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PRETORIA 0001 INVESTIGATING DIRECTORATE SERIOUS ECONOMIC OFFENCES

ONDERSOEK NA DIE GEVAL VAN: SANDE.

SAAKNOMMER: 1/4/3-21/00

DATUM: 23/07/01

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KASSET: 56 - 57

TIKSTER: A D LAMPEN

Bladsy 1389 - 1425

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MS VAN DER KOLFF: Were you aware of any political influence on the process? -- On the whole... (intervenes)

On the whole process or just ... (inaudible) when the, when the Spaniards ... (inaudible) and thereafter the Germans came in again. -- Okay. With, with the selection of the technical side of it, in other words, the Navy saying, let us go back to the original, when we went in May 1995 to the (30)
Cabinet /...

Cabinet for the British or the Spanish, recommending the Spanish one, well, there was certainly, not political interference, there was interference for sure. Because we did a presentation before we went to Cabinet, two, the two then, the present, present, because we had two at that stage, remember. We did one to Mr Mandela and we did one to Mr De Klerk. And the questions that Mr De Klerk asked us, it was very obvious that somebody else had got to him. One of the competitors, because he was saying, why are you going to build a Spanish ship with inferior steel? And we said, well, beg your pardon, (10) but what do you mean? It is all going to be with Iscor steel. At that stage the contract said that you had to buy South African steel to build the ship. So obviously one of the other competitors has got to F W de Klerk and said to him, don't be stupid, don't buy Spanish. They are going to build it with inferior steel. So that, we were aware of that sort of thing. Which we then had to counter and we had to tell the politicians and people, saying people, please do not listen to other people. Listen to us from the technical point of view, from the ship point of view. Right. That was the first time round. (20) And then that was put on hold, put on ice, it was ... (inaudible), call it what you like. Then after May 1995, but then when we went out into the open, again, no, the, from the, once again from the selection of the equipment, there was no political influence at all. We selected the submarine, German submarine and the German ship on a total value system. They came out, on our value system, on top. There was zero influence or put, pressure put on us to select either one.

Did the Germans come and see you about it, the fact that they wanted to be part of the programme, in the beginning? -- (30)

Yes. /...

Yes. Oh, we were, we were lobbied like mad by all of them. By everybody. ... (inaudible) the Spaniards and the French and the Brits and the ... (inaudible) were regularly coming into the office and lobby us and, so that was an open, all of them realised it. And in fact, we had a meeting with them, with everybody at one stage, the ship and the submarine. We had meetings with them regularly and we said, we had the principle and we said to them, I will be able to look each one of you in the eye afterwards. I remember very clearly saying to each one of them, when the selection is made, I will be able to look you (10) each in the eye and say to you, that was a fair competition from the Navy's point of view and that guy won. And you did not, because we will evaluate each one of you. We put on the table ships and submarines that were acceptable for our conditions, for the country, in other words, which South Africa could live with. What we didn't, we made sure that, what wasn't acceptable for our conditions, wasn't there. We took the Russian submarine out, for instance because we just could not support it from a logistics point of view. It was acceptable as a submarine, but we had experience of the logistics (20) support system. So that was not there. It was not on the table. We had already taken it out. So we said to them, quite happily, we put in those, all of those that are there, we will evaluate, we will recommend and whichever ship wins, we will live with it because of the other, the system that we, three tier system that, the counter trade and the finance and ... (inaudible). Any one of those ships or submarines, we would have served (??) it quite happily.

And did any of them attempt to bribe one of you? -- No.

Or offer you anything? -- Not, never, not one of them (30) ever /...