced that the industry houses valuable expertise that should be kept at work.

The military industry is the originator of numerous spin-off benefits such as in telecommunications and engineering.

Tsepo Molai of Futuristic Bus-

ness Solutions, a black empowerment group that won a contract worth R2m in conjunction with the arms deal, says the defence industry is essential to SA's development and the arms package will bolster the local industry and expose it to international activities.

He says the industry still needs to change its character and find a positive role in post-apartheid SA. This must include opening the industry further to black business.

The signs are not as positive as they perhaps should be for black business.

Whatever the benefits of the package the lack of black-owned companies among the major local beneficiaries could still make the exercise meaningless. Without redressing historical imbalances a question mark will continue to hang over the future of SA's military industry.

Defence department chief of acquisitions Chippy Shaik agrees that the level of participation by black groups in the defence contracts will not reach acceptable levels.

He says this is a result of the scarcity of black empowerment companies with the required expertise to handle defence-related business projects.

A few black companies that have managed to get some of the action include electronics manufacturer Grintek, controlled by the Kunene brothers of Coca-Cola bottling fame. Their defence companies, bought as strategic investments before others had focused on the sector, have been allocated work to the value of R1,2bn.

Another black group, Advance Technology Engineering, which specialises in avionics engineering, walked away with a contract worth about R1,5bn.

Other groups with significant levels of black investment set to benefit from the project include Siemens African Defence Systems, Spescom, Xcell, Log Tek Futuristic Business Solutions and Telemat.

Observers are sceptical that these companies represent black empowerment. Critics say this is because some of these companies have sold only negligible stakes to black groups. Some say they are doing nothing but fronting.

Shaik says whatever the short-term deficiencies in empowering black-owned defence companies many would benefit from the package in the long term.

"We might have failed to achieve a reasonable participation of black groups in the supply of arms due to certain technicalities, but in the long run we could have succeeded in laying the ground for sustainable economic growth."

He argues that good growth figures and higher employment will result from the counter-trade agreements, opening up more opportunities for black groups in the long term.

There are more than 40 counter-trade investment deals that are part of the arms package. Official estimates say they are expected to create at least 65 000 new jobs, mostly in manufacturing and many of them skills-intensive.

Soldier faces court martial for speaking out on racism

M+G 19-25/11/99

(254)

Marianne Merten

A Cape soldier is being court martialled this week on charges dating back to events three years ago when he and a colleague spoke out about racism in the South African National Defence Force (SANDF).

Staff Sergeant Herman Pfeiffer is charged with four counts of being absent without leave (Awol) between April 1997 and January 1998 and one of disobeying a lawful order after he refused to accept detached duty, a military punishment.

Pfeiffer's lawyer and Minister of Defence Mosiuoa Lekota met in Cape Town last Friday. According to attorney Lloyd Fortuin, the minister undertook to ensure Pfeiffer would not suffer financial hardship because of the disciplinary action against him.

But Lekota said the court martial would have to run its course before

he could intervene. Lekota assured them he would instruct the chief of the army to look into the matter.

Pfeiffer and Corporal Dawid Booysen are considering a civil suit against Lekota and the SANDF for unlawful arrest and harassment and being passed over for promotion.

Asked recently about the court martial, Lekota said just because there has been a grievance, it is not acceptable to stay away from work. He said for as long as the charge is unresolved, it remains a blot on the soldier's record.

On Monday Pfeiffer's court martial was postponed at the request of the SANDF's Pretoria headquarters.

The punishment if found guilty is a maximum one-year jail term. If the Awol period is particularly long, the sanction could lead to dismissal and the loss of all benefits.

Fortuin said his clients are being harassed for speaking up. Pfeiffer

has repeatedly been passed over for promotion despite two decades in the army. Booysen, who was sent on a military course recently, has also been passed over for promotion over the past three years.

In 1996 Pfeiffer and Booysen were charged with falsely accusing their commanding officer of being racist and failing to support the integration of the armed forces.

Other charges against them relate to assisting a military intelligence (MI) investigation into arms smuggling, discussing a sensitive military operation with SANDF members outside their unit and attempting to make copies of classified documents.

Their commanding officer at the time, Colonel George McLoughlin, told the court martial in 1996 he charged them after receiving a classified document detailing their complaints about him. In contravention of military rules, McLoughlin

received the document from the head of MI in the Western Cape. Lieutenant Colonel Gouws. Both McLoughlin and Gouws have been transferred from their posts.

The state has spent well over R1 million on this matter. Booysen and Pfeiffer's 1997 court martial was suspended after 25 days when the *Mail & Guardian* and the Freedom of Expression Institute brought a legal application to gain access to the hearing which had been held in camera.

Last December the Cape High Court ruled in favour of the *M&G*, struck down several provisions of the military discipline code and ordered the SANDF to pay costs. A team of SANDF lawyers took the ruling on appeal to the Constitutional Court.

Days before the matter was heard at the Constitutional Court, new legislation on court martials, the Military Discipline Supplementary Measures Act, was enacted and the

charges against Pfeiffer and Booysen had to be dropped. But the battle over the payment of costs as well as a settlement for the two soldiers is still on.

Pfeiffer's current charges of Awol and disobeying a lawful conduct stem from his refusal to accept detached duty during the 1996/97 court martial. The order was given to the men with only a few hours' notice because they had allegedly intimidated witnesses.

Both maintained the intimidation claims were trumped up, ignored the instruction and remained in Paarl waiting to be formally charged. Booysen took unpaid leave and Pfeiffer challenged military police to pick him up at his home. This never happened.

Both men returned to work at Cape Town's 9 SA Infantry base towards the end of 1997 and have been based there ever since.

The intimidation claims against them were proven false at an SANDF disciplinary hearing of the MI officer to whom Pfeiffer and Booysen reported the racism. Colonel Pat Ricketts. One of the witnesses against him testified that a senior officer forced him to make the false intimidation claims.

Inquiry to prevent 'another Tempe' begins

A MINISTERIAL inquiry to prevent a repeat of the September shooting at Tempe military base outside Bloemfontein began in Pretoria yesterday.

A four-man committee set up for this purpose will also focus on racism in the SA National Defence Force, Defence Minister Mostuoa Lekota told reporters.

"The objective of the inquiry is to establish to what extent those elements which contributed to the Tempe

tragedy are to be found elsewhere at SANDF bases," he said.

Other circumstances at military bases that could spark off a repeat of the Tempe incident will also be examined. The probe will be headed by former Free State director-general Mr Bethuel Setai.

The other committee members are former SA Defence Force chief Gen-eral Janne Geldenhuys, Portner har-

bour secretary-General Colong Sibanyoni and a former police investigator.

and an internal SANDF probe into the Tempe shooting to be completed.

The committee would be expected to submit a draft report within four to six months.

"Where it is possible to identify those who may have been criminally responsible the committee will indicate that so that we are able to deal with this."

Other issues to be investigated include the language policy of the SANDF, impact of affirmative action

and representivity in the force.

The inquiry will be free to propose measures to improve discipline and morale, as well as ways to manage tensions arising from cultural diversity within the SANDF. Lekota said the committee would have unlimited access to documents related to its work.

Urging the military to cooperate, he said no individual would be victimised for making submissions to the com-

30/11/99

Lekota signs R30bn deal for corvettes, jets

APR 21/09

(A14)

STAFF REPORTER

Johannesburg - Defence Minister Mosiuoa Lekota today signed R30-billion worth of contracts with four European companies for military equipment, including submarines and fighter jets.

The deals include three submarines and four corvettes, worth just over R11-

billion, for the South African Navy from a German consortium, and 30 light utility helicopters, at close to R2-billion, from an Italian group, Agusto.

Present at today's signing ceremony was the chairman of British Aerospace, John Western, whose company will be supplying 12 Lead-in fighter trainers, known as the Hawk 100, and nine

Swedish-made JAS 39, dual-seat Gripens to the South African Air Force.

The deals were approved by the Cabinet last month, and the army expects the first consignment by April 2003, and the last by 2009.

South Africa's chief negotiator of the deals, Jayendra Naidoo, said the contracts could result in R24-billion worth of

investments in the next 10 years.

Critical to the negotiations, which had taken three years to complete, was the promise that 65 000 new jobs would be created as a result of the deals.

Mr Naidoo said "I am, however, convinced that this figure is very conservative," adding that thousands more permanent jobs could be created.

ARLT 4/12/99 (254)

R30 bn arms deal finalised

STEWART BAILEY

Johannesburg - Contracts for the purchase of R30 billion of military hardware from German, Italian and British led arms manufacturing consortiums were signed yesterday by Mosluna Lekota, the minister of defence, paving the way for R100 billion in reciprocal industrial investment.

Initial expenditure on the purchase would amount to only R21.3 billion and the remaining R9 billion would be incurred if South Africa exercised its option to purchase 19 Gripen fighter jets from Saab, the Swedish automotive and aerospace company, partly owned by BAE Systems.

The government also has options on a further 10 light utility helicopters from Agusta, the Italian aerospace company.

Jayendra Naidoo, the government's chief negotiator on the deal, said, "It is more than likely that the options will be exercised by us. The contracts allow us the option to cancel but that should only happen in a worst-case economic scenario."

The deal involves the purchase of 24 Hawk training aircraft from BAE and 28 Gripen advanced light fighter aircraft from Saab. It also includes three submarines and four naval corvettes from German submarine and frigate consortiums as



Defence Minister Mosluna Lekota



GOOD DEAL Lekota is ecstatic about yesterday's order for a mixed bag of nine fighters, 12 trainers, 30 helicopters, three submarines, and four corvettes

well as 20 light utility helicopters from Agusta.

In return for the weapons order, the suppliers will invest R14 billion in defence-related industrial projects and about R85 billion in non-defence projects. Already the construction of a \$1 billion stainless steel mill in the Eastern Cape and galvanising mill in the same region has been proposed, as have a number of manufacturing pro-

jects with other companies. Lekota said further details on the offsets would be made available next year.

The investment to cost ratio of 3 to 1 was described by Naidoo as one of the "most favourable ever achieved".

It was projected that the offset packages would create about 64 000 direct and indirect jobs over the 11 years of the contract.

Naidoo said however that the offsets were "not the magic bullet" to end the problem of unemployment in South Africa.

Each purchase had been separately financed by a consortium of banks including Barclays, Commarz Bank and Societe Generale. Lekota said the finance package would be finalised by yesterday evening.

Naidoo said payments would fluctuate from the first year's payment of R2.8 billion, but

would never exceed R3 billion a year over the 20-year period.

"Loan repayments are to be made from the fiscus. The process will be monitored by the department of finance but ultimately the principle cost will come out of the department of defence's budget," said Naidoo.

The government had also secured performance bonds from each of the suppliers to ensure compliance with their

counter-investment programmes, ostensibly to quell scepticism about the viability of the offsets.

"Suppliers have handed the government guaranteed bonds worth 10 percent of the value of the contracts. If their offset programmes are not met according to pre-arranged milestones, they will incur a drawdown penalty on a pro rata basis," said Naidoo.

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Govt insists on opt-out term in arms deal in event of graft

BD 6/12/99 (254)

Lekota tells neighbours SA is committed to peaceful resolution of region's woes

Bonile Ngqiyaza

GOVERNMENT has insisted on clauses allowing it to cancel defence contracts worth R30bn if suppliers are convicted of bribing local officials, says chief SA negotiator Jayendra Naidoo.

Speaking at the weekend as Defence Minister Mosiuoa Lekota and representatives of German British French Italian and Swedish defence manufacturers signed deals to supply new ships submarines and aircraft to the SA National Defence Force Naidoo said the clauses were among several designed to ensure that contractors fulfilled their obligations.

Penalties averaging 10% of the purchase price of particular packages would be imposed if suppliers failed to invest in and buy from SA as agreed.

Naidoo led the three SA teams that negotiated with 18 international suppliers and four European banks to nail down the contracts including financing arrangements and the all-important investment and trade commitments made by the bidders.

Expenditure on the equipment would be R21,3bn, and a further R9bn would be spent if SA opted to buy another 19 Gripen aircraft from Saab.

The contract is for 24 Hawk 100 aircraft and 28 Gripen advanced light fighters with a combined value of R15,7bn including VAT customs duties and other statutory costs.

Government said the contract made SA the launch export customer for the fourth-generation Gripen. This followed an existing order for 204 Gripens for the Swedish Air Force.

In terms of the contract, Saab and BAe Systems will deliver a range of non-defence industrial projects worth \$7,2bn (about R4,3bn) in combined investment

New defence force weapons acquisitions

Equipment (Rm)	Non-defence industrial participation (Rm)	Defence industrial participation (Rm)	Total (Rm)
30,285	85,216	14,621	99,837

Preliminary decision (Nov '98)	Final cabinet decision (Sep '99)	Replacing
28 (Saab/BAe Gripen)	9, plus options on 19 more	Cheetahs
24 (British Aerospace Hawk)	12, plus options on 12 more	Impalas
4 (Corvettes)	4	Strike craft
3 (Three class 209 type submarines)	3	Daphne-class submarines
4 (Westland)	0	N/A
40 (Agusta A 109)	30	Alouettes

— exports and domestic sales over 11 years.

Twenty-three projects in 12 industrial sectors, including forestry automotive, electricity generation, engineering and metals processing, had been identified government said.

Saab and BAe Systems will place packages and technology transfers worth \$1,5bn (about R9bn) in SA's industrial participation projects some of which have already been launched.

The economic package is intended to create sustainable jobs in aerospace, defence and various civil industrial sectors identified by government for strategic development.

Saab and BAe Systems have also initiated education, health,

welfare and sport projects in black areas.

At the ceremony, SA reassured neighbouring countries of its commitment to resolving regional problems peacefully.

Lekota said SA would use its military in a defensive capacity as a last resort. "Whatever equipment we may have, it will never be used without the specific sanction of the people."

Lekota said security "must start with the upliftment and development of communities" both in SA and in the neighbouring states.

He said "We equip ourselves not to threaten our neighbours, but we do so the better to contribute to the collective security of the peoples (in the region)."

The deal — which has been three years in the making — consists of non-defence industrial packages worth R85bn and defence packages valued at R14bn.

The non-defence industrial package includes a minimill producing autobody steel with the potential to double SA exports of cars and automotive parts.

The suppliers of the non-defence industrial package have undertaken to procure "at least 15%" of local content of construction work from emerging business and blacks.

A government spokesman said that the suppliers had also undertaken to set aside between 5% and 10% equity in investment projects for black individual investors.

Military deal breaks new ground for SA

Package should stimulate investment, writes Jayendra Naidoo

A YEAR ago the cabinet established a team to "negotiate affordable agreements" with six European arms companies. Last Friday the procurement were signed. I am relieved that my task is now completed and the mandate of the team is fulfilled. There have been more than a few sleepless nights and anxious moments over the past year.

The R30bn defence equipment procurement has been described by the companies involved as the most comprehensive and rigorous they have yet experienced. More importantly, it has also undoubtedly produced far higher countertrade commitments than have ever before been achieved internationally in any defence or other procurement.

Compared to the R30bn cost suppliers have the reciprocal obligation to secure R25bn investment in nondefence sectors and R75bn in net exports, local sales and orders to local defence firms.

How is this possible? Can a company really make a reciprocal commitment exceeding its sales? The answer, in practice, is that the defence companies use their very substantial networks and alliances

to facilitate the participation of other companies. The supplier's costs of facilitation are small in an economy as stable and sophisticated as SA's.

Why did we get such an apparently good countertrade deal considering no other country has ever come close?

One major concern was that we were ourselves somehow paying for the large countertrade deal through an inflated price. However, the negotiating team compared the price offered and could not find any significant premium.

I believe that the success of the countertrade deal is driven by five main factors.

Firstly, government made it clear at the outset that the countertrade was a key feature. Secondly, the large size of the deal attracted very competitive bidding.

Thirdly, the talks were driven by the possibility that some of the equipment could be cancelled if the package was not affordable leading suppliers to substantially improve their best and final offers.

Fourthly, the negotiation team "shifted the goal posts" a few times because the original industrial participation system was relatively undeveloped. If the system as it now stands was clear from the be-

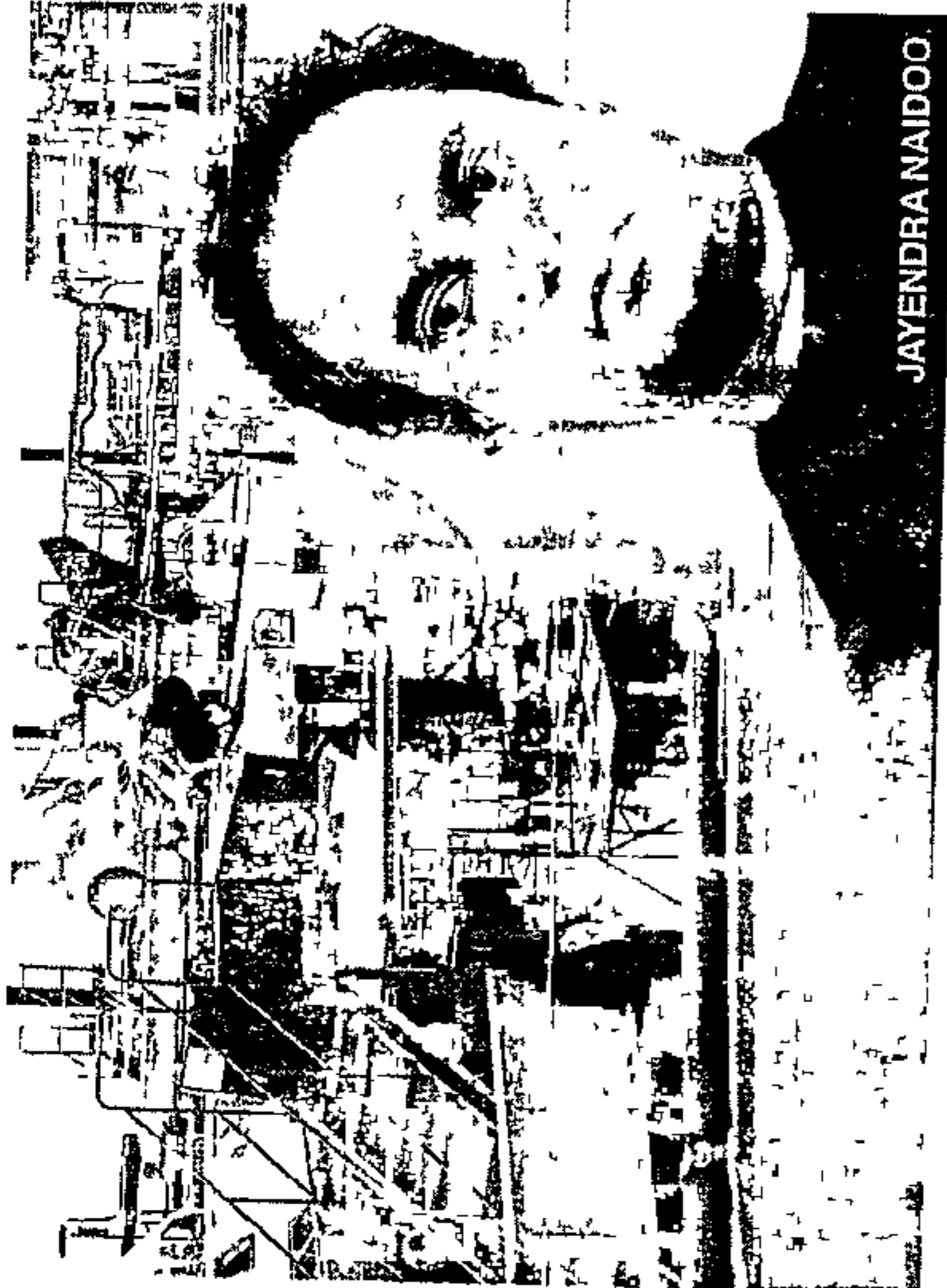
ginning it is quite likely that the suppliers would have made smaller countertrade offers.

Fifthly, we had a good negotiating team that prepared thoroughly and stood its ground in dealing with very experienced and highly professional bidders.

However, while the package confirms SA's capacity to pull off big international deals the real challenge still lies ahead. The various departments have their work cut out to oversee the implementation of the programme over the next seven to 20 years (11 years in the case of the UK/Swedish countertrade and 20 years in respect of the financing agreements).

There are likely to be some big controversies in the next 18 months as some of the initial countertrade projects may need to be substituted. There are risks attached to the largest projects in particular. The trade and industry department has the most important role here and needs to develop the capacity to cope with the demands of this their largest single programme.

A big procurement package is fraught with risks. As government processes and policies mature the likelihood of turning planning shortcomings — such as we faced



JAYENDRA NAIDOO

with respect to affordability and the industrial participation system — into dealmaking successes will be reduced. This is basically a once-off deal and we were somewhat lucky to pull it off.

Any large procurement generally attracts suspicions of corruption (even that this deal involves R1.0bn of activities it is not surprising that many wondered about illicit dealings). Although a certain MP repeatedly made allegations no evidence of corruption has emerged from any quarter.

To control the risk of corrup-

tion the contracts provide government with the right to cancel any contract and impose a 10% penalty if any of the suppliers are found guilty of corruption under the Prevention of Corruption Act or "analogous legislation".

While the focus is clearly our own legislation a future government-to-government anticorruption accord to recognise each other's anti-corruption law would enable SA (and other countries) to take action against a supplier using corrupt methods in another country. This is an instrument that

should be developed. It is a tall order to turn defence procurement into an instrument for industrial development. The potential lies not just in this deal but in its broader ramifications. However, if managed well this deal should lead to a long-term relationship with key world-class companies, thus stimulating other investors to look at doing more business in SA.

Naidoo was government's chief negotiator for the defence procurement project.

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'SA never breached arms control policy'

(254) Sowetan 16/12/99

By Jimmy Seepers
Political Correspondent

CHAIRMAN of the National Arms Committee Professor Kader Asmal yesterday denied that South Africa has breached its arms control policy by selling weapons to the Great Lakes region and Angola during the past few years.

Asmal, who is also the Minister of Education, told a media briefing during the release of the White Paper on the South African Defence-Related Industries that South Africa for the past five years adopted a strict policy towards selling arms to conflict-related areas.

He said that although the National Arms Committee has not received any report of a breach of the arms control procedures they have received several reports from foreign agencies of such violations and thoroughly investigated them.



Professor Kader Asmal

Asmal said the Government had decided to come up with a draft White Paper to ensure that the new administration deviates from the apartheid arms policy, which was based on the principle of "my friend's enemy is my enemy".

Last month the Government disclosed that South African has sold almost R2,5 billion worth of arms to 83 foreign countries in the past three years.

Minister of Defence Mosoua Lekota told Parliament recently that last year alone, exports totalling almost R650 million were earned by defence industries involved in the sale of arms.

In 1997, exports came to a total of R1,3 billion and in 1996 to a total of half a billion rand.

The Government is not directly involved in the sale of arms and deals are concluded through parastatals like Denel and Armscor.

Asmal said the Government has often expressed concern that some South African

weapons which were legally exported to a particular country, ended up in another state.

The National Arms Committee had investigated similar allegations in the past that proved to be unfounded, including that of South African arms arriving in Sudan, Asmal said.

"Up to now we have engaged him in efforts to ensure that the end user certificate (for countries that bought weapons from South Africa) is maintained."

The White Paper was adopted by cabinet on December 1 and is expected to be tabled before the parliamentary committees responsible for

foreign affairs and trade and industry for discussion.

Asmal said South Africa is the first country in the world to define defence-related industry and to do away with the term "defence industry".

He said the White Paper indicates that a defence industry cannot be identified or defined as a distinct industrial sector, as defence work is done across all sectors of the South African industrial base.

There is a growing tendency for conversion of civilian technologies, or to manufacture dual-use products which can be sold to both defence and non-defence markets, he said.

The White Paper identifies the Department of Defence and the defence-related industry as a key area for investment in research and development in South Africa due to the technology-intensive nature of defence work.

While the international experience of converting defence companies to do civilian work is limited, it may be hoped, it has been successful, he said.

International experience has shown that a dedicated commitment to investigating civilian applications for defence technology has produced significant gains by creating spin-offs in technologies and techniques for the private sector.

The White Paper calls for the establishment of a dedicated defence technology organisation that coordinates and integrates defence research and development programmes in the public, private and academic sectors with the specific objective of retaining and enhancing those strategic defence technologies identified in the paper.

Whites to dominate SANDF for some time

SOUTH Africa's top army post is to be dominated by whites in the future because of the legacy of apartheid, a senior defence official said.

The top defence official, the National Defence Force's chief of staff, told the London-based *Jan* magazine that the international defence industry will be difficult and take time to gain experience before them of command in the new military, he said.

Given the background, the temptation to means or foul looms large, but it would be hard to control

the process, he said. The National Council of Military Veterans and the SANDF are on process, he said.

He said the lower ranks of the SANDF are being retrained by former soldiers, but he said it looks as if we want to retrain the former soldiers.

He said the atmosphere in the SANDF is such that the retraining process is being provided appropriately.

Lekota said the process of retraining the former soldiers is being provided appropriately.

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DEMAND FOR SANDF

51 000 apply for 650 jobs

CT 17/12/99

(254)

**JUDY DAMON and
MUJAHID SAFODIEN**

MORE than 51 000 people nationally applied for careers in the South African National Defence Force (SANDF), but some 50 000 had to be turned down, as only 650 posts were available for next year — 150 in the navy and 500 in the army.

The SANDF has been told that for budgetary reasons it must trim its staff complement by at least 15 000 and become a more compact defence force.

Finance Minister Trevor Manuel has allocated R10,6 billion for defence and other government projects.

SA Army spokesperson Major Merle Meyer said they had been "overwhelmed by the influx of applicants", mostly from Gauteng. After a tough selection process, the 650 had been selected.

Most applicants had said they had applied because they were unemployed, wanted to assist the police in fighting crime or wanted a military career.

Of the 650 recruits, the budget only allows a handful to attend the Military Academy in Pretoria. The rest will remain unranked and serve as a reserve force.

"We need a lot of young blood to replace soldiers who are becoming old. But the small budget allocated for training does not allow us to replace them," Meyer said.

"We need the young artisans who are taught the latest technology to operate the new military equipment we have bought."

The 15 000 SANDF members facing the axe have not yet been identified.

Another staffing challenge the SANDF faces is achieving representivity.

On Wednesday Defence Minister Patrick Lekota told the London-based *Jane's Defence Weekly* that the top army posts would continue to be dominated by whites for the foreseeable future because of the slow pace of post-apartheid transformation.

Lekota said it was clear the transformation process — under which former ANC and PAC guerrillas are being incorporated into a post-apartheid defence force — was always going to be difficult and take time.

Former ANC and PAC guerrillas would have to gain experience before being given positions of command in the 90 000-strong professional military, he said.

The newly established SANDF union, the Armed Forces Union of SA, recently expressed concern about the downsizing of the defence force, saying that mostly former freedom fighters would be affected and that this would further delay attempts to make the SANDF racially representative.

The highest ranking coloured officer in the Western Cape is Lieutenant-Colonel Richard Lourens who is the commanding officer of the Service Corps in Wynberg.

Lourens claimed that since re-integration started in 1994 most coloured lieutenant-colonels had opted to take packages because they "could no longer cope with being victimised".

"After we integrated, the African soldiers were represented, but whites still populated the top ranks. The coloured soldiers remained unrepresented," Lourens said.

Lekota's spokesperson, Colonel Puso Tladi, said they were still "dealing with the new dispensation and are going to make mistakes with representivity since it came with no book".

Tladi said that a special directorate outside the SANDF had been studying the staffing process with the aim of making the SANDF representative of race and gender and of disabled people.

He said transformation was going to take time and needed the experience of the old guard until the new soldiers were well trained for the upper ranks.

On the question of rationalisation and the small number of new recruits, Tladi said that more soldiers than anticipated had integrated and that soon the army would be forced to cut back even more, as "chunks" of the defence budgets had already been allocated for other government projects.

"We must not lay the accent on war, but rather on peace, and we do not need a big defence budget to do this. This means that social upliftment needs to be looked after. Why waste money on an overpopulated force just to fit in with the (representivity) times when we can relocate funds and feed the population?"

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