

Department of Foreign Affairs and Sanctions
Verwoerd to Mandela Source Material
Accessed at the Stellenbosch University Library

To note from the outset, there is no real additional evidence provided here regarding sanctions busting. “Not the Whole Truth” remains the clearest statement from a member of the DFA (Marc Burger) on how the system worked. However there is some interesting anecdotal material from ‘Verwoerd to Mandela’ that I have included below for the sake of context.

The common thread that runs in From Verwoerd to Mandela and books like “Not the Whole Truth” is the romanticised view that the members of the DFA have of their role during Apartheid. Almost all of them seek to stress their ‘verligte’ leanings and how they were opposed to the ‘verkrampste’ elements that dominated the NP. They position themselves clearly as the innocents that try to balance the interests of SA in a difficult situation. This is the same line that Burger uses so strongly in defending his sanctions busting. He outlines the following characteristics of his work (note that there is nothing in FVTM that gives us any more than this on how the system worked):

- Clandestine nature – on a need to know basis, though he claims that special projects were strictly audited and all projects numbered. Usually President, Pik Botha and him are in the loop.
- Origin of money is obscured by bouncing funds between numerous accounts – so the bankers are crucial. This requires many accounts – based in the traditional havens (Luxembourg etc.)
- Setting up shell companies – often by “hollowing out” already registered entities – this is easier to do than setting up new ones from scratch though we do know that there are ‘rentadirectors’ for this purpose.
- The use of familienstiftungen – using ‘foreign friends’ or other proxies to “breath life into an extinct family” including using a European Prince as head of such a fund.
- Using tax evasion as the plausible alternative story for people who pry – ironic that this is the cover story for other illicit processes.
- For physical goods (Agricultural and Mineral especially) – one had to obscure origin by using camouflage at every stage. Strategies included mislabelling, mixing it with goods from elsewhere, and plugging into alternative trade routes – i.e. getting a ship from LATAM to stop on the East Coast to pick up extra minerals and then deliver to China/East.
- Used a shell company in the Baltic to supply arms to both the USSR and NATO. Had a similar ‘network’ of business people helping provide access to the ME and Egypt.

- The Turkish Deep Water Port project – falls through largely due to the declining pressure of sanctions/and the inability of competing business to agree on a way forward. However there are clear interests that drive this that are not discussed explicitly (in the coal industry etc.)

Below, I have included some of the stories that relate to covert trade or sanctions busting type activities that are found in the 'From Verwoerd To Mandela' source material and books.

Bas Angelis

- Refers to a Foreign Affairs project with Bob Denard (France Mercenary) and **Sol Kerzner** to set up a hotel in **Comoros** with help of SA Export Financing Loans (fully funded by SA government). R30 million in exports from SA to Comoros to supply the hotel. Don't think the book mentions the Kerzner connection on this project? Denard and his mercenaries essentially run the Island as a praetorian guard that exercises all power – thus deals directly with SA.
- Speaks of the evacuation of Denard following President's assassination in 1990. Ferdie Bergh (Pik Botha's office) and Marco Boni went to Comoros for this. Claims that SAF Hercules planes did the evacuation – this contrasts with some online reports that French troops did it – they were there to take control of the Island (according to this report). Tension between SADF, Denard and French troops.
- Airport story and story of payment is in the book (volume 1).
- Something not in the book is the claim from Rusty Evans (in an email to Tom Wheeler) that in that exchange – Bob Denard was informed that MI (Witkop Badenhorst is the name mentioned) would no longer be paying him.
- **Roger Harding's** contribution clarifies this. The use of the Comores and Bob Denard was a negotiation between MI in SA and the French. SADF/SAA could use the runway and MI could use it as a listening post for the region.
- **Harding** also states that the arrangement was that Sun International (Kerzner) would run the hotels but not pay for anything – the construction etc. was fully funded by the SA gvt (i.e. tax payers). *Book 1 – pg. 174-182.*
- **Overall, it appears to be a case where there is collusion for private benefit that involves DFA, military and MI.**

Glenn Babb

- Equatorial Guinea (Obiang) offered SA oil concessions in return for help with cattle ranch and airport. SASOL (Dr DJ de Villiers), SOEKOR, and MOSSGAS (Dr David Day) were not interested.

- Mentions a similar project to the Comoros in **Madagascar – again Southern Sun** and SA government swoop in to build hotels and other infrastructure for tourism. This falls through after a coup. However Madagascar pay the money spent back to Southern Sun and SA government (money allegedly from China)

Frikkie Botha

- Account of how the information scandal impacted the DFA – and reference in particular to the attempted purchase of the Washington Star. (In Volume 3)
- Email from Botha to Tom Wheeler in which he speaks to the fictions of Rhodie and the fact that he feels the DFA perspective on the Information Scandal has not been presented.

Pik Botha

- Key reference in the *Botha Pik O'Malley Transcript* about the use of **front companies in London and Paris to evade sanctions and the reactivation of the account (of Jewish family) at House of Rothschild (Zurich) as conduit for SA funds.**
- Quote is: “As the effect of financial and other sanctions tightened, arrangement were made to ameliorate their effects. The famous bank, House of Rothschild in Zurich which had supported Paul Kruger’s South African Republic nearly a century earlier with a loan/gift? of 1 million pounds, sought and found the inactive account of a Jewish family that had completely died out. This was reactivated as a conduit for South African funds if all other methods failed. Stringent physical security measures were put in place to ensure that only properly authorised representatives of the South African government could have access to the account – rather reminiscent of those that are described by Dan Brown in The Da Vinci Code. (It never needed to be used, it seemed from Botha’s comments.) In addition South Africa set up a series of front businesses in London and Paris – among others – with reputable boards of directors, such as the wives of two former presidents of France. These were used as ways of acquiring high technology, such as computers that would otherwise be denied to South Africa. Large volumes of machinery and equipment were purchased and most later sold locally. (Presumably those needed by SA were shipped to SA. – not clear from his description of events.) When these businesses were no longer needed they were sold at a profit to the South African government.”
- Reference to a **prominent Swiss Businessman (called Mr. V :Leeutviler?)** who helped negotiate debt standstill agreement with SA major lenders in 86. (*in the Botha Pik Sanctions 31 August 2007 word document*). Also in there – a reference to mislabelling fruit exports with ‘made in Swaziland signs’ to bust sanctions as well as taking inspectors to Eastern Transvaal and pretending it was Swaziland.

André Brink

- First position in Munich. He received two scientist from Atomic Energy Board (one of which was brother of a senior ambassador who is not named). Instructed to take them into Bavarian forest to visit factory producing high pressure pumps and Venturi valves – used in enriching Uranium. (*Book 3 – pg. 31*)
- Asked to carry diplomatic bags with info on a military vehicle – suggests a M.A.N and Mercedes relationship – beginning of the Ratel armoured vehicle that is then produced in SA?
- Interesting anecdote on how the SADF dominated the SSC. Attempts to control cross-border raids and other dodgy ops were shut down quickly.
- Another reference to Chairman/MD of a Swiss Bank (**Fritz Leuthwiler** – also general in Swiss army) to manage SA's debt standstill and rescheduling and the meetings that took place (*Book 3 – pg. 344-345*).

Marc Burger

- The majority of the material in the source material was used in the book 'Not the Whole Truth' – the majority of interest to us in *Book 3, pg. 307-326*.
- Interesting note on **gold sales sanctions** which speaks to an agent of the mining houses 'Owen' who is identified by Wim de Villiers – first job is to counteract Nixon closing the Gold Window in 1971. He did so by going to Egypt and persuading them (and financing) the exhibitions (around the world) of ancient gold pieces found in the basements of their museums – aim to promote gold and encourage private market (with Ford legalized in 74). Collaboration between DFA and Mining Houses here.
- Burger refers to this "**Owen**" in "Not the Whole Truth" as a brilliant individual who is the key 'business mind' in running the clandestine operations to circumvent sanctions.
- In the 'How it all started' exec file – reference to SA Radar technology designed on Isle of Wight and used by Brits and US.
- Some info in the exec files on the Israeli TV and the National Religious Broadcasters.
- In the transcript of the Eddie Dunn discussion, Donna Wheeler recalls meeting a man (J Klingeman they think) on a plane who is a US (CIA maybe) 'deniable' who was involved in the attempted rescue of Dunn. Marc Burger thinks he may have been same character involved in the assassination of Lumumba at behest of mining interests and CIA.
- In the transcript on France, he speaks to the crucial role France played in Africa – interesting context similar to the paper by Joanna Warson.

- He also speaks to the deterioration of relations due to the Dulcie September assassination (although mainly to talk up how he turned it all around).
- The Savimbi transcript is difficult to follow – but it speaks to a **charity SAVE** that was used as a **front** to attract investors (who couldn't be associated with government) to fund a farming training college that was a front for getting **Stinger missiles to Savimbi**. Denis Casale registered the company with Heyns (from Salt Lake city) as Director. **Anton Rupert** mentioned.
- Swedish fruit + coal boycott transcript has some basic details of methods to avoid those sanctions. Mislabelling fruit and covering coal in layer of coal from other countries.

Errol de Montille

- In the transcript on his time in Malawi – he speaks about the Fouad Kamil hijacking of SAA flight. Not real details though he does speak to the tensions it created between the governments.

Pierre Dietrichsen

- Paris embassy from 78-82. Speaks to past military relationship between **French and SA in military terms** – Koeberg, submarines, container vessels, mirage aircraft + helicopters. Claims this cooled by 75 due to AAM.
- Not much detail here – does mention that SA used West-African embassies in France to make secret contact with those governments.
- Was in Japan from 86-90. Tension due to **Helderburg**, which had Japanese citizens on board. Again, no helpful details.

Brand Fourie

- He speaks to the negotiations between SA, USA and France over the supply of enriched Uranium for Koeberg, and the difficulties with the USA over the NPA etc. (Book 3 – Pg. 273 and 277).
- He refers to his extensive efforts to defend SA in the US media generally between 82 and 85. He doesn't mention lobbyists etc.

Jan Heunis

- His entry covers the arrest and trial of the Coventry Four – employees of Armscor subsidiary trying to smuggle voltage tunable magnetrons for kukri missile and G4 cannons. He speaks to the DFA attempts at persuading UK not to pursue charges etc. He mentions that the *“UK's Customs and Excise department accused SA government of setting up a network of companies and agents to export*

goods of strategic value in such a way as to lose the identity of the goods and/or the supplier". This entry is longer version than the one in Book 3 – pg. 65-70.

- **Andre Pelser's** contribution also speaks to the process and the government's decision not to send the 4 back to UK for trial. He states "what astounded me at the time was the power of the security structures in SA and the sway that they had over government" – he includes **Armcor** in this description and speaks to their special ceremony for him on his return from the UK for help in this matter.

Chris Landman

- His entry (also in Book 3, pg. 302-305) speaks about the Information Scandal and how secret projects were unaffected by the disbandment of the department of info and continued to run from within the DFA.

Christo Prins

- Interesting anecdote of an occasion in 1990 when he organized an **SAA passenger aircraft for Mobutu to transport troops** and weapons to Katanga in an emergency. No payment was ever received. Potential link to mining interests but nothing mentioned.
- His entry on the SSC provides a helpful overview of how it functioned and the way the diplomats perceived their role within it (which seemed to be to counter the strength/aggression of security cluster).
- His entry on Taiwan does not raise any striking details – but it does speak to the very strong military and intelligence relationship shared between Taiwan and SA.

Werner Scholtz

- Just an interesting anecdote on the nature of the DFA/Military/Executive relationships. He claims that when it came to SADF activities in foreign countries, the US (CIA) had much better intelligence than DFA (and even PW at times). He claims that reports he got from Dawie Loubser (Mozambique) were based on reports from US Ambassador Melissa Wells. Her intel on SADF activities was incredibly accurate and detailed. It annoyed SADF that DFA had this information, and he speculated that PW Botha was also annoyed that even he was unaware of some of the stuff.

Neil van Heerden

- Government's response to increased pressure in the 1970s was to turn inward and engage in "questionable covert action":
 - Backdoor diplomacy.
 - Influence peddling with 'dubious individuals'.

- Authorized and funded away from the scrutiny of the AG and parliamentary oversight (and behind back of DFA).
- Security and Intelligence agencies central to these programmes.
- Again – distancing DFA from apartheid policy in general.