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CHAIRPERSON: Can we ask the witness to take the oath again?

(Witness is sworn in.)

CHAIRPERSON: Thank you.

5 ADV LEBALA: Chairperson, Commissioner Musi, we are ready to proceed. We are ready to proceed Chair. Admiral Hicks yesterday when we adjourned you told the Commission about the names of the frigates and submarines, you were even starting to demonstrate how strategically they could be
10 utilised, you told us about the SAS Mendi, the symbolical role it played, how the Eastern Cape Cabinet went on it to symbolise its strategic utilisation and today we would like you to start from where we left yesterday. Now before I direct you to a particular area of testimony is there anything that you
15 want to add or subtract in relation with that part of the strategic utilisation of the frigate SAS Mendi?

R/ADM HIGGS: Mr Chairman, the only thing I'd like to add is that Mendi sailed from East London and we went up to Durban and Mendi was very warmly welcomed into Durban, and it was
20 escorted into Durban by helicopters from our Air Force and from the Police Service and we went alongside in Durban and we also took media from Durban to go and show them the ship and we sailed, and at that stage there were hearings going on concerning alleged irregularities and corruption with regard to
25 the Strategic Defence Packages and we were asked how can

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you bring a frigate like this, we were asked by the media how can you bring a frigate like this into Durban when all this is going on.

5 And I was there with, at that stage the Chief of Naval Staff Rear Admiral Magalefa, and he very clearly told the media and the TV cameras that the Navy has nothing to do with corruption, we are meeting our constitutional responsibilities and we are doing our duty and we are very proud of what we do and what we have, that is all I'd like to add about Mendi.
10 Thank you Sir.

ADV LEBALA: We have parted ways with the Defence Review, we know the significant role it played, we've demonstrated its basis was the White Paper, both of which are policies. What came out is that as early as 1994, 1995, 1996, 1997, 1998
15 leading towards the acquisition of these policies there was an urge to position South Africa, utilising the arms of services where necessary. Do you want to comment about this?

R/ADM HIGGS: I believe that that was so and in the Navy's case in particular we are an instrument of State and our ships
20 by definition don't come ashore except in sometimes some of the small ones up-rivers, but the reality is we specialise in operating on the sea as I said yesterday, which covers 70% of the globe, of the earth.

And in 1997 during the Defence Review people may
25 recall that President Mandela played a significant role in the

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conflict with regard to Zaire which was to become the Democratic Republic of the Congo, and in fact if I could lead you Mr Chairman to page 84 of the Defence Review.

5 ADV LEBALA: Chairperson, that would be Annexure "RHW4", volume 1 of Higgs bundle. We draw your attention to page 84, the witness is referring here to page 84, let us see whether the commissioners are on the same page before you proceed. Commissioner Musi is nodding.

R/ADM HIGGS: Alright.

10 ADV LEBALA: Let me see whether the chairperson is on the same page. Page 84 Chairperson, Annexure "RWH4", that is the first bundle of volume 1 of Higgs bundle. Both commissioners are on the same page. You may proceed Sir.

15 R/ADM HIGGS: I thank you Mr Chairman Sir. Sir, I'd like to refer you to the picture on that page, that is a picture which was taken onboard a South African Naval vessel and Sir if you don't mind I'd just like to read the caption to you, it says:

20 *"President Mandela and Deputy President Mbeki with President Mobutu and Laurent Kabila during negotiations onboard the SAS Outeniqua".*

Sir, I think this symbolises and reflects the significant role which a navy platform allowed our commander in chief to play off our continent and the fact is that a naval vessel with South African Naval ensign on it is part of South Africa, 25 diplomatically it is like an embassy, so we sent that ship off

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today's DRC where peace talks were negotiated and the whole thing is that platform gave President Mandela huge credence and credibility to be able to conduct his peace talks there. The ship was significant, it operated a helicopter so that various parties could be brought onboard, it was big enough for them to be separated onboard so that there would be no personal conflict and also it took away the stigma of it being on somebody else's turf bar South Africa's turf, and this is one of the very, very important things which the National Defence Force does and in our case in particular with regard to the Navy helping facilitate and strengthen South Africa's position in becoming a major player in the world.

ADV LEBALA: Please let me direct you to page 84 of the self-same Annexure "RH44". We have noted that the commissioners are on the same page. Do you want to comment about what you see on this page, Chapter 5 "International Peace Support Operations"?

R/ADM HIGGS: Mr Chairman Sir, I'd like to read and comment on it, it is very well written and it is very short, it says:

"As a fully-fledged member of the international community South Africa will fulfill its responsibility to participate in international peace support operations".

South Africa in our historic context was a new kid on the block, other countries, their diplomatic foundation is based on

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centuries of history and of legacy. South Africa started from scratch in 1994 and what we see here is the Military giving credence to making South Africa a highly respected nation. The second paragraph there Sir:

5 *“In the short term, however, such participation will be regarded with caution since political and military dynamics, these operations are new to South Africa and the Department of Defence”.*

As I've said.

10 *“In order to prepare for peace support operations the Department of Defence is investigating the development of appropriate doctrines, operational procedures and training programmes in cooperation with foreign partners”.*

15 Then moving to paragraph 5 there Sir where it was said:

“South Africa will only become involved in specific peace support operations if the following conditions are met:

20 5.1 *There should be Parliamentary approval and public support. This requires an appreciation of the associated costs and risks, including the financial costs and the risks to military people”.*

25 It is expensive to have a Defence Force, it is expensive to have a Navy and these are some of the fruits which you bear from

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that investment, these are the fruits which adds fruit and butter to the guns and butter debate. In 5.2 Sir:

5.2 *"The operation should be authorised by the UN Security Council.*

5 5.3 *Operations in Southern Africa should be sanctioned by SADC and undertaken with other SADC states. Similarly operations in Africa should be sanctioned by the OAU.*

10 5.4 *The operation should have a clear mandate, mission and objectives".*

And then if I could, they move to page 85, over the page, the heading "Types of Peace Support Operations" are defined and I would like to just read through the first one which is on preventative diplomacy:

15 *"Preventative Diplomacy. Preventative diplomacy involves diplomatic action taking in advance of a predicated crisis to prevent or limit violence. In particularly tense situations, preventative deployment of military forces may support such*
20 *action. The deployment may be aimed at deterring violence, assisting local authorities to protect threatened minorities, securing and maintaining essential services and ensuring access to an area of operation".*

25 I think that is fundamental to our understanding to the many

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debates which we had in the Defence Review and to seeing the greater role which the National Defence Force would be playing post the approval of the Defence Review.

ADV LEBALA: Isn't what we see on page 85 where we see the symbolism played by the South African Navy ship, the then-President Mandela and the warring factions in Zaire, now the DRC, complementing what you are saying and what you have read in paragraph, the paragraph headed "Preventative Diplomacy" on page 85?

R/ADM HIGGS: Mr Chairman Sir, I would say that is most definitely the case and in addition, without taking too much of the time, there are other dimensions of peace support operations which I would just like to read to highlight where you may wish to go to and other interested people can see that because *de facto* this shows the huge utility of having a capable, professional military. Paragraph 9 Sir talks about Peace Making, paragraph 10 Peace Building, paragraph 11 Peacekeeping, paragraph 12 Peace Enforcement and paragraph 13 Humanitarian or Relief Activities and all of these form part of the bouquet, the toolbox of tools to give to our commander in chief to give to the elected civil authorities in South Africa to allow us to achieve our rightful position in the world.

ADV LEBALA: I would like us to deal with the rudimentary elements of strategic utilisation, you've already laid the foundation by dealing with SAS Mendi, what it symbolises, and

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in this instance we are starting with the frigates. You did testify that we had four frigates, you mentioned them by name yesterday, you've already dealt with the first one SAS Mendi. I leave it to you to inform the Commission how you would like to demonstrate how all these frigates play a symbolical role and what benefit are we getting in having acquired them.

R/ADM HIGGS: Thank you very much Mr Chairman Sir. Sir, I'd like to start with SAS Amatola. SAS Amatola just most recently has been significantly deployed off the coast of Mozambique in anti-piracy operations, she has made a name for South Africa and for SADC in showing that we are capable of performing outside South African waters. In addition to that SAS Amatola was sent to the British Royal Navy to conduct a workup and measuring of her capability to NATO war fighting standards and she did very well.

The most significant impact she possibly had on our foreign policy and our, with regard to strategic positioning was in May/June of 2006 when she was deployed to Nigeria to alongside in Lagos. The Nigerian Navy is a significant partner of ours in Sub-Saharan Africa and as a comment those of you who have followed the media, I believe it is yesterday, that a 3 200-ton Nigerian warship came into Simonstown on her way to Australia, so that is happening as we are talking Sir.

But, Amatola was deployed to Lagos to support our Chief of the Navy's activities in having a Sea-Power Africa

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symposium in Abuja. Admiral Mudimu has played a significant role in bringing the navies of Africa together, he started off with a Sea-Power Symposium in Cape Town and the second one was hosted by the Chief of the Nigerian Navy in 2006. That
5 coincided with a fleet review which Nigeria held in Lagos.

The Sea-Power Symposium in Lagos had 22 African navies represented there, 22 African countries. There are many critics who say that Africa can't get their act together and people have said if you have more than five African
10 militaries talking you are very lucky, South Africa was able to help set this up that over 20 African nations were talking security and maritime security in Abuja.

At that Sea-Power Symposium President Obasanjo the President of Nigeria opened that symposium giving one an
15 understanding of how important people see the navies and naval activities. That symposium was very successfully conducted and it was based on the premise of the growing capability of Africa sorting out Africa's problems and there was huge respect shown by the navies of our fellow African brothers
20 and sisters for us having a frigate being able to deploy a frigate into Lagos. It was significant.

At that stage also there was a lot of interest in the fact that we were renewing a submarine capability and there was lots of discussion at the Sea-Power Symposium on these
25 things because historically as a result of the legacy of

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colonialism a lot of African nations have neglected their navies but this was seen to herald the change of that where people at African states are becoming more aware of the value of their sea and aware of their value of their exclusive economic zones, aware of the value of their fish in that, the minerals, the gas and oil under the seabed which traditionally was used by other parties outside our continent and that was the highlight of that Sea-Power Symposium.

Sir, Amatola made a huge impact on the people to the extent that President Obasanjo invited at very short notice on completion of this symposium, he invited the remaining Navy leadership to a function at his private residence just on the outskirts of Lagos and a number of us went there to his function and he welcomed everybody there with the warmest handshake you could imagine and our Navy chief Admiral Mudimu responded on behalf of the navies of Africa to him and we were speaking of sea-blindness and the necessity for people in Africa to turn their backs, instead of turning their backs to the sea, to turn around and to look to the sea and to be comfortable with the sea and to capitalise on that which belongs to the people of our continent, and Admiral Mudimu thanked President Obasanjo for that, and President Obasanjo indicated he intended taking the issue of navies and looking after Africa's maritime interests to the AU. If we did not have Amatola in Lagos one wonders whether that would have

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happened to that extent.

ADV LEBALA: Are we done with Amatola?

R/ADM HIGGS: Yes Sir, we are done with Amatola now and if you're happy I would like to move on to Isandlwana Sir.

5 ADV LEBALA: You may proceed Admiral.

R/ADM HIGGS: Thank you. Mr Chairman Sir, the next frigate I'd like to talk to is Isandlwana. Isandlwana is the second of our frigates and she in 2005 was deployed across the Atlantic to participate in our bi-annual at Le Sueur [sic] exercises. The
10 South African Navy participates every two years in exercises with our friendly navies across the Atlantic, with the navies of Brazil, Argentina and Uruguay and Isandlwana was deployed across there and she made an impact in South America, but on top of that we decided to send her into the Pacific Ocean to
15 extend the wings of the South African Navy with our modern ships so that the world would be aware of the new South Africa.

And she went around Cape Horn on her own unaccompanied by an oiler, she went around Cape Horn because we had chosen her to be able to operate
20 independently, she did not need another ship to hold her hand. She went around and came alongside in Valparaiso in Chile and conducted low-level operations with the Chilean Navy and in addition set us up for Chief of the Navy to participate in the arms exhibition called EXPONAVAL.

25 There were a number of navy chiefs in Chile and

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they were invited to a cocktail party onboard Isandlwana in Valparaiso and I was there with Chief of the Navy when he proudly showed those navy chiefs what South Africa was capable of and it was significant, and when the Defence Secretary of Chile welcomed everybody at our function at the top of her list of who she welcomed, they had traditional significant allies there, was the Chief of the Navy and the South African Navy because we were capable of sending a frigate across there and a most modern frigate.

10 ADV LEBALA: Any additions or subtractions to the significant symbolical role played by Isandlwana?

15 R/ADM HIGGS: There's nothing I'd like to add to this, about Isandlwana bar just on the human side, Sir it was very interesting, we had a number of young South Africans who I met in Valparaiso when the ship came alongside and in going around the horn they experienced some huge sea conditions and there's nothing as sobering to any human as to be at sea in a storm, and it was recorded that the wind speed over the ship at certain stages reached 90 knots which is well over ...,

20 which is very, very strong Sir, close towards 200 km/h, and those young South Africans, all races, they were thrilled to be there and when you look into their eyes you could see the experience which they had been through and of course the reality is the ship was taken to the edge of what it's designed

25 for and it did well, it had made those young South Africans, the

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probably 140, 150 young South Africans onboard there stronger.

ADV LEBALA: You have outstanding two frigates that you haven't actually (indistinct), that you haven't dealt with, do you
5 want to enlighten the commissioners if need be about its symbolical role that it plays?

R/ADM HIGGS: Thank you very much Mr Chairman Sir. Sir,
I'd like to speak on SAS Spioenkop. In 2008 our ambassador in Beijing through the Department of Foreign Affairs, then DIRCO,
10 requested that the Department of Defence at minister to minister level support South Africa's 10 years of recognition of our relationship with the People's Republic of China and as a result of that the Chief of the Navy was tasked to deploy SAS Spioenkop from South Africa to China. It was an extended
15 deployment, Spioenkop stopped over at Singapore, she reached Singapore on her own, she had enough fuel to reach Singapore which is significant for a warship, and one looks at the people who designed the vessel to make sure that she had long legs because a lesser frigate would not have been able to do that.

20 She went from there to Shanghai in China, I was sent by the Chief of the Navy to welcome her in Shanghai and as she was approaching the Chinese Naval Base the PLA Navy, it's the People Liberations Army Navy of China, what impressed me was the way the Chinese went out to welcome her, there
25 was a brass band on the quay and our ambassador,

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Ambassador Ntshinga, Ndumiso Ntshinga had sufficient influence in Beijing to ensure that officials, senior ministerial level officials from not only the Department of Defence but also from the Department of State were in Shanghai when she
5 arrived.

Admiral Shinning, the Chinese two-star who was my counterpart, he said he had never observed such a reception for any ship from a superpower or anybody and he said he felt it interesting that the South Africans pitch there and Beijing
10 recognises that more than anything in his memory.

But probably the most significant thing was the interest when Spioenkop came alongside, this was the modern frigate which we've all looked at, with probably the best part of a 165 South Africans, including members of the Air Force,
15 including members of SAMS, people who were onboard to actually go and make it work and what is interesting to note in this three month deployment there was not one disciplinary incident reported.

The South Africans went across there and the Chinese were most impressed by the vessel because these vessels, even though they are modest, they are probably of the most modern looking vessels in the world today and what impressed the Chinese also was that there were men and women serving in major functional posts onboard that ship and
20 they were men and women of all the races of South Africa.
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There was a media conference onboard the flight deck of Spioenkop later on that day, the OC was very good, he had the awnings and everything set up at very short notice, there were 28 media fees into that. The Chinese leadership and our ambassador led everything and the following day a number of retired Chinese admirals and generals came onboard Spioenkop to visit on a Saturday morning. They spent just over two hours walking through Spioenkop.

And Mr Chairman Sir, we had an interpreter there, those Chinese admirals and generals told me this visit has changed China's perception of South Africa, they said through the interpreter: "We respect Africa but we don't see Africa having the ability to own and to deploy a vessel like this across the world". They said in about 14, in the early 15th Century they had sent warships to Africa under the command of Admiral Xing Hi and in fact there are books written about that, the second time they sent warships to Africa was in 2000, they sent warships which came alongside in Simonstown, and they said: "Admiral, you have now responded with the South African Navy sending a warship to China for the first time" and I think it was very significant.

Soon after that my observation was that there was greater interest, the senior Chinese leadership we'd always had a reasonable handshake, but lots of interest in our Navy and just a few months after that the political commissar of the

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Chinese Navy came and he visited Admiral Mudimu and soon after that at an international fleet review held by the Chinese Admiral Mudimu was invited there and there's a beautiful photograph in Admiral Mudimu's office of himself and the Head of State of China who wanted to host Admiral Mudimu and it's a beautiful historic picture.

There are some people who also say that possibly that visit helped played a role in us being welcomed so warmly to BRICS, so one wonders if we didn't have that frigate would there have been that great interest in South Africa from the Chinese Military, would Admiral Mudimu have met the Head of State of China and the question remains how would our position in BRICS or BRICS have been affected, and these are all questions which academics will look at in the years to come.

ADV LEBALA: Admiral Schoultz [sic], we've been sailing smoothly, but this is a Commission, we may have to meet turbulences at time, I'm equating your testimony to a voyage. In dealing with the turbulences at this stage, the stormy winds, the critics are saying, and I want to phrase it properly because I've got to do it with the most caution, the critics will come and testify and say there was no need for us to even go to an extent of acquiring this capabilities, we are in BRICS symbolically, we are not taken serious, we are just there to add to the number, what's your view in relation with this capability and what you have observed?

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R/ADM HIGGS: Mr Chairman Sir, we are in BRICS, period. The second point Sir is I refer back to Mahan, we look at how the British Royal Navy made Britain great years back and I personally believe that the South African Navy is and can
5 continue to play a significant role in the global positioning of South Africa to make South Africa great, but it will not come easily, it doesn't come easily, we needed bold people to be prepared to go and fight for us to get frigates and submarines in the historic context of the mid-1990's, we needed bold
10 people, we need bold people today, a navy is not cheap, a military is not cheap, an air force is not cheap, but the reality is if I refer back to my international relation studies, the basis of the nation state is that it must be able to defend itself.

So, it defends itself and it furthers its interests and
15 the reality is it adds credence and credibility to who we are and can help this nation become greater, we must just make sure that we look after it, fund it properly, retain people, retain all people and all expertise to get going and to capitalise on what we have achieved Sir.

ADV LEBALA: Well, the critics will further say we export gold, we export diamonds, we export important minerals, we influence the world in that context, we didn't need these capabilities, our DNA is made up of some of the greatest people who make us to be proud South Africans and proud
25 Africans, Bishop Tutu, former President Mandela, F W De Klerk,

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we can name them all, what more do you need, why do you need these capabilities to position South Africa.

R/ADM HIGGS: Mr Chairman Sir, the military adds a different dimension. We speak of commerce, making motorcars, exporting gold, making clothes, fashion statements, that is important for the economy and some of it is South African owned. We have had great people, great leaders, probably of the greatest statesmen of this century and last century and we are out there but what allows to be taken seriously through the entire dimension is showing that we are capable.

It comes down to the principle which we mentioned with regard to deterrence but it's to a different level, we showed the Chinese people that we are capable, we had the resolve to have a ship like that, we were able to send it across the oceans with our people. It is interesting, people say that you are in fact a paper tiger if you talk without a military behind you and I believe there's a lot of credence to that, this is a real world, most significant players have got credible militaries which make them strong.

ADV LEBALA: The critics would further say that we are punching above our weight because it doesn't matter how many capabilities we acquire, we'll remain an African state and there are better things to focus on because we have socioeconomic challenges that we could direct this (indistinct) resources or minimum resources we have on instead of acquiring these

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capabilities.

R/ADM HIGGS: Mr Chairman Sir, I believe South Africa can walk and chew gum at the same time. I think we are capable of doing it both and the big thing comes to balance, I believe if we have an adequately equipped and funded, and we retain, we train and retain the correct expertise it will help our economic situation to develop, and there are many examples, it's not one at the expense of the other. If you have a look at some of the Eastern Tigers which have done so well, such as Singapore, South Korea, they have put huge monies into their military and their economies have hummed. It's a matter of looking at it but being smart and making sure that there's credibility and trust, there's got to be credibility and trust and Sir, our Code of Conduct which I read through is central to this.

The Code of Conduct, the fact that people must know we don't do corruption, if people perceive me to be corrupt upfront I would have no credibility, I could not stand here and the people of South ..., you Sir, the people of South Africa would not believe me, there's got to be trust in the Military and we can, the Military can help South African continue to become a greater country and with that there will be huge economic spinoff, there will be a better life for all. If there's chaos here, there's instability, ill-discipline in the Military, underfunding in the Military, that is one scenario, the scenario of a successful South Africa with a better life for all I

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believe is with a highly professional, well-funded, capable military making South Africa a greater nation.

ADV LEBALA: But that's the reason why the Navy don't need more, the critics are saying we have three frigates, we have
5 four frigates, we have three submarines, we can't maintain them, they are stuck in their own tracks, I don't know whether the expression is to say some of them are at the harbor, some of them are at the dockyard, the engines are breaking, it's a wastage, it defeats the self-same purpose of this acquisition
10 that we went through.

R/ADM HIGGS: Sir, I think to maintain a navy is what it is about, maintaining a navy is continuously renewing its capabilities, it is not a matter of buying three submarines and four frigates and forgetting about the Navy for 30 years. If one
15 looks at our huge responsibilities off the coast, if one looks at the economic trade which the Navy helps ensure, if one looks at the foreign policy initiatives which we are underpinning then I think one's got to look at it in a different context, we speak about maintaining a navy, maintaining a navy means that we
20 must continuously renew what we have.

The submarines and the frigates are the basic building blocks and are exceedingly modest, I believe for South Africa. On top of these we need to continue doing things, we had SAS Drakensberg, a locally built combat support vessel
25 playing a significant role in the Gulf of Guinea with major

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difficulties last year, she helped make South Africa great, she is going to need to be replaced. We've got Project Biro which we need to speak about, Project Biro are a number of inshore and offshore patrol vessels which should be locally built, which will help stimulate the economy to allow us to have more vessels at sea.

3.6 million km² is a lot of turf Sir and we got to be out there, and the reality is even though we're talking about low level in sophistication but robust vessels which can be out there to make sure that we patrol and control what is ours, we got to be there, there is quality in quantity, our frigates and submarines are good but we need other platforms to allow us to go out there and make sure that we look after ours.

On the hydrographic side Sir we have SAS Protea, Protea who performs a hydrographic function, she played a cardinal role in helping survey for our extended continental shelf claim which is potentially, should the United Nations agree as I said yesterday, will add 1.8 million km² to South Africa for our children, our grandchildren. We've got to replace her, she's 40 years old, we cannot stop, we must maintain the Navy.

We were referring to Millennium, we were referring two days ago Sir when I spoke of Minister Kader Asmal with regard to a capability, going and having the ability to go and influence events ashore, pull people off our burning embassies,

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pull other SADC leaders off their burning embassies, go in and make a difference, that is the Navy which is going to continue making South Africa great, but it is not easy, we need to fund it properly, we need to continuously renew and we must not be
5 intimidated, we must not be intimidated, if there's corruption we'll separate corruption from the need of the Navy, the Navy's need is very clearly laid out in the Constitution, it is straightforward.

I believe that just speaking about the use of the
10 frigates, and we haven't spoken of Manthatisi [sic] yet but just speaking it in broad terms it is in my mind, it's a no-brainer, it's a no-brainer. Britain without what their Navy did would be insignificant, but Britain is still a huge player even though she's actually got nothing. Here we've got stuff, South Africa's
15 wealthy, we've got, we must just look after it, we've got to have some balance in our government expenditure so that we can trust and make sure that the Military and the Navy are able to meet their constitutional requirements and believe me, these are magnificent policies and doctrines and we're updating the
20 Defence Review and the new Defence Review is saying we need to be more realistic with regard to government expenditure on Defence.

And that is another subject, but it is very, very important, and I think what we have achieved, if people say our
25 frigates came alongside here and did nothing they are wrong, I

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just, what I've told you now Sir, if I shared that with any other navy chief in the world I will tell you just for one of those examples they would be almost prepared to give their eye teeth, and we've got four of those, I've just given you the four
5 examples, the reality is we have achieved strategic objectives significantly, if anything we've perhaps overworked them, which has perhaps resulted in the situation where as we get to know and establish our vessels, we say to establish a capability is about 10 to 15 years, our first frigates have only been here for
10 just about 10 years, we're getting on top of it, we've done damn well with it.

ADV LEBALA: Admiral Higgs, with or without these frigates, if the Chinese were to take us seriously, whether we send the strike craft, whether we send an old frigate it wouldn't make
15 any difference, it's a relationship that we have because of the DNA of our leaders, we've been projected as a better country because of the leadership we produced, the people who have managed to project our country better, it is not this equipment and capabilities, what do you say about this criticism?

R/ADM HIGGS: Mr Chairman Sir, I think that is one dimension
20 of it, our leaders are magnificent but the leaders talk and inspire and direct, the militaries do. When we sit and do things we add credence and credibility to our leadership. When President Mandela was onboard Outeniqua with President
25 Mobutu and the rebel leader Mr Laurent Kabila, it was that navy

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platform which allowed that to happen. If there was no navy platform they might have met in a hotel somewhere and what would that have done? President Mandela's condition was considerably strengthened with this, it is the way of international relations Sir, it's the way in my studies, of national security with other nations of the world, it is the way things happen, it is the DNA of the leadership which is underpinned by a strong military, by a credible navy, by a well-funded, highly professional people, that is what makes a navy great and I think that with regard to our leadership, our political leadership is brilliant, there's no doubt, but it is the military which makes them greater and sustainable and ensures that people take them exceedingly seriously.

ADV LEBALA: Admiral Higgs I note that you have dealt with democracy, this is democracy, but in the milieu and age in which the world functions where we find ourselves today, what is significant is relationships that are not supposed to be determined by frigates and submarines, I know that we haven't dealt with submarines and what one could positively address is that South Africa does not need these frigates and submarines to project itself, there's a better way of doing it, we could keep on improving on our economy, exporting these resources that we have, playing a significant role at the UN because democracies don't attack each other nowadays, there's a better way to resolve altercation, fracas and war, countries don't go

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to war and criticism would say why do you need this equipment, why are you trying to make it so sacrosanct because there are alternatives to look at instead of investing money in this equipment whereas this country has got better challenges to look at, health, poverty, HIV Aids, homelessness, we need to build homes for our people, clothe them, fit them and we spend billions on this equipment.

R/ADM HIGGS: Mr Chairman Sir, this is at the heart of the guns and butter debate and this is exactly what has been put on the table now is what was heavily debated during the Defence Review, and we looked at it from all dimensions and the reality is that pragmatism comes through, the ratio of defence expenditure *versus* other expenditure is something which is looked at very, very closely. I believe a well-funded military will ensure that there can be better economic development, I believe a well-funded military will ensure that there's stability, that there's confidence from outside the country that we are capable of doing things.

Sir, at the moment without getting into the specific things but just putting it on the table, at the moment out of every 100 cents which the Government spends in South Africa, 3.8 of those 100 is spend on defence. That is exceedingly modest and people will speak to it and I know Chief of the National Defence Force feels very strongly about it and the new Defence Review is saying we need to revisit that but the reality

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is that you got to look at things in a holistic way and military, spending money on the military smartly with no corruption is not throwing money down the rat hole. That is my perspective.

ADV LEBALA: I would like you to complete the strategic
5 utilisation by dealing with the submarines now. Where would you like to start? Unless you want to, I beg your pardon Admiral Higgs, unless you still want to add to the strategic positioning and utilisation of the four frigates, is there anything that you want to add?

10 R/ADM HIGGS: Sir, I'm happy with regard to what I've said with regard to the submarines [sic]. Should there be any further questions on that I'd be delighted and I think Admiral Schoultz is going to talk very specifically to that. My talk with regard to the frigates was the rationale, almost a continuum
15 from the White Paper Defence Review to looking back after 15 years what was the consequence of that and did it actually achieve what we were dreaming of in those days, which I believe it did. I believe it did, I think we could have done it better but we certainly didn't bring them here and park them, it
20 was the other extreme, if anything we pushed them way over what was originally foreseen and we achieved great success with that, but I'm happy to move into the submarine setup Sir.

ADV LEBALA: Which submarine would you like to start with?

R/ADM HIGGS: Thank you very much Mr Chairman Sir, I'd like
25 to start with SAS Manthatisi. Manthatisi is the first of our

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submarines and Manthatisi was built in Germany and she arrived back here, she's a Class 209 submarine, it is a good, solid, strong submarine, speaking as a fellow, as a former submarine commander having a look at her she's a lot more comfortable than the old submarines, the old Daphne submarines would go to sea for four weeks without any water *et cetera* and with old technology and lots of hand-draulic [sic] stuff, these new submarines are state of the art submarines and the big thing Sir is that they bring credence to South Africa and to our military and this is what I'm going to relate to now.

Sir, in 2007 the Chief of the Navy Admiral Mudimu entered into conversations with a four-star NATO commander concerning NATO potentially deploying a force around Africa. NATO of course is the North Atlantic Treaty Organisation, it is the most successful military alliance in the history of humankind and of course it had its roots just after the 2nd World War and was a major player in the Cold War, and of course the countries which make up NATO are our friends, we get on very, very well with them, but what happened is that this admiral spoke to Chief of the Navy Admiral Mudimu and said: "Admiral Mudimu, we would love to come around there because we've got certain strategic objectives and we'd love to bring a force, a naval force of six ships and we'd like to come into South Africa and to exercise with your navy on our way around into the Indian Ocean".

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And Admiral Mudimu said: "Admiral, you're most welcome", it was British admiral, a British four-star, he said: "You're most welcome" and the NATO admiral said he would like to invite South African media onto his surface combatants whilst they were exercising with the South African Navy. And Admiral Mudimu in knowing how the media in South Africa works expressed caution to that and said they're most welcome but NATO must just understand that the media is not under the control of the South African Navy.

And anyway what happened Sir, this NATO task force of an American AEGIS Cruiser, the Cruiser is a significant surface combatant of the United States, I think they've probably got about 40 or 50 of them, its loan probably cost more than our four frigates together and it was the flagship of this NATO force. It was also accompanied by a Canadian anti-submarine frigate by a Portuguese anti-submarine frigate by a Dutch anti-air and anti-submarine frigate with a Danish Corvette and it was, they were supported by a German oiler, a German vessel which would provide fuel and vittles for them, and they came down into our waters here, we met them at the Orange River with two of our frigates and they came into Cape Town to much fanfare because this was a historic moment.

As I've mentioned NATO has got, is very successful, very powerful, they've never been around here and they came

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down here and they were very happy with the way they were received, and on the Monday after they had arrived we sailed from Cape Town and we sailed and there was a picture taken, in fact it's in the pack which I believe is being distributed to the media, there was a picture taken of all these NATO vessels as well as I think two of our frigates and of course Manthatisi, and I was in a helicopter and we took nice photographs of them so that everybody could show, take it home and NATO could go and say that they were part of this historic visit around Southern Africa and then of course the exercises started.

And just one of the things as I mentioned concerning naval exercises, underneath the water radar doesn't work and you don't see, so you've got to use sonar and our waters around here are very favourable for submarine operations and just leading up to the exercise there were some hesitancy by some of the advisors to our political leadership that we might be embarrassed, but the Navy was able to convince them that we don't get embarrassed so easily, and the exercise started, Manthatisi dived and she forced contact with a NATO combatant so that they could all see what she looked like under the water with their sonars and once she'd done that, she disappeared and for the remaining 24 hours Sir that was the last that NATO saw of that submarine and of course our media was spread throughout the vessels, some of them were not allowed in the OPS rooms of those vessels because

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that is NATO procedure, but there were a number of our imminent journalists, and if I may mention their names, from the Pretoria News it was Mr Graham Hoskin and from the Star it was Michael Schmidt, they were serving on one of those vessels, and it's significant Sir because it actually indicates a story and it's all part of the legacy of South Africa and smart decisions, and they were saying that these people were getting exceedingly frustrated because they couldn't find the submarine, because in all their exercises they normally find the submarine and of course our waters here as I'm saying is not favourable for surface ships, and they got more and more frustrated, particularly as green flares started popping around them through the night, and a green flare is used to simulate a torpedo attack, and of course when you have a surface fleet against a submarine fleet, if you cannot have contact on that submarine and it is putting flares up it is very clear who is winning the battle.

But of course this is a game, this is a practical war game where people are not fighting each other but the reality is it's setting up how we actually hone our skills and make sure that our war fighting capability is very good, and at the end of the day there were some very, very embarrassed people from the surface fleet because through the entire exercise they were unable to detect that submarine Manthatisi.

And I attended the wash-up afterwards, the post-

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exercise discussions onboard Amatola, our Defence Minister was flown now together with the Chief of the Navy and the American admiral afterwards, he took up his hands and he said: "Your submarine took it all". And that was on a Tuesday afternoon, on the Wednesday morning the billboards in Pretoria for the Pretoria News, the big headline was *South African Submarine sinks the NATO Fleet*.

Now Sir NATO are our friends, they are not the enemy, but the reality is that this exercise allowed us, the small navy, I think our navy budget would run the US Navy, our annual budget would run it for probably just over 12 hours, the small navy was able to stand toe-to-toe with the navies of the most successful military alliance in the history of humankind and that was significant, it didn't mean that was the first time that a submarine had broken through a screen, a NATO screen, I'm sure it's happened often, but I don't know if it was ever as publicised as that because people were invited onboard.

And Michael Schmidt afterwards, he went with a huge expose and he spoke to the NATO commanders and the OC of Manthatisi and he had a magnificent article explaining to South Africa how the whole thing worked out, but the reality is that that message was seen by the whole world, the navy leaders of the world are connected and they're very, very powerful.

Six weeks after that exercise I attended an

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international Sea-Power Symposium, the navy chiefs of the world get together every two years and I was there with Admiral Mudimu and they had all heard that this small African nation had stood toe-to-toe with this huge NATO taskforce. So
5 concerning our standing in navy circles in a hard-end war fighting circles we made a name for ourselves and the rationale was in fact what we had foreseen when we did the Defence Review.

This is exactly what we foresaw when we war-gamed
10 Project Optimum, we had the submarine force, we had everything, we went through it and the greatest thing of a deterrent which we are tasked to do because to defend and protect, you will never have to fight if people have so much respect for you and the reality is that people saw what we were
15 capable of, they saw South Africa, this country going through what we were going through, capable of making the decision to have a submarine capability, to bring that submarine to South Africa and virtually a few weeks after it arriving here to be able to stand toe-to-toe with NATO, that's significant, that is very
20 significant and as I say the navy chiefs and the senior naval officers in Newport Road Island who I met six weeks afterwards, everybody who I spoke to knew about it.

Concerning that group Sir, and just the status or the standing of navies in the world, it is argued that at that
25 symposium that is the second most powerful gathering of

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leaders and influential leaders and power in the world second only to the United Nations, army chiefs of the world don't gather like that, navy chiefs do and they do because the reality *de facto* is 70% of the globe, that's theirs and of course they influence events ashore and do everything else, but that was very, very significant.

And in my mind that was the decision being vindicated to continue to go for a small, modest number of frigates and submarines, the frigates allowed us to go and do Shanghai, that frigate on that way back, it stopped over in Vietnam, it stopped over in Cochin, India, and we can speak to that often, but it helped at things and a submarine cannot do that, but what Manthatisi did with NATO is something which a frigate couldn't have done, so they complemented each other.

And moving on to the other two submarines, normally submarine operations and activities are not high profile, the surface fleet is high profile, the submarine, they disappear under the sea and you don't see them until they come back, but Charlotte Maxeke, the second of our submarines, she's been deployed off the Marion Prince Edward Island Group where we have considerable interest, fish is one of the smaller interests there, the big thing is our extended continental shelf claim which that island group is giving us and what is underneath the seabed will be determined in generations to come, but Charlotte Maxeke, she was deployed

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off there.

There are significant seas off there Sir, it is routine for there to be 5 metre swells, the big thing is it's difficult for a submarine to operate there, particularly if you want to gather
5 intelligence about who is operating that environment, you sit just underneath the surface and you use your sensors to get on top of what's going on and Charlotte did that and she did that very, very well. So she's been deployed there, she's achieved stuff there.

10 And then of course Queen Modjadji, Queen Modjadji, the third of our submarines has also been deployed on a regular basis off our coast, particularly up the East Coast and has exercised with other navies also when she's come, when they have come around here, so all three of the
15 submarines have worked.

With regard to the actual sequence in our business plan on how we work them, Admiral Schoultz will speak to that but in the past out of three submarines we only had two at sea and there was one in-deep [sic] maintenance going, going
20 through its planned routine, but when I commanded the fleet, whenever admirals from other navies came to me and visited the first question they would ask is: "Admiral, where are your submarines?". And I think that's something which we must always recognise, it showed the wisdom with regard to our
25 cred, our deterrent capability in having a combination of

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surface and subsurface capability for South Africa in an exceedingly modest way for what our maritime interests are.

ADV LEBALA: Back to the storms. The critics would say there are democracies in the world that have concretely and positively demonstrated that for you to be peaceful, for you to be influential you don't need these capabilities, and I can mention some, Monaco, Costa Rica, The Vatican, they don't need these capabilities, they don't need the military, they don't need an army but they are influencing the world.

10 Now for the emphasis to say we demonstrated to NATO that we can flex our biceps, we cannot be taken for granted, the world has to know that we have these capabilities. Compared to the fact that we could achieve that like this other democracies that I've mentioned doesn't suggest that that's the only way we had to go because the critics say we could have used this billion, R1 billion for better things. What's your comment?

R/ADM HIGGS: Thank you very much for the opportunity to speak to this Sir. Again this is a constitutional matter and it defines on how the people see things. The 21 countries if you Google it, the 21 countries listed with no military one often academically argues are provinces of other greater powers, they may be sovereign in definition but in international relations in putting things together their sovereignty is not as absolute as those who are able to stand on their own, and I

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think out of those 21 countries you will find nobody is, none of them is a regional power with regional responsibilities who has the will to actually go and influence a continent.

5 What we are busy with here, we are busy looking at everything else and I think that we've got to understand perhaps the more realistic and not so much idealistic outlook, but the realistic outlook that with countries' power the basic elements of power you need them all together, you need to integrate them all together as Britain did in the past, and in
10 fact as the United States has done with their navy, as China is doing as she builds her navy and these are the things which make a nation great together, it's that confidence in that total capability which allows one to do these things.

15 But Sir, these discussions are vitally important and we can spend days and days taking them further, and we must, and we must, but at the same time with regard to these capabilities, when we looked at the guns and butter debate it was discussed, all the political parties were involved and what
20 happened is that the people of South Africa spoke, they spoke with the Defence Review in saying: "We need a navy, we need frigates and we need submarines because that is what Parliament and the Cabinet said", so it is good to go back but I think we perhaps also need to start looking on how we are going to capitalise on the position which the people of South
25 Africa have mandated us with our Constitution which says we

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must have a defence force with a white paper and the Defence Review which say largely what our order of battle must be.

And I think we must use that and go to the next step of debate in how we can actually maintain this mandated
5 capability, how we can ensure that it looks after our interests better, how we can ensure that our people in uniform in South Africa are respected by the people of South Africa, how we can ensure that our uniform people are role models to the society in discipline, in the way they look after themselves, in their
10 dress, in their bearing, in inspiring the people of South Africa to understand that you can depend on us, we will fight and win your wars, to make sure that any foreign would-be aggressor looks at the people of South Africa who wear our uniform and as I mentioned when I started yesterday morning, to say those
15 people, we can see that they are strong and South Africa is strong, and as such it becomes a self-fulfilling prophecy of South Africa becoming a greater nation and this I believe will lead to a better life for all.

One doesn't want to go over the top with military
20 expenditure but one doesn't want to go under the top also, it is very, very important for everybody to be informed and the debate must be informed, it doesn't help if only pacifists have the debate whose intention is to shut down the military against what the Constitution orders, and everything which we do is
25 double-guessed because that's actually counterproductive. I

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think we've got to move to the next level of how we're going to capitalise on ensuring that South Africa remains a great nation and becomes a greater nation.

5 ADV LEBALA: Commissioners, it's almost 11h00, I assure you that we are not going to be long with Admiral Schoultz after tea adjournment. If you are of the view that we should finish with him we'll proceed, but my limited experience informs me that the mind shuts down at times, there's always a cutoff point, I don't know whether we'd have to stretch our legs or take a
10 break, we are in your hands.

CHAIRPERSON: Advocate Lebala, more or less how long do you think you are still going to be busy with this witness?

ADV LEBALA: 30 minutes.

15 CHAIRPERSON: In that case maybe let's adjourn and we'll come back after 30 minutes. Thank you.

(Commission adjourns)

(Commission resumes)

20 ADV LEBALA: Chairperson my lead just went out, I think probably ... Here he is, I thought maybe he was attending to the call of nature. I beg your pardon Commissioners, there's just a slight indulgence I requested, I had to go outside, we are ready to proceed. Admiral Higgs, is there anything you would like to add to the strategic utilisation as far as the submarines are concerned?

25 R/ADM HIGGS: Mr Chairman Sir, there's nothing I'd like to

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add to my comments concerning strategic utilisation of the submarines as we've discussed. Thank you Sir.

ADV LEBALA: Before we go to the new territory in this voyage, looking at the remaining questions that I would like to put to you, permit me to pose the following question, before we
5 acquired these capabilities, the new frigates are qualified as Meko A200 frigates, Meko, M-E-K-O A200 frigates, before we acquired these new submarines A209 submarines we had old frigates, we had strike craft, the testimony before this
10 Commission has been, and I think Admiral Green has also touched upon it, Admiral Schoultz is going to touch upon it that there was a time in the 1970's leading to the 1980's where because of the embargo, we know that the mandatory embargo was imposed on South Africa in the 1970's where we could not
15 get ... I'm reminded of a procedural step Commissioners that the witness has not been reminded that he is still under oath, I don't know whether I should pause here to complete this important procedural step.

CHAIRPERSON: You know, even if we adjourn for tea the
20 witness is still under oath, but then if you so wish I will ask the witness to confirm that he's still under oath.

ADV LEBALA: Thank you Chair.

CHAIRPERSON: Can the witness, may I confirm whether
he's still under oath or not?

25 R/ADM HIGGS: I confirm that I am still under oath Sir.

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CHAIRPERSON: Thank you.

ADV LEBALA: Admiral Schoultz, you will appreciate why I am proceeding the way I'm proceeding so that I should not ask you abstract questions and this is in line with the testimony which is stubbornly standing before this Commission up to so far that we had mandatory sanctions, we had old frigates even then, we wanted to acquire the new ones, we could not because of the mandatory sanctions and it appears that there's a link that made us instead to get the strike crafts, and the testimony, you've touched on the testimony of the limitations of the strike crafts, even in your sworn statements you touched upon it.

Now my question is what difference would it have made had we gone to China with the old strike crafts given their limitations, what difference would it have made had we gone to China with the old frigates given the DNA that we demonstrated to the world that we have, we are a new South Africa, we are taken serious, we believe in peace, we believe in reconciliation, we are a democracy, good Constitution, we had stalwarts on human rights, Desmond, Bishop Desmond Tutu, I've quoted former Presidents Mandela and F W De Klerk, still the strategic position could have been dealt a good deal with what we had other than going to acquire this acquisitions that cost us billions of Rands, what's your comment?

R/ADM HIGGS: Thank you very much for the question Mr Chairman Sir. With regard to the state of vessels we lost our

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frigate capability in the mid-1980's, so there were no frigates from about 1985. With regard to the strike craft the first strike craft was built in 1977 and it went through, the strike craft as I had listed in my sworn statement is coming towards the end of
5 its operational life as a strike craft and they have been downgraded as purely offshore patrol vessels, so that is with regard to their thing.

A frigate, the old frigates which we had, if we still had them, the old British frigates, if we still had them in
10 service in 2008 it is unlikely that they would have been able to get there on their own because their legs were not as long as our current, as our new Meko frigates. With regard to the strike craft, if we were able to get them there they would have had to go in company with another ship such as Drakensberg
15 which would have refueled them on the way, but my understanding of my time in Shanghai what made the impact was a combination of the fact that there were, the men and women of all races which of course is something which very few countries are used to seeing it works so well as it is working
20 here, that was the first thing, but it was that combination with that and the most modern looking ship in the world.

I would say that that was the catalyst because when I had that retired Chinese admirals and generals coming through the ship with me on the Saturday morning they were, if
25 we had been walking through an old ship of 40 years' old

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design I don't think it would have made an impact on them as something where they looked, and it is very impressive for a professional naval or professional army officer, these retired generals, and I think there were some air force there also, the
5 fact that they were looking at stuff they had not seen before, I think it made a huge impact.

So through ingenuity *et cetera* we may have been able to take something there but I'd say that the big, the big message from South Africa was that we can do it and we're
10 doing it with modern stuff which people look up to.

ADV LEBALA: I'm going to ask an evaluative question, you know never ask a witness an evaluative question, it's like this, if I were to ask you is Cape Town far then you will say actually Cairo is far. If I were to ask you is Cairo far then you would
15 say Shanghai is far, I'm just trying to prepare you. Now I'm going to ask you this evaluative question; what we have now, we have three submarines, four frigates, but before I even pose this question tell the commissioners what we still have.

R/ADM HIGGS: Most certainly Mr Chairman Sir. We've got
20 the three submarines, we've got the four frigates, we've got SAS Drakensberg which is a combat support vessel which is currently in a maintenance period. We have three old strike craft in service with degraded capabilities making them offshore patrol vessels. In addition to that we have three mine
25 hunters which are vessels which were built in the early 1980's

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and we also have SAS Protea, our hydrographic vessel which is now about 40, she's British built and she's about 40 years old. And that is the broad order of battle, of high-end order of battle of the South African Navy at this stage Sir.

5 ADV LEBALA: Now here comes the incremental evaluative question; with what we have, given the mainland of South Africa, to refresh you which is 1.220 million m², given the exclusive economic zone water of 220 km nautical miles, given the continental shelf claim of 3.6m², would you say we are
10 adequate?

R/ADM HIGGS: Sir, just with regard to a technicality Mr Chairman, the 3.6 million km² is the combination of the exclusive economic zones around our mainland as well as the islands, as well as our extended continental shelf claim, so
15 that is approximately three times what our land area is. Sir, I would say that is, I would say that is exceedingly modest, bearing on the brackets of inadequacy.

ADV LEBALA: What are you saying, are you saying we need more or we need to supplement, or we need completely modern
20 ones? I'm aware that I've asked you three compound questions with one theme. I'm not supposed to confuse you but there's one theme, remember the theme starts from are they adequate and then we could break it down as to whether, as an incremental question do we need more, do we need new ones,
25 do we need to supplement.

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R/ADM HIGGS: Mr Chairman Sir in my judgement I think the South African Navy needs more. With regard to new, if you are looking at new *versus* pre-used or second hand things it is often much better and in the long run much cheaper and much more cost effective to buy new. The best deal for us now, particularly with these numbers is to build local as best possible because then it will help stimulate the economy more directly and more easily than if we have to purchase and build outside the country.

10 And the issue with regard to modern, I think technology allows one to move in and to do certain things and there were certain things in the past which were not able to be done by smaller countries, new technology allows you to use sometimes commercial specification, things to bring into a war fighting system, you don't necessarily use that for your prime war fighters such as our frigates or the submarines but if you are going to build offshore patrol vessels where you need to have robust vessels going out there, staying out there for a long time you can very possibly do it with, on occasions scaling from military specifications to commercial specifications but you apply your mind to that very carefully and you can make sure that you don't degrade systems too much but it is a lot more reasonable with regard to cost.

25 However, there's just a point which I also want to make Mr Chairman and that is with regard to huge

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developments. I've spoken with regard to Millennium, Millennium is a vessel, just to remind one, which could take a lot of helicopters, it could take a big hospital, it would have a hospital inside it, it could take troops which could go in and achieve something, it would have a big dock and would have a big diplomatic function.

In the past, 20 years ago that was limited very much so to the big superpowers who had that capability, the Americans had these huge 40 000 ton vessels, they called them Big Dec Amphibs and they would go all over the world and they would be used to launch marines to achieve certain objectives. In the last 10 years other countries have been able to scale that down where that capability is now affordable for a medium regional power such as South Africa, so when one compares the capability of 20 years ago and today, something which we could never have dreamt of because it was all military spec is now being built and there are a number of examples there, probably six or seven countries which are building these things to allow democracies to further their international interests and to become capable forces of good to support United Nations and other organisational imperatives way beyond where they are.

So, it's giving medium size power the ability to have their own expeditionary capabilities which is very, very significant and if one ties that together Sir with regard to the

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fact do we need more, I believe we do need more, do we need
new, I think new is better and do we, how should we
supplement it, I think we need to supplement it by using our
very smart people to optimise the best defence value for what
5 we can get, whatever money is made available to us. And then
of course the important thing is if we can have things, as much
of it as possible built in South Africa, it will stimulate a ship
building industry here and if one has a look, the guns butter
thing, you know even though Parliament has taken a position
10 with regard to the White Paper and the Defence Review, it will
always be there and we must always be very, very sensitive to
it, and I think it is easier for people to understand that, that if
you have a navy it is best to build most of your ships at home
because then you end up with a self-sustaining capability and it
15 is easier for us to go and say we need this, these ships are 30
years old now, let's build new.

And you don't build them all at once and then shut
down the dockyards, you actually continuously build and
continuously maintain and on occasions you may sell some of
20 those products of those shipyards to other regions and to other
neighbours, or we could to continue keeping this going, we
could say if we have eight or nine ships which we are building,
then when we are building the tenth we could potentially make
the first one, the older one available to one of our brother or
25 sister navies under special arrangements which would allow the

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sub-economy of a ship building capability to continue. There had been a number of writers and economic and military writers who have put this type of model on the table which I think would bear very good fruit as we start growing our numbers again.

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ADV LEBALA: I see that you even tried to equate us to superpowers and that's where the critics would come in and let's test what you say, why do we have to behave like superpowers given our limitations, the history of our country where socio-economic factors surrounding the background inform us that our priorities are health, feeding the poor, education, HIV, housing and still you want us to employ the limited resources we have on equating ourselves to superpowers, why can't we be superpowers in our rights where we focus on these socio-economic factors?

10

15

R/ADM HIGGS: Thank you for this opportunity. I think it comes down to perhaps not comparing ourselves as a superpower because one thinks of superpowers fighting each other. If one looks at our continent there is trouble in our continent and at this stage we end up with lots of other players being the players in our continent. I think that we have done very well with what we have, but I think with not much more capability we could be in a position where we can help shape events on our continent together with our other African partners where we can be part of an African solution to African

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issues.

The reality is it is much better for South Africa to play a meaningful role in our continent than to leave that open to people from outside the continent because we don't have the ability. So, I think a lot of it comes down to the basis of the African agenda and as I believe that good things can be done very modestly and if they're done transparently one can do lots of things with other nations and bringing everybody in South Africa onboard as we did with the Defence Review to ensure that we end up with common sense.

We don't want to be silly and go over the top, we're not in that position but at the same time I believe that we have a huge responsibility to our continent to bring reason and to bring reason with our elected civil authorities, the leaders of the continent and help give them a military capability which will allow us to help bring stability and I think that that's very, very important to understand. So, it's to project power, sure, and also to have the ability to have numbers at sea to look after our resources, to make sure that our resources are not pillaged and lots of other things.

ADV LEBALA: But that's where we are heading for the perfect storm and I would like us to join issue on what you are saying. I did not say we compare, I say we equate and let's start here, do all the superpowers, if we still have any, have submarines and frigates?

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R/ADM HIGGS: Yes Mr Chairman, all the superpowers if one look at the P5, the permanent members of the Security Council, the United States, France, Britain, Russia and China, all of them have a number of submarines, all of them have vast numbers of frigates and a lot more significant vessels than frigates, from Destroyers, Cruisers, aircraft carriers *et cetera*. Just to give one an idea we've got very close relationships with India, India has about 165 combatants of bigger than 2 000 tons. So, there are big, big numbers out there, there's no ways we can get into that mix but when they come here we operate with them very well.

ADV LEBALA: In Africa how many countries have frigates and submarines?

R/ADM HIGGS: Mr Chairman Sir in Sub-Saharan Africa nobody else has submarines but Nigeria operates a significant frigate as they've just brought alongside in Simonstown yesterday, a frigate size vessel of almost 3 500-tons, but in Maghreb as far as I'm aware, the Egyptians are operating submarines and there a number of other Maghreb states which are operating frigate style vessels.

ADV LEBALA: Now let's go back to this equation with the superpowers, of course the superpowers influence the world, is that correct?

R/ADM HIGGS: Yes.

ADV LEBALA: They position themselves.

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R/ADM HIGGS: Yes.

ADV LEBALA: They interfere with a view to bring peace in wars, they engage diplomatically, they send their ships if need be to go and patrol oceans, they follow piracy, is that what we are trying to do?

R/ADM HIGGS: Sir, I think we can look at all those things within our resources and apply our minds very carefully to things. The superpowers pursue their own interests, they project, protect and promote their interests, their personal interests and often common interests of allies. I think that if South Africa puts itself in a position to promote, protect and project its own interests in a similar way it can be part of the total better world for us all.

JUDGE MUSI: Can I interject and say that I thought we have only one superpower, shouldn't we rather speak of major powers? When we speak of a superpower I think we've got only superpower.

R/ADM HIGGS: Thank you very much for that question Mr Commissioner Sir. Sir, at this stage my understanding and what I had just defined upfront was to look at the permanent members of the Security Council, the Americans will say there's a unipolar world and they're the only superpower, other people will argue that with the Chinese on their way up there's actually a balance coming, other people will say that with the rise in the price of oil Russia is once again establishing her

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position, so with regard to the definition of one superpower the United States most definitely Sir, and she has a very capable military, she measures her number of Cruisers which are probably about three times the size of our Valour Class frigate she has in the vicinity of 50 to 60 of them, their submarine 5 fleet is in the vicinity of about 50 as the superpowers, they've got, they operate 12 aircraft carriers, the aircraft carriers are about 100 000-tons each, our frigate is 3 000, 3 500-ton, theirs 100 000-tons.

10 Their crew on an aircraft carrier is about 5 500 people, the complement of our entire Navy is 7 000 people with regard to that, so if I'm answering you correctly if one is looking at the unipolar superpower it is very, very powerful, the budget of the United States Navy for 2013 is a \$169 billion and 15 of course ours is considerably smaller, it's just with regard to dimension, but if one wants to look for the purposes of seeing whoever else is promoting their interests around our continent perhaps it is good to look at the other members of the P5 and of course hence looking specifically at France.

20 France is a major player Sir, in fact just talking about the Millennium capability of France they often have their vessels, their Millennium type vessels which are about 20 000-tons, they visited us often here, they are big players off the African continent, it's a magnificent vessel which they have got 25 which was done to virtually to commercial specification and in

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that vessel they can carry about 500 troops, they have the ability to carry about 16 Oryx-type helicopters and they can deploy for considerable periods and they can go, they have got a relatively small (indistinct), they can move into lots of places.

5 Their number of frigates and submarines, the French have got a considerable number of frigates, I couldn't give you an exact number at the moment but I could find that out for you if you'd like Sir. Submarines they operate nuclear powered submarines, also the same as the United States which are hunter-killer Submarines as well as ballistic missile launching submarines. In addition to that France has an aircraft carrier of its own and it is entering into an interesting partnership with Great Britain at the moment in building aircraft carriers together with Great Britain.

10 So that is France, France's Navy is significant and of course they come around here, there's a major French influence in the Indian Ocean because close to our Marion and Prince Edward Island Group there are French possessions and the French maintain a significant naval interest and we exercise regularly with them and on occasions they send some of their ships to Durban and to Simonstown where they conduct maintenance, so we've got a very, very good and close relationship with them Sir.

25 With regard to the British, the British have been the

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masters at sea for many a century and of course used their naval ability to reach out and to almost Anglicise a large percentage of the world and to have actually got themselves very, very well positioned. Since the 1st and 2nd World War the British have largely been withdrawing from their empire to where they are today, the last major conflict they fought in Sir on their own was in the Falklands in 1982 where there was the clash between the Falklands and the Argentinians and they sent a significant naval-based force down to drive the Argentinians out of the Falklands the Argentinians refer to that as the Malvinas and there was major naval activity there, they used their submarines considerably there, they had a number of frigates which they lost in the battle, a lot of them were lost to missiles, some of them were lost, one of the most famous ones was lost to an Exocet missile which is currently the missile which we've got on our frigates at the moment.

One of the defining moments of that war was when the British used their submarines to, one of their attack submarines to sink the Belgrano which was a British, an Argentinian Cruiser, it was the flagship of Argentinian and there were major issues there, I think at that stage the British had about 22 frigate-size vessels in their fleet, so that's the British Sir, they're still a major player and of course they are very professional in the sense that we sent Amatola there to get trained up to NATO standards and the British hold the

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capability of doing NATO training, they call it Flag Officers Sea Training, FROST, and it's internationally renowned and they are the masters, they are very, very good.

With regard to the Russians Sir, the Russians are in the process of buying some of the Millennium-type vessels from the French, which is very, very interesting, that's also to commercial specifications to allow them to come and influence against as we've just mentioned now, the Russians didn't have that capability in the past but they're developing that now.

We've got also very warm relationships with the Russians, about four, five years ago around the festive season they sent one of their nuclear powered battle cruisers called Peter The Great, I think it's probably just sub-aircraft carrier size, it's probably one of the most powerful ships in the world today, it carries nuclear weapons, it's a nuclear target as such, it's also nuclear powered and it came into Cape Town a number of years ago and it was the most impressive thing, the Russians, there was criticism on the internet that the Russians were not maintaining their ships properly but they maintain their ships very, very well and that ship came in and in fact to put ourselves on the map with the Russians which I didn't mention earlier on, it was over the festive season, over Christmas and we called back the ships company of a frigate and a submarine so that South Africa could exercise with this Russian nuclear powered vessel when she came into our waters

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and I think it was very good. There was a two-star admiral who was with that and of course there were a few other supporting ships which was going around.

And then of course just moving from the Russians
5 also to the Chinese, we've reflected a little bit on the Chinese,
the Chinese we're also having similar relations with their
frigates, we haven't had much to do with their submarines but
they have a large number of frigates, they are a navy on the
rise significantly. In April of 2010 they sent two of their
10 frigates to Durban, they were frigates which were part of a
Chinese group, a task group which was conducting anti-piracy
convoys in the Gulf of Aiden and Sir just as a matter of
dimension they've got the two frigates up there and they've got
an oiler, a combat support ship and to keep those three ships
15 on station in the Gulf of Aiden where they are doing their
convoys they have 17 ships in their cycle because often people
say if you have got four frigates why are they not at sea, the
reality is for the Chinese to have those three ships on station
and of course it's on the other side of the world, they've got 17
20 ships, that is what the Chinese admiral told me when he came
into Durban and an interesting aside Sir that the Chinese, our
relationship with them, they are operating those convoys in the
Gulf of Aiden to ensure their shipping and they are operating
those convoys in English, it's a fascinating thing.

25 60% of the vessels which they are taking through in

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those convoys are Chinese and the rest are non-Chinese and of course they came in, I mentioned they came into Durban in early 2010 and that was the third visit of the Chinese to South Africa and we engaged with them very, very carefully. Their vessels, the two frigates which they sent in are the same generation as our Valour class, they're similar size but of course they're Chinese built and I had a good look through them, and they were very, very well-built, of course all their systems are Chinese and the books were Chinese et cetera, but they're very capable and they use their frigates considerably, perhaps not to the same extent as us with regard to employing a ship on its own, that they employed him as part of a group and hence them being the workhorses of their nation, so I think Sir that just touches briefly the Americans, the premier superpower, significant navy, all the other potentially lesser but members of the, permanent members of the Security Council, they have significant navies and they look after them very, very well.

ADV LEBALA: Now these capabilities are war machines isn't it?

R/ADM HIGGS: Sorry Sir, if you could just repeat that?

ADV LEBALA: These capabilities, these frigates and submarines are war machines?

R/ADM HIGGS: Sir, they are war machines. Just the issue with regard to the historic difference between a ship and a

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submarine, ships will initially from days go by when people started off, ships were there for trade and they developed into war ships because you had to protect your trade *et cetera*, where so you ended up having a war ships, the Chinese Navy, those frigates, they are ships of war, they come in here obviously on a diplomatic, with a diplomatic purpose when they visited us but they are ships of war to look after China's interests.

The submarine has got different roots, the submarine was designed not for commercial purposes, the submarine right the way upfront was designed as a weapon of war and yes, they are both most definitely war ships, so you don't often get peace time submarines, there are one or two tiny little tourist things for taking people to look at the fish, but the submarine is most definitely a major war platform.

ADV LEBALA: Now the criticism, I think there is a concrete which is standing before me from what you've said and I want to loosen it, would it make a difference if these capabilities, given where we are situated, that we are African, we belong to a continent of Africa, we still want to influence the world, if these capabilities had hospitals inside them and we take them and go and dock them in Guinea and give people immunisation, if we could manufacture food inside them and go to Ethiopia and stop there and give people food, if we could manufacture medication inside them, go to Burkina Faso, stop there and

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give people medicine, if we could manufacture water inside them, take water to dry areas of our continent, wouldn't that be a better influence than that which you are talking about and positioning?

5 R/ADM HIGGS: Sir, I think that is fundamental to what Millennium is, a submarine you are not, you are not going to put a hospital in a submarine, but a ship, a surface ship with a huge capability, that's exactly what the French have done with their big vessels and which the Russians are buying and that is
10 what Millennium is Sir, it's the ability to actually go and do that, it's not there to go and destroy or to occupy a place but it's to go there, achieve a mission and of course from the Navy's side to pull people, or the military side and the air force and the army, is to pull people off burning embassies but to
15 have a huge hospital capability, it's to have a hospital capability which one could use for multiple purposes and one could most certainly do that and in fact we have used our naval vessels to take food aid to people who did not have food and because of crisis have been able to do that.

20 If one looks at the tsunami of a number of years ago the ships which were sent there by countries were the Millennium-type ships, these were ships which went in there and helped stabilise a crisis, they had helicopters to pull people off to prevent people drowning, they took hospitals
25 there, they took medicines, they took everything to help

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stabilise it, it was a major function of disaster relief and I think it's central to what we're talking about of having the ability to do it, just the question is do you want to let the other people only have the ability to do it, or do we also want to have the ability to do it and that's a level of ambition and are we prepared to actually put money into that, that's the question.

ADV LEBALA: You have demonstrated in your testimony that costs and budget play significant role in maintaining these capabilities, I know that you demonstrated that during the 1980's, there was a time where the Navy had to cut down 2 000 jobs with a view to improve its own capabilities. Of significance is the issue of costs and budget doesn't start now, it has always been there in the navies, is it applicable in all democracies in the world that you know of?

R/ADM HIGGS: Yes Sir, I would say it is applicable in all democracies and it is heavily debated because obviously this is the people's money which is being spent and yes, it is central to the interfacing between the military leadership and the elected civil authorities continuously because there's a lot of potential discretionary money if one is looking at things.

ADV LEBALA: Now given that is there value in operating this capabilities with this reality that they ultimately affect costs and budget?

R/ADM HIGGS: I think the initial point is that the requirement is constitutionally driven but what I've mentioned to you Sir is

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the Mahanian stuff where I believe that the Navy in particular has helped the guns butter issue by people understanding because of the huge strategic impact these ships in particular have had on our reputation throughout the world, I would say
5 these, the successful and correct operating of these platforms are helping South Africa become more internationally respected which is good for us because the consequence of this is that it will be a better, it will be a better, more powerful South Africa because we will become stronger.

10 ADV LEBALA: I have three remaining questions, one relates to the budget and costs and the other one relates to what would happen if we were to lose these capabilities. Bearing in mind that Admiral Green demonstrated the importance of maintaining particularly the Navy, maintaining the Navy,
15 slightly touch on the consequences as to what would happen if we were to lose its capability but given where we are from the history of the White Paper, Defence Review, the role that we play currently, how the world looks at us, what would happen if we were to lose these capabilities?

20 R/ADM HIGGS: Well Sir if I may attempt to answer that, that quite complex question as simply as I could, I think if we were to ...

ADV LEBALA: If I may interpose, if I may interpose, remember some critics are going to come and we've already had one, you
25 heard what Mr Terry Crawford-Brown said, he said we should

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cancel these contracts, the consequences are one thing and I don't want to confuse and complicate this matter, this Commission is still going to deal with some of the most controversial and important Terms of Reference and permit me
5 to use this expression, very controversial, very serious in Terms of Reference, we are still going, I'm thinking of term of reference number 1.5 that says whether people inside or outside Government have played a role in influencing the
10 impropriety of this SDPP packages to be given to other people and if that happened what do we do with those persons, and Term of Reference number 1.6 is something that is not going to excite you, I know, it says we should cancel those contracts. I don't know whether the consequence means that you know we should give this equipment to where they come from and get
15 the money, if there is fraud and corruption. I'm restating these Terms of Reference, not quoting them *verbatim*, we are coming to that, but if you remember you were present when Mr. Terry Crawford-Browne says that we should cancel.

R/ADM HIGGS: Mr Chairman Sir, just looking perhaps
20 hypothetically, if we cancelled the Navy's capability today for whatever reason we would potentially possibly get money back but then the reality is that we potentially have to go and buy then again because the Constitution says you've got to do those certain things and we've got to defend and protect South
25 Africa. If the Constitution said we don't have to defend and

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protect South Africa then that's a different thing but I think if one looks at what we have, what we are tasked to do, what we have achieved it is considerable and we must keep that in the back of our minds, with regard to losing capabilities I think it would make us exceedingly vulnerable if we were losing capabilities, the new world which we're in is very, very uncertain and the problem is that to establish capabilities, to establish, reestablish a navy would take decades and it will take billions and billions and billions of Rands and Dollars and everything else, so it is easier to maintain a Navy, to continue achieving what you have to do to renew it on a regular basis when there are new missions which come up, when the policy says they want us to go into certain things we must do that and if we do it on a regular basis and keep it going in a responsible way it will become a self-supporting system if we are able to build ships in South Africa.

If we choose extravagant options *et cetera*, and we do something once every 20 years it will create problems but I think that responsible planning and a responsible approach from everybody will help us to achieve all objectives and will help ensure that the guns and butter issues are very, very well and acceptably dealt with by all the people and all the people who want guns and butter to work.

ADV LEBALA: You have mentioned that the allocation to the, now you are putting your cap on as a member of the South

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African National Defence Force that the allocation of the budget in Rands to the Defence Force is you get 3.8 cents in every R1. Has any political civilian who occupies office in the South African National Defence Force commented on this
5 constraint, if any it creates a constraint and limitation?

R/ADM HIGGS: Thank you for that opportunity Sir. The issue with regard to Defence expenditure *et cetera* as I said is highly political and what I would like to do is I would like to read an extract from a recent Defence budget vote where the issue of
10 budget was put across by our Defence minister, because people must never think that the Military is saying we have too much money or we have too little money if it is not true, we must tell people as it is and as we see it and elected civil authorities, they must understand that and it must feed into that so that we
15 can actually end up with a right thing for South Africa.

But if I may Sir I have an extract of the Defence Minister's speech on the occasion of the Department of Defence budget vote in May of 2012 and I was looking and that's probably where there's a more comprehensive context
20 which is given on this.

ADV LEBALA: Do you by any chance have any one which is updated for 2013?

R/ADM HIGGS: I do also have that here and I can read both of them if you would like.

25 ADV LEBALA: Okay, you may proceed. Let's start with the

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17 May 2012 one.

R/ADM HIGGS: Okay. I have both of them here. The 17th of May of 2012 "The Budget":

5 *"The current budget is made under a global
economic environment that continues to be robust
and uncertain resulting in pressures being exerted
on defence budgets across the world. This requires
that we continue to seek to achieve higher levels of
10 efficiency in all our operations and more precise
targeting towards the achievement of our key
priorities. While this is the case it is also
important to emphasise that the defence budget
cannot afford to take further cuts, thereby shrinking
the proportion to GDP to levels lower than the
15 current low levels of 1.2% of GDP as this will
impact negatively on our readiness. The
discussions and proposals that are being made as
society debate the Defence Review document ..."*

20 Sir, that is the new Defence Review document, that is not
referring to the old one:

*"The Defence Review document should assist us in
determining the direction we need to take and
therefore the related resource allocations going
forward"*.

25 The second paragraph of this on the budget:

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5 *“The current budget allocation for the 2012/13 financial year is R37.5 billion up from last year’s adjusted allocation. It is expected to grow to R39.9 billion in 2013/14 and by 6.5% and reach R42.3321 billion in 2014/15, up by 6%. Changes to the baseline over the MTEF period include R749.2 million for borderline control, R23 million for the establishment of the Office of the Military Ombud and R600 million for the completion of the Strategic*

10 *Defence Procurement Programme”.*

Then the third and final paragraph on this:

15 *“The Minister said: ‘I need not state the obvious that every literate South African now knows the budget falls far below the requirement that we wanted to cover all of our borders resulting in a need to prioritise key areas and develop strategies that will ensure we are able to deter and prevent illegal activities in these areas”.*

20 Sir, that is the section from 2012 and 2013, it is very short, the 2013 budget speech was read on the 23rd of May Sir and this is, it is very short, it says:

25 *“The Defence Budget Vote for the 2013/14 financial year amounts to R40.243 billion. This is equal to 1.1% of gross domestic product and 3.8% of total government expenditure”.*

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ADV LEBALA: Before we go to the last question there are two questions that arise from what you've read, this question might sound unfair and inappropriate to you, are you aware that these capabilities cost the country approximately more or less the same amount of the budget allocation for those years that you have read approximately, do you have an idea about that?

R/ADM HIGGS: Yes, I am aware.

ADV LEBALA: Let's be specific. Initially the cost (indistinct) of R29 billion and with time they escalated to R42 billion, these capabilities, you are looking at them from the five projects, the Navy, frigate/Corvettes and submarines, the Air Force, Gripens, Hawks and helicopters. If one draws an equation or equating, we are comparing, we're equating, what you have read in the budget that the Minister has addressed and the capabilities that we have got, remember I did say that this question may sound unfair to you, does it make sense to you that these capabilities are costly and the reality with the cost is that they will one way or the other keep on affecting the budget?

R/ADM HIGGS: Mr Chairman Sir, I think the issue with regard to budget and capital and how you pack it together and how things are financed is fundamental to decisions which governments have to make. If one takes your capital out of your budget and then has your operating and your personal costs inside on an annual basis then your capital equipment

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perhaps needs to be spread out for comparative purposes spread out across the entire life of the equipment to help one integrate it, but I did not participate in that so I can't give in-depth insights but just as a South African we've concerns about everything like everybody else, I obviously look at these things and say how can we do it, how can we do it better, how can we get better defence value and I don't have an answer for that Sir, I don't have an answer, bar the fact that militaries are not cheap and navies are not cheap, air forces are not cheap, armies are not cheap but I think that one of the things which is so-so important and which I experienced in the Defence Review and my experiences there was the fact that if there are difficult decisions which have to be taken the better the level of transparency in those decisions, the better, the more all the people of South Africa know why we have a navy, what it does, why we have certain equipment and as much transparency into their procurement of that equipment I think the better.

The Constitution says we've got to have a navy, it says we must do what we've got to do, it says we must have a National Defence Force with an army and an air force and visibility in our democratic processes. I observed the most magnificent bipartisan approach in the Defence Review process of 1996 and 1997 and I think if that ethos and the ethos and the ethos of sustainability, because you can't sustain things if there's no transparency, the ethos of sustainability is key to

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people of South Africa understanding why we've got to do a balance, the people of South Africa understanding why we've got, why we can walk and chew gum at the same time and why we can ensure that the guns butter-thing which is very, very harshly put, but the issue with regard to the balance between
5 defence expenditure and other Government expenditure is very, very visible and people must be able to live with it, and that is why it's so important that people must see the Defence and they must love the Defence and the people in the Defence must
10 never take their position in South Africa for granted, they must strive to do their duty, to live according to the Code of Conduct, to be patriots, to do their duty because the risk is in fact not with the Military, the risk is with the Government.

Whether we get equipment or don't get equipment
15 it's not going to make us out of employment or whatever, the Military will be there, so the ownership of the Military is not the Military, the ownership is the Constitution and the ownership is, are the people of South Africa and it's vitally important that we've got to have a magnificent transparent,
20 mature relationship between all of us.

ADV LEBALA: Here comes the final question and permit me to say they say wait until the evening to see how splendid the day has been, now we are reaching the evening of your testimony. How would you like to conclude, this is the time where I want to
25 leave it to you, how would you like to conclude, which subject

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given what you have traversed up to so far? I'll won't have remind you where you started, but if I were to refresh you started with trying to separate uniformed members of the SANDF from the civilian society including the civilian members
5 of the SANDF to the history of the Navy in South Africa, the important role that the ocean plays and then you'd summersault and go to the importance of the Military putting a cap on as a member of the SANDF, how important the constitutional mandate is, the significant role that this capabilities play in
10 projecting South Africa, strategic utilisation, the budget.

We know that you are less qualified to talk about it and I did lay a foundation and said to you this might sound unfair but you responded, the projects that the Military is involved in, ... Actually let me pause there, are there other
15 projects, you are saying the Military, now you are putting a cap on as a member of the South African National Defence Force, you work on projects, you mentioned Project Millennium, are there any other projects that you know of?

R/ADM HIGGS: Sir, why ... In my current appointment I don't
20 have much to do with projects but BIRO, the ships, the inshore, offshore patrol vessels that's virtually 99% Navy, Project Hotel, the hydrographic vessel that's the same, Project Millennium is a joint project because Millennium includes, *de facto* it's the Navy providing a platform for our commander in chief to
25 influence events and the tools he would use would be the Army,

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Special Forces and the Air Force and SAMS with regard to hospital stuff, so that is my current understanding of the major things which we are involved in, I'm sure there could be other briefs on it, but Millennium is, it's a big ticket because it involves everybody else.

ADV LEBALA: Now let's turn a corner into the evening now, the daylight is gone, where would you like to start in concluding given the leverage that you enjoyed of being here to educate, where you could to inform, where you did, and significantly to take this Commission into your confidence where you demonstrated, where would you like to end?

R/ADM HIGGS: Mr Chairman Sir, thank you very much for this privilege, thank you for the privilege of allowing me to testify here, to testify as a South African who loves this country, who has told his three kids this where you are staying, this is where your future is even though they could go anywhere in the world with their qualifications, I've said here you are, you must make a difference.

And in particular putting on my uniform Sir, I'm exceedingly humbled in the experience I have had, particularly since 1994 in being able to be part of the new South Africa and making us second to none, and I've been exceedingly humbled, exceedingly blessed in the whole thing and if one could choose when to live where I don't think one could choose a more exciting place anywhere in the world to have lived so much of

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your life.

The issue with regard to navies which is my specialisation, I don't think there's a more exciting navy in the world, we with this very modest Navy are making this difference
5 in the world, other navies this size are making this difference, and I think it is something which must reflect on and be grateful for. The issue with regard to South Africa's position, our leaders have put us on top of the world, they have, our Military can continue to help ensure that we are not a paper
10 tiger without being irresponsible but being very measured and careful in everything we do.

We don't have to take a backseat, we can stand with from the least of nations through to the greatest of nations and we can do that and we must do that and we must do that
15 through bringing common sense, through bringing debate, through bringing everything to it, unreasonableness will get bowled out.

My background, the highlight of my seagoing career was to command a submarine. If there was a problem in the
20 submarine you wanted to know about it because if something went wrong you would all die very quickly, so I'm a great believer if there's an issue put it all on the table, put it all on the table, put things unpopular, unpleasant, pleasant all on the table, the right decisions will come out, keep things as
25 transparent as you can, everybody has the same objective, we

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want South Africa to be a great place for us and for our children, we want a better life for all, period, and we must see how we can play our various roles to do that, we are not at war with ourselves, those days are over, we have spent almost 20
5 years now doing this and we must continue taking this to the next level.

Sir with regard to your Commission, I've got the hugest of respect for your Commission, I have, and in my mind as a South African this Commission can help take the toxins
10 which have been thrown into our debate and discussion for whatever purposes to clear it out. If there's corruption, get rid of corruption, don't confuse corruption with the constitutional mandate for us to do our duty, they are two different things. When we are talking about doing our duty we must do it and we
15 must do it proudly and stand back for nobody and it must be men and women of all races and all religions achieving this because this is, this is what we've been given and we must do it.

If one looks at the victim of events over the last 15
20 years I think the victim has in fact been on one phase the National Defence Force, and on the higher level the country of South Africa because of distrust and because of different agendas and pulling things in and I think your Commission Sir, has been set here with the highest respect and the highest
25 ideals and everybody is looking to this Commission to take us

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out of this impasse, we've got to get out of it.

When I walk down the streets of Johannesburg or Pretoria or Cape Town as a proud South African who has never taken one cent crooked, people mustn't look at me and say "Arms deal admiral", because that is wrong, we're respected throughout the whole world, we give our lives *et cetera*, and the same must be here, we got to do that. When our submariners go to sea and they risk their lives and they are not overly paid, when they go to sea their families must feel proud of them, they mustn't have local people trying to say: "Your submariners are chicken, you can't do that", man, that's destroying what we're trying to build, we've got, we've got patriots there, we've got people trying to do it right, this Code of Conduct, I'm so pleased that you allowed us to, and you tasked us to work through this Sir because this is the key to the whole thing, this is to building a class of warriors of South Africa who will be role models to South Africa and this is what it's all about and we must, everybody in South Africa must find space for everybody to go and get ourselves to the next level.

It's good to have a continuous guns and butter debate, we must do that, we must do that, we're very, very aware of that and I'm sure all of us are involved to a lesser or greater extent in other social responsibilities, my family most certainly is, but we must do that we must move on, we must move on, people mustn't be taking us back to prevent us

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becoming great, they mustn't be saying the new South Africa is going to fail because of this, the new South Africa must be inclusive, but if we've got toxins and cancers in we must very smartly focus in on it and get it out so that we can move on.

5 So Sir, I think the greatest casualty, the greatest casualty in this has in fact been South Africa and if we can move beyond that I think it will be brilliant, I think it will really be brilliant because then we'll be setting up the proper future and I think we're going to do it because we are driven there
10 and from, definitely from the Navy leadership, and I'm sure from the rest of the leadership in the National Defence Force, and if the Chief of the National Defence Force is able to testify later I'd be delighted because he's a very smart person and he's got very clear thoughts on where he wants to take us into
15 the future and we will support him to the best of our ability but the big thing is to allow the patriots to be patriots and to do their duty. Thank you Sir.

ADV LEBALA: Admiral Higgs, we've reached our destination and this is the evening. Chair, Commissioner Musi, we give
20 over to senior colleague Cooper as this is lunch and I see that we are almost after lunch and I beg your pardon, I thought that senior colleague Cooper would draw my attention or both of you would draw my attention to the fact that we are stealing into the lunchtime and I wish to apologise but we are done with
25 Admiral Higgs and it will be Mr Cooper who would be dealing

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with him from now on. Thank you.

CHAIRPERSON: Before we come to Advocate Cooper maybe I must just find out if there is anybody who wants to make an application to cross-examine the admiral?

5 SPEAKER: Mr Chair, Advocate (indistinct) for ARMSCOR, I would like to just speak to a few points in clarification for the benefit of the Commission to Admiral Higgs on behalf of ARMSCOR, but that we could do after lunch if that suits the Commission.

10 CHAIRPERSON: Besides that is there any other person? Thank you, may we, as you have pointed out let's try and do that after lunch. You will get an opportunity after lunch. Thank you, we'll adjourn.

(Commission adjourns)

15 **(Commission resumes)**

CHAIRPERSON: Now can you confirm that you are still under oath?

UNKNOWN: Do you confirm that you are still under oath?

R/ADM HIGGS: I confirm that I am still under oath sir.

ADMIRAL HIGGS: s.u.o

20 CHAIRPERSON: I think just before the adjournment Adv. Solomon wanted to put more questions to the witness.

FURTHER CLARITY QUESTIONS BY ADV SOLOMON

ADV SOLOMON: Yes thank you Mr Chair if there is no objection from the commission I would like to just put one or two questions for the sake of
25 clarification to Admiral Higgs. Admiral Higgs I just wanted to find out what the

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state of the navy was in the early 1990's, what vessels the Navy had and what capability or capacity it had at that point in time to operate effectively, spreading two questions in one, but if you could answer the first and then the second thank you?

5 R/ADM HIGGS: Thank you very much Mr Chairman sir, so the stakes of the South African Navy in the early 1990's as I indicated earlier in my testimony the state of the Navy was dire. At the end of 1989, the beginning of 1990 there were severe budget cuts which led the Navy leadership to make the very, very difficult decision would be continue with the Navy in severe decline with
10 virtually no capability, no ships, no submarines, all coming to the end of their lives or get rid of over 2000 people.

And the Navy leadership took the exceedingly difficult position of getting rid of the 2000 people in order that its project at that stage for four Frigates should continue, and I think (indistinct) to the answer (indistinct) that is the
15 perception how it was seen. With regard to how we were, what we had, we did not have a Frigate capability. We had a 9 Strike Craft which we were doing well but which were not suited to the sea conditions, some of them were relatively young, but a number of them were very old in the tooth and we were starting to battle to maintain the systems, so special subcontracts were put
20 together to keep the systems going.

With regard to the Daphne submarines, the Daphne submarines sir at this stage were in their early 20's in age, bearing in mind that the design life of most of these vessels is 30 years. So they were also coming to start the expensive phase of their lives.

25 There were a number of subprojects which were put into place to try to

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keep them going. Also at that stage the French were busy taking the Daphne submarine out of service, so there was difficulties which we had the sanctions that also in the post, as we were coming to the post sanctions era. So the state of the South African Navy in the 1990's was not good.

5 The ability to operate effectively, I think the South African Mentality is always to take and make the best of what you have and I think that that mentality exists most definitely today and we did what we could have. But the reality is there is no ways we would have been able to achieve in the last 10 years what we have achieved if we did not get four of these beautiful Frigates
10 and three of those very strong submarines. Thank you sir.

ADV SOLOMON: Thank you Admiral Higgs and Mr Chairman, I have no further questions for the witness, thank you.

CHAIRPERSON: Okay any re-examination?

RE-EXAMINATION BY ADV COOPER

15 ADV COOPER: Thank you Chair. Admiral I want to touch on three topics briefly. The first topic has to do with aspects of your statement where I shall ask you to clarify in detail two phrases of importance that you have used. Would you be so good as to turn back to your statement which is volume 1 at
20 page 2. I want to refer you to something that you said in paragraph 9, do you have that in front of you Admiral? In paragraph 9 you said:

 "South Africa's dominant position on a Vital global trade secret."

I would just ask you please to identify to the commission and briefly elaborate on that *Vital Global Trade Secret*?

R/ADM HIGGS: Thank you very much Mr Chairman sir. Sir the Cape Sea
25 route is what I was referring to, it is the sea route which joins the Indian Ocean

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and the Atlantic ocean, and it is the sea route which passes around the Cape of Good Hope, it passes Cape Agulhas, it is a sea route which takes oil from the middle east in big ships around primarily to Europe and some of it on occasions to South America and to North America.

5 It is the sea route which connects at Eastern Trade through to Europe, it is as many people say the only reliable sea route between East and West. There is an alternative which is used for slightly smaller ships, which is the Suez Canal, the Suez Canal, the (coughing noise) is always questioned. You may recall sir a number of decades ago mines were dropped in the Suez Canal
10 which created big problems with shipping, and of course with conflict in the Middle East, you often end of with people saying it is better to come around to the Cape Sea Route where the Suez has been shut.

 In addition to that the escalation of piracy which is now starting to get under control (indistinct) of Africa has also caused a number of ships instead
15 of going through the cheaper route of the Suez canal with regard to fuel despite the licences which are required, but the insurance rates of the addition shipping through pirate invested waters have found another shipping companies to say that often it is cheaper and better value to actually send their ships around the Cape Sea route. So sir in a nutshell that is what it is, it is a
20 very dependable sea route and the reality is we sit and we own that sea route.

 And people understand if they come here they are coming through the Cape Sea route because of the good favour of the South African Authorities and the South African National Defence Force and in particular the South African Navy.

25 ADV COOPER: Thank you Admiral, the second aspect I would like you to

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detail a little is to be found in paragraph 11 of your statement and it is a sentence that appears at the top of page 3. You say there:

“Frigates or Corvettes are the workhorses of any Navy.”

My first question in that regard is why do you identify the Frigate or Corvette
5 as oppose to a Destroyer or a Cruiser or a patrol boat as the workhorse of any
Navy?

R/ADM HIGGS: Thank you for that question Mr Chairman sir. The issue with
regard to any Navy I would like to touch upon, by *any Navy* I am referring to
any Navy in the broad naval context where people have the ability to conduct
10 naval operations beyond their own coast into the blue waters.

The issue with regard to the Frigate or Corvette is a vessel which is big
enough and strong enough to conduct sustained operations on its own. It is
big enough and strong enough to stay out through all conditions, to have lots
of fuel and water, and fuel on board so that it can live out there for a long time
15 and in fact can be deployed on its own on global missions.

The officer commanding of a Frigate or *de facto* a Frigate or a very large
Corvette is something that will have a officer commanding who is a senior
officer who is capable of interfacing with other navies and other nations right
the way through to head of state, from the tender, the person who handles the
20 rope on the key right the way through to meeting with ambassadors and
dealing with the issues of south Africa and with the countries which we visit as
well as with other senior government officials right the way through often
royalty and elected authorities.

So that in a nutshell is what it is, on the war fighting side it is a vessel
25 which is able to conduct simultaneous operations, it must be able to fight

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under the sea, on the sea and in the air simultaneously, and that is something which puts it in a different league from a patrol boat or a smaller attack craft.

The issue with regard to a destroyer, a destroyer or a cruiser are bigger than the Frigates/Corvettes and they would be more substantial. A destroyer
5 today is traditionally in the vicinity of 9000 to 10000 tons. We often have destroyers coming here from the Indian Navy, they come across, beautiful big Russian built vessels, but funny enough without the long legs of our vessel.

Our Frigate is a particularly flexible Frigate, it was specked that way, so it does not have to go with another big oiler to take it all over the show.

10 ADV COOPER: Admiral can the commission accept from your evidence that if it were to compare the position in regard to any other Navy and by Navy I mean a Navy in the real sense, not in the (indistinct) sense, a Navy that is properly equipped for (indistinct) tasks.

15 Can the commission be confident that in any such Navy there would always be Frigates or Corvette facilities and Frigates or Corvette presence?

R/ADM HIGGS: Mr Chairman sir I would like to confirm that in a Navy which is capable of being a Navy and being recognised through all the naval powers of the world people who control 70% of the globe, that is so. The Frigate is the vessel which allows you to be take seriously with regard to a presence, service
20 warfare and as I reflected earlier on achieving huge diplomatic objectives and bringing nations together.

ADV COOPER: Admiral I want to move to a second topic, (indistinct) in the course of leading your revenues asked you to comment on basic aspects regarding the justifications for a naval force in South Africa, but I am going to
25 proceed on a more limited level, I am going to proceed on the basis of one of

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your answers which was to point to the duty to serve and protect.

In so far as the Department of Defence is concerned it does not have the luxury of debating the question whether or not there should be a Navy or whether or not there should be a military force, it has a constitutional duty to serve and protect and therefore that is what I wish to deal with.

I want to elaborate by my questions on one aspect of that duty to serve and protect, in order to do so Mr Chairman I wish with your leave to introduce into the documentation before the Commission a document which has been prepared to assist the commission ultimately by the hydrographic department of the Navy and which usefully collects together information in regards to that aspects that I want to ask the witness to investigate.

With your leave Mr Chairman since this will be the first document to be introduced by the investigating team could it be given an exhibit number and be marked perhaps as EXHIBIT A?

CHAIRPERSON: [No audible reply].

ADV COOPER: The Commission will see that EXHIBIT A consist of an extract from the Maritimes Zones Act and then run into 8 pages in all as certain backup material and hydromatic documentation.

Admiral I want to deal with in somewhat greater detail now with aspects of South Africa's Maritime Jurisdiction and the associated duties which fall upon the shoulders of the Navy in the light of that Maritime Jurisdiction, and if you would look at the first page of EXHIBIT A you will see just as a matter of introduction the definition of what is called a baseline and you will see against the number "2" that the baseline is the demarcated by the low water line.

That allows us to move to the (indistinct) of internal waters, and you will

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see against paragraph 3 that the internal waters of the Republic (coughing noise) baseline (indistinct). Now you will see under paragraph 4 that:

“Any law enforced in the Republic including the common law shall also apply in its internal waters and airspace above its internal waters.”

5 Then if you move to paragraph 5 and 6, it is paragraph 6, you will see the heading *Territorial Waters*, and the definition is the sea within a distance of 12 nautical miles from the baselines shall be the territorial waters of the Republic.

And you will see in paragraph 7:

10 “Any law enforced in the Republic including the common law shall also apply in it territorial waters and the airspace above its territorial waters.”

I want you to now turn to page 6 of EXHIBIT A, and I want you to indicate if you would to the commission the green line which will be found just outside the boundary of South Africa as here depicted indicating the extent of the territorial waters, do you see that?

15 R/ADM HIGGS: I can see that.

ADV COOPER: Just perhaps to make is easier from the point of view of recording the proceeding do you identify a green arzone with the words *territorial waters* depicting the green line boundary to which you are referring?

R/ADM HIGGS: I do.

20 ADV COOPER: I want you now to leave, to go back to the first page and to go to paragraph 9 which is under the heading of the contiguous zone, and you will see:

25 “The contiguous zone is the sea beyond the territorial waters referred to in paragraph 6, but within a distance of 24 nautical miles from the baselines, is the contiguous zone of the Republic. And within the contiguous zone and the

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airspace above it the republic shall have the right to exercise any art which may be considered necessary to prevent contravention of any physical law or any customs, immigration, emigration or symmetry law and to make such contravention punishable.

5 My first question to you Admiral is does the Navy participate in any way in regard to the exercise of the Republic's powers in the contiguous zone?

R/ADM HIGGS: The Navy does participate, in fact we participate with a number of other state departments in that, in exercises and operations concerning the enforcement of state authority.

10 ADV COOPER: Will you confirm to the commission if you turn to page 6 that the broken red line nearest to the South African, the shape of South Africa depicted on the map is indeed the order of the contiguous zone?

R/ADM HIGGS: I agree.

15 ADV COOPER: You will see if you turn to paragraph 11 on the first page of EXHIBIT A that when one gets beyond the contiguous zone one finds the Maritime Cultural zone, and that stretches beyond the territorial waters within a distance of 24 nautical miles and within the Maritime Cultural Zone of the Republic the Republic as in respect of object of an archaeological nature found in that zone, the same right and powers as in respect of territorial waters.

20 I want to move to something more important than that which is on page 2 of EXHIBIT A, and that is the exclusive economic zone. There you will see in paragraph 13 and 14 that it is the sea beyond the territorial waters referred to in paragraph 6 but within a distance of 200 nautical miles from the baselines shall be the exclusive economic zone of the republic.

25 Subject to any other law the republic shall have in respect of objects, of

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all natural resources in the exclusive economic zone the same rights and powers as if adding respect of its territorial waters. Now Admiral if you would turn to page 6 of EXHIBIT A, and would you confirm to the commission that the outer broken red line and the broken red line is circled around Prince Edward
5 Island and Marion Island, both depict the exclusive economic zones under the Republic's supervision of jurisdiction.

R/ADM HIGGS: I confirm that sir.

ADV COOPER: Does that mean Admiral that the Navy force seeking to patrol and therefore to control would on leaving South African Harbour move through
10 the territorial waters, through the contiguous zone, through the exclusive economic zone, and then if it proceeded South enter into international water, until it reached the exclusive economic zone of Prince Edward Island and whereupon re-enter the exclusively economic zone of the republic?

R/ADM HIGGS: Correct that is so.

15 ADV COOPER: Give the commission some idea of the sailing distance between the moment a vessel passes out of the exclusive economic zone contiguous to South African until the time it reaches the exclusive economic zone derived from Prince Edward Island?

R/ADM HIGGS: That could be beyond 24 hours sir.

20 ADV COOPER: So the commission must understand that in order to patrol (indistinct) the Navy force has to be a force which is capable of moving from its territorial and exclusive economic zone through the high seas into the second exclusive economic zone, you nodded that, I prefer ...[intervene]

R/ADM HIGGS: Yes it confirms it.

25 ADV COOPER: While we are dealing with page 6 you will see to the right, that

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is to the east of Prince Edward Island the further group of islands which are known as the Iles, who controls those islands?

R/ADM HIGGS: The French control those islands.

5 ADV COOPER: Does it mean that there is a contiguous exclusive economic zone belonging to France in respect of those islands?

R/ADM HIGGS: That is so.

10 ADV COOPER: And although the distance from France to those Islands is further than that between South Africa and its Prince Edward Island and Marion Island, does the French Navy take the exclusive economic zone and the duty to patrol and control in regards to the Iles (indistinct) seriously or does it disregard them?

R/ADM HIGGS: The French government and the French government take it very seriously and they have a continuous presence there.

15 ADV COOPER: I want while I am dealing with the exclusive economic zone to draw your attention to something which may be in the result more of interest to the (indistinct) than to the Navy, but in impacts on the Navy as well. I want Mr Commissioner with your permission to explain to you Admiral if I may aspects of the law which relates in South Africa to the mineral and petroleum resources of this country. And I am referring Commission and Mr Chairperson to Act
20 28/2002. In terms of that piece of legislation the South African Parliament acknowledged that South African's mineral and petroleum resources belonging to the nation and that the state is the custodian thereof.

25 It will mean that whether in the territorial waters contiguous to the republic or in territorial, I am sorry, the exclusive economic zone contiguous or republican waters or to the exclusively economic zone set up around Prince

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Edward Island and Marion Island those provisions (indistinct) would apply, and it would mean that the government is the custodian of any mineral or petroleum resources which may be found in any of those areas.

5 Now the question I would like to put to you Admiral is, is there any ability of the government of the republic to discharge its obligations as custodian except through the military power of the Navy?

R/ADM HIGGS: There are limited abilities in other state department on occasions to go down there, but the Navy maintains a significant responsibility with regard to us supporting the other government departments and our
10 constitutional responsibility to defend and protect. The biggest vessel which has been used to go down there is the Sarah Baartman and she is probably of about 2000 ton.

ADV COOPER: Now I want to draw your attention to other aspects of this EXHIBIT, but first just to (indistinct) ourselves if one proceeding further south
15 from Prince Edward Island and Marion Island what would be the next land mass that would be encountered?

R/ADM HIGGS: The next mass would be the Antarctic.

ADV COOPER: Would you turn to page 4 of EXHIBIT A and there we see at the foot of the diagram effectively in white, the outline is what I take is
20 Antarctica?

R/ADM HIGGS: That is correct sir.

ADV COOPER: According to the information provided what page 4 depicts is the extent of the Maritime Search and Rescue area which is the responsibility of the Republic of South Africa and which is here show by virtue of a red line
25 which one finds more or less I suppose from the Namibia border down to

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Antarctica and up again in the way that it is here set out.

Can you confirm that that is the extent of South Africa's international and national search and rescue obligations?

R/ADM HIGGS: That is confirmed.

5 ADV COOPER: How is that discharged Admiral? In other words who carries out those duties of search and rescue?

R/ADM HIGGS: The search and rescue is the South African Navy and the South African Air Force playing their role when tasked to go down to actually achieve those (indistinct). One of our Frigates if I recall it was (indistinct) about two years ago had to proceed very far south at short notice because there was a fisherman who had a big problem on board, some of their gas bottles exploded and they had people who were badly injured. So a Frigate was sent at very short notice to go down there.

15 So the reality is we get tasked to go down there for specific occasions, there are not regular patrols done by the South African Navy and the South African Air Force into those areas.

ADV COOPER: It is as I understand the duty in which the Navy discharges it obligation by reacting to specific circumstances as and when they arrive.

R/ADM HIGGS: That is correct sir.

20 ADV COOPER: It is a task that justifies I think the further question, given the extent of the South African Maritime Region which you will find also depicted at page 8 would you indicate to the commission whether this is a particularly onus duty in terms of the size and the nature of the waters which South Africa has?

25 R/ADM HIGGS: It is a very onus position, that area is approximately 8

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million square nautical miles or 15 million, approximately 15 million square kilometres, and down south into the roaring 40's the seas are exceedingly hostile. They are very, very big and the weather conditions there are not conducive to regular operations, you need big ships to go down there.

5 ADV COOPER: It is pointed out that I misled you in the (indistinct) to the extent of the Maritime area because I suggested to you it was more or less on the order or boundary of Namibia, but in fact it appears to be even further north is that right?

R/ADM HIGGS: (indistinct).

10 ADV COOPER: (indistinct) if you look at page 8 and you look at the green line?

R/ADM HIGGS: Page 8 it is very clear yes.

ADV COOPER: If you go to page 7 would you indicate to the commission to explain exactly what is the hydrographic responsibility on the South African
15 Government?

R/ADM HIGGS: The Navy is responsible to the South African Government for meeting specific Hydrographic functions for global trading, for global shipping, as such we had a (indistinct) South African Navy, he is Navy Captain and he is based on Silvermine, and as such he participates in (indistinct) naval
20 hydrographic activities off the South African Coast right the way up into the designated area, including where necessary to participate off our neighbouring countries. They meet on a regular basis and in fact a hydrographer has to have (indistinct) develop the hydrographic capabilities not only of our region but of the entire continent and a number, in the recent past he was awarded an
25 international hydrographic award for helping set of Hydrography and

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awareness of hydrography in Africa. The name of the award was the Dalrymple award which allowed international recognition to be passed on South Africa.

5 ADV COOPER: As a matter of interest while we talk of the extent of the waters up to Antarctica does South Africa retain any presence in the form of Scientific research centres in Antarctica?

10 R/ADM HIGGS: We do at the (indistinct) and in fact we have a vessel (indistinct) Navy, it is a newly built vessel in Finland of about 12000 tons which goes down there to (indistinct) for the state. The South African Navy provides personnel to assist them in the form of communicators and chefs etcetera and they deploy for extended periods down south.

15 ADV COOPER: Let me now go back to page 2 of EXHIBIT A in order to deal with the continental shelf which is mentioned in paragraph 14 and to which you have already referred in answer to my learned friend's questions. Here you have told the commission there is an application pending before the United Nations for recognition of South Africa's, the extended jurisdiction rising from the continental shelf.

R/ADM HIGGS: That is correct.

20 ADV COOPER: And it is that application which has now moved as I understand you in collaboration with France?

R/ADM HIGGS: It would be in collaboration with France because there was commonality in their (indistinct).

25 ADV COOPER: Thank you, I want to move to the last of the topics that I want to raise with you, and here again I am following the footsteps of my learned friend. I just want to go into greater detail, and it is in the context surely of

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rational or not, not overlooking the context.

My learned friend put to you in very general terms the question of the cancellation of the package in order to explore with you what the effect might be, and I want to do that just in slightly more detained fashion. Admiral I want you to assume that the Navy receives a directive from the government, let us
5 say today to say that after careful deliberation it has been decided to cancel the package in so far as it involves the Corvettes and the submarines and that the consequence of that cancellation the law requires that South African should no longer exercise any aspect of ownership over those vessels, nor have any
10 beneficial usage of those vessels, so that for all intents and purposes they are no longer a part of the South African Navy even though they may be lying in harbour.

My question to you is would you tell the commission what the effect on that would be of the Navy's ability to perform its constitutional mandate?

15 R/ADM HIGGS: If the Navy was tasked to do that as expressed by you sir it would virtually shut down the Navy's ability to meet its constitutional mandate. We would have a fraction of the ability with old vessels which we would try to get going and we would be extremely limited.

ADV COOPER: But I must add to that the likely picture in that event that the
20 South African Government would say it is necessary that the government pursue arbitration proceedings against the suppliers in order to demonstrate its entitlement in regard to the repudiation of the contract, and those arbitration proceedings would probably endure for between a year and two years. And during that time it will be uncertain as to what the outcome of the arbitration
25 would be and that therefore for a period of at least two years the Navy would

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be precluding from following any other alternative because it will be unknown whether after two years you would get the package back or would not, what would be the effect on the Navy?

5 R/ADM HIGGS: That would be devastating to the South African Navy, there would be confusion about who is doing what, who is looking after the vessels, those things are dangerous, submarine batteries, just in fact even in keeping them going would be very, very dangerous and it would bring huge uncertainties into the entire mix.

10 ADV COOPER: (indistinct) Admiral, the legal possession would be (indistinct) to keep them going, they would have to be put in mothballs if you would accept a layman's description.

15 R/ADM HIGGS: Sir (indistinct) devastating, the reality is there is huge effort which is required to put something into mothballs, once it is in mothballs it will deteriorate significantly and if they would come back to us it would shorten their lifespan very significantly, corrosion would set in and if you wanted to bring them back into the service again it would be very expensive.

20 The submarines, one could potentially could take some of them out (indistinct) which would make things a little bit easier, but the Frigates we could only fit perhaps one into a dry dock and the rest would lie in the sea and would in fact rot.

ADV COOPER: Admiral what would be the effect on your ability, the ability of the Navy in your words to maintain and to train?

25 R/ADM HIGGS: Sir as you have indicated, our ability to maintain and to train would be shut down on those vessels, we would have to try to do things in simulators and in classrooms ashore, we would stop training our people,

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because in the Navy people do not go and just do a job, they have a career, they go through the various things, they go through task books, they train themselves up, they train up the next generation and in reality you would probably lose the capability.

5 ADV COOPER: And the last question, what would you say to a suggestion that it is not as bad as you think because that may take a year or two to win the case South African would indeed win the case and it will then a year or two down the line we reimbursed for the purchase price and you could go off and buy some new ships, would that resolve your difficulty?

10 R/ADM HIGGS: That may resolve the difficulty perhaps another five years down the line. So in reality one would sit between five and seven years without that capability.

ADV COOPER: Why do you say that?

15 R/ADM HIGGS: Because once we start taking the people off the Vessels and Maintain them that is two years where people are out of it and then of course the additional years to actually go and negotiate contracts to go and build things and get these things going again, five years is I believe a very modest period. What if the reason why we were able to get those ships and submarines at relatively short notice was because the shipping industry in
20 Europe at that stage was in a reasonable economic downturn, so people were actually able to use the yards. One cannot always be assured of that. There would be a reasonable possibility that once would even have to wait longer.

ADV COOPER: Admiral use one word or at most two words to depict the actions and suggestion that the Corvettes and the submarines should be
25 returned to the suppliers but that the Navy should continue to discharge its

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constitutional duty?

R/ADM HIGGS: Sir that is sabotage of South Africa's (indistinct).

ADV COOPER: Thank you chair I have no further questions. Sir may I ask if it is appropriate in regard to Admiral (indistinct) if the commissioner, when the commissioner has completed it questions that he be excused from further attendance in the light of the summons served on him?

CHAIRPERSON: Admiral thanks a lot for the evidence that you have given and I think from now (indistinct) you are excused from the proceedings, you have complied with the summons or the subpoena that was set down, thank you.

R/ADM HIGGS: Thank you very much sir.

CHAIRPERSON: You are excused, you can leave if you want to leave.

ADV LEBALA: Chair (indistinct) examination-in-chief by my learned colleague, could we take a five minutes break before we lead Admiral Schoultz, we are ready to proceed with him, that would enable him to go to the witness box and we will be able to re-arrange the notes and packages we have in relation to the bundles and just to simplify things. Each bundle is just one document, it is going to be the Schoultz bundle, we do not have, I beg your pardon, it is one volume documents, it will not be more than one volume document, it will be just one volume. It will be called the Schoultz bundle. (indistinct) I think after that (indistinct) will be ready to proceed.

CHAIRPERSON: Okay we will adjourn.

(HEARING ADJOURNS)

(HEARING RESUMES)

CHAIRPERSON: Yes Adv. Lebala?

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ADV LEBALA: Thank you Chair, Commissioner Musi, can we start with tidying up hygiene issues just to ...[intervene]

CHAIRPERSON: Just hold on, is that your next witness?

ADV LEBALA: That is so.

5 CHAIRPERSON: Admiral Schoultz can you take an oath.

ADMIRAL SCHOULTZ: d.s.s. (WITNESS SWORN IN)

ADV LEBALA: I beg your pardon Chair and Commissioner Musi for shooting without observing the formality of swearing the witness in, but just briefly for the sake of lining our ducks in a row. There is one bundle of Admiral
10 Schoultz and we will call it the Schoultz bundle.

As you can imagine Chair and Commissioner Musi having parted ways with the previous witness still on our minds. It starts from page 1 to 92, it has got Annexures PS 1 to PS 11. Now I think it would be appropriate at this stage to mention the following. Admiral Schoultz testimony at one time may bother
15 on some sensitive confidentiality, and I am inclined to say for the sake of getting us going when we get there we will have to apply our minds and to take the commission into our confidence, we are not going to present and make that documentation available. It is very highly classified.

The documentation will deal with the testimony pertaining to the
20 operations availability of surface platforms and it relates to the December 2011 challenges, and I have got to use words measurably, not deficiencies, not defects, but challenges pertaining to the capabilities in as far as the operational availability is concerned.

The witness will to an extent limited inform the commission about those
25 challenged without going deeper into them. Now the essence of us

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(indistinct) this at this stage is we want to assure the commission that we are not going to hide anything, because it is only by bringing everything forward that the commission would be able to inquire into established facts and make recommendations.

5 But of significance we need not lose sight of the fact that some of these details are very high classified and it would be in the compelling national legitimate interest of our country, the Arms of Services that such detail and information should be handled with care. Now with this background we are ready to proceed.

10 Admiral Schoultz please look at your statement and permit me to start with a leading question, you have made a sworn statement am I right?

R/ADM SCHOULTZ: I have Chair.

EXAMINATION BY ADV LEBALA

15 ADV LEBALA: I would like you to look at page 1 of your statement and let me take the liberty to read paragraph 1 thereof:

"I Phillip Schoultz hereby say that (paragraph 1) I am presently appointed at the flag officer fleet of the South African Navy, a position that I have held since December 2010."

20 Now I know that we have already qualified and explained what a flag officer fleet is, just to refresh the commission, what is the flag officer fleet?

R/ADM SCHOULTZ: Chairperson I command the fleet in Simonstown and structured within my command is therefore all the ships, submarines, training units, logistic units of the fleet.

25 CHAIRPERSON: I am sorry if you can just speak up your voice, I am struggling to hear you?

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R/ADM SCHOULTZ: I command a fleet in Simonstown and structured beneath me within my command are all the ships and submarines of the South African Navy as well as the training establishment and various logistics establishments, and I report directly to the chief of the Navy who sits in
5 Pretoria at the Naval Headquarters.

ADV LEBALA: That is the position that Admiral Higgs occupied before, is that correct?

R/ADM SCHOULTZ: That is correct Chair.

ADV LEBALA: When you mentioned that you report to the chief of the Navy
10 who sits in Pretoria who are you referring to?

R/ADM SCHOULTZ: I am referring to Vice Admiral Mudimu Chair.

ADV LEBALA: May I continue Chair, may I proceed Commissioner Musi?

COMMISSIONER: I did not hear the name of the Vice Admiral, the chief of
the Navy?

ADV LEBALA: Thank you Commissioner Musi we will repeat the question and
15 I will ask the witness to repeat the name. The commissioners would like you to repeat the name of the chief of the Navy?

R/ADM SCHOULTZ: Chair it is Vice Admiral Mudimu.

ADV LEBALA: May I proceed in reading paragraph 1 of your statement.

20 "Prior to this I was appointed at the Joint Operations Division as the chief director operations from 2005 – 2010."

Let us pause there, what does this function entail?

R/ADM SCHOULTZ: A chief of Joint Operations is that entity within the national defence force responsible for conducting all operations and I was the
25 chief director within that particular organisation and as such then responsible

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for the direction of all operations that the National Defence Force conducted.

ADV LEBALA: And we note on the same paragraph in line 4 that you are also the Chief Director Maritime Strategy (2004)?

5 R/ADM SCHOULTZ: Chairperson that was a position within the Naval headquarters and it was *inter alia* responsible for providing Chief of the Navy with staff advice on the strategic direction of the Navy.

ADV LEBALA: We also note that you are the director Maritime plans, the period 1999 – 2003?

10 R/ADM SCHOULTZ: Again Chair a position within the Naval headquarters and that was primarily responsible for the planning and budgeting within the Navy and then to see to the execution of the plan of the Navy as staff officer to the chief of the Navy.

ADV LEBALA: On the same paragraph we note that you were also the Director Management Service, the period 1992 – 1998?

15 R/ADM SCHOULTZ: Chairperson again a staff position, earlier on the week we used terminology like the force structure and the force design, this particular post was the post that created that various posts that went into that structure and design. So in essence it created a backbone again which people could be appointed to within the Navy.

20 ADV LEBALA: That this appropriate time I would like us to go to your curriculum vitae which is on page 9 and 10 of your bundle documents, annexure PS1, commissioners page 9 and 10. You will note that there are two curriculum vitae's, one on page 9 and one on page 10. We would rather deal with the extensive one because the other one it is (indistinct) it is limited.

25 We just want to qualify this witness properly to demonstrate that he is

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better qualified to testify before this commission. I would like to direct you to page 9, annexure PS1. Paragraph 1 refers to your birth place, let us proceed to paragraph 2. You will not that the curriculum vitae is not paragraphed, but I will try to qualify this paragraph by starting to read the first sentence and follow
5 it up by qualifying it as a paragraph number.

The paragraph starting with:

“After completing his schooling where he actively participated in sport and cultural activities he entered the South African Navy in 1972.”

Let us pause, up to date how long have you been in the Navy?

10 R/ADM SCHOULTZ: I am in my 42nd year Chairperson.

ADV LEBALA:

“After completion of the officers course he obtained a (indistinct) (BSC) degree degree at the military academy in September 1975.”

We already know what (indistinct) (BSC degree) entails after having listened
15 to Admiral Higgs we are not going to dwell on that.

“In 1989 he obtained a business management diploma from the University of Stellenbosch.”

From a military man, naval officer to business management diploma, just wet our apatite why that Admiral Schoultz?

20 R/ADM SCHOULTZ: Chairperson much of what one does within the leadership (indistinct) is in fact management and this particular diploma was aimed at operation research and quantative analyses, and that really forms the heart of war-gaming, it also forms the heart of logistics, management and so for that reason I did this course.

25 ADV LEBALA: Next paragraph 3 starting with his military training, we are

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going to you military training. His military training includes combat officers qualifying in 1976 four years down the line after you entered the Navy. Long gunnery course 1977, joined land and air warfare course, 1979. Let us pause there.

5 Combat officers qualifying what does it entail?

R/ADM SCHOULTZ: Chairperson the course was there to qualify you to serve on board a minor war vessel and a major war vessel as they were then defined, but in essence those days the minesweepers and the Frigates and combat was those mustering or disciplines that dealt with gunnery, anti-
10 submarine warfare, communications and the likes. So it was a warfare orientated course.

ADV LEBALA: Was that dictated by the time in which South Africa found itself?

R/ADM SCHOULTZ: No Chair this was a normal course that any line officer or
15 general duties officer had to do in order to become the departmental officer on board a warship, and this predates probably Nelson and it continues today as well. So it is to qualify you for the profession of Arms on board a ship, it is possibly the best way of describing it.

ADV LEBALA: Thanks for the clarity Admiral Schoultz, long gunnery course,
20 what does it entail?

R/ADM SCHOULTZ: Chair those days you were able to do a long gunnery course, over and above the gunnery that you did on the combat officer's qualifying course and they were done in the UK, but I was privileged to do my course in Israel as part of the program of acquiring the strike crafts. So I did
25 the second weapons officers course in Israel which was just short of eight

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months.

ADV LEBALA: Joint land and warfare course in 1979, I think that stands to be obvious. Air Force staff course, 1991, just refresh us, Air Force staff course?

5 R/ADM SCHOULTZ: Chairperson as you proceeded up your career path you did you so called line or functional courses, which were the combat courses in my case, but you also had to undergo staff training for later staff appointments and each service at that stage had its own staff college and staff course.

10 I chose at that point in fact to do the Air Force one rather than the naval one due to personal matters that necessitated me to be up in this areas not down in the Cape.

ADV LEBALA: And the Joint staff course 1995, refresh us?

15 R/ADM SCHOULTZ: Chairperson that again it is a course that has changed its name, today it is known as the executive national security program and it is a course that is offered at the Defence college and that was a prerequisite for promotion at that stage to the rank of Brigadier General or Rear Admiral Junior junior grade in the Navy, and it was similar to the staff course but where the staff course focussed on the operational level of war, the joint staff course focussed on the strategic level of war.

20 ADV LEBALA: "Whilst under training he also served on board the destroyer SAS Jan Van Riebeeck, the Minesweeper SAC Pretoria and the Freigate SAS President Kruger. Now just draw a distinction between these three vessels, and I am using this word *vesse/* measurably. You see one is a destroyer, the other one is a minesweeper, and the other one is a Frigate.

25 R/ADM SCHOULTZ: Chairperson the destroyer I served on is one of the what we call *Whiskey* or W-class destroyers purchased from the British built in

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1940's, mid 1940's and if Chair would permit me then possibly I can read definitions out of the staff college handbooks and war books as to what the Frigate and the destroyer is although it has been said before. But essentially the difference between the destroyer and the Frigate as has been indicated is
5 firstly size, destroyers today are between 5000 and 10000 ton, and destroyers carry all the sensors and all the commander control systems to allow them to operate in a high threat environment.

And also more importantly they are used primarily as escort vessels today for what one could call a capital ship such as an aircraft carrier or a
10 landing platform dock or a landing platform helicopter. Now it needs to be said these lines are blurring today, because having given you the tonnage of a destroyer, today we find that the Spanish type 21, the German type 124 and the Dutch the De Seven Provinciën are building Frigates that are in excess of 5000 ton.

15 So these lines are blurring, so when people speak of Frigates, destroyers corvettes it has become very much a blurred area. Frigates I believe Admiral Higgs has elaborated on fully. I think what is important is that the Frigate is normally the smallest unit that you would send independently into a high threat area.

20 Also that where the destroyer has the ability to operate in all the environments of warfare normally a Frigate would be specialised to anti-air warfare, or anti-submarine warfare although there are as in the case of South Africa once that has dual capability but at a much lower capability level than that of a destroyer.

25 The minesweeper that was referred to in my CV they were built primarily

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to deal with moored mines that we found bounding in the last great war and they essentially made use of a wire that was towed behind them to cut the mooring lines so that the mine can come to the surface where it could then be shot.

5 They also had the acoustic ability to stream acoustic here behind them and detonate acoustic mines as well as magnetic mines. These are largely phased out in the world today.

ADV LEBALA: The next paragraph, (indistinct) appointments we will run through it, my attention is drawn to you being a weapons officer and the operations officer and the commanding officer of three different ships or vessels. What is the distinction between a weapons officer and the operations officer?

R/ADM SCHOULTZ: Chairperson both are departmental officers, line officers or combat officers. The weapon's officer is responsible for the weapon's department, in this case on board the strike craft for the guns and missiles on board where the operations officer was responsible for the detection equipment like the radar which we detect other vessels at sea, the electronic warfare equipment and also the communication (indistinct). So it was just two different departments.

20 ADV LEBALA: And we note our commanding disposition there you became a commanding officer for SAS Oswald (indistinct), next paragraph starting with:

"His so appointments have included staff officer training."

We have heard about it.

"Senior staff officer personnel at the Strike Craft (indistinct). Senior staff officer surface warfare. Senior staff officer surface warfare. Senior staff

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officer operations. Senior staff officer operation staff duties. Director Naval Management services. Director Maritime Plans and Chief Director Maritime strategy at the Navy headquarters. Chief Director Operations and the joint operations division. Flag officer fleet at the fleet command, the position he
5 presently holds.”

Am I right to say you and Admiral Higgs more or less share the same background?

R/ADM SCHOULTZ: Chair I think the only commonality was that we were both at the fleet as the flag officer fleet, I do not see any other posts there that are
10 very similar in any manner.

ADV LEBALA: Well what remains, probably let me confuse is this formidable achievements that are aligned to your curriculum vitae but thanks for clarifying what the similarities are in relation to the distinctions. We will move on. Next paragraph:

15 “His career aspects show the promotion to sub-lieutenant 1976, lieutenant 1979, lieutenant commander 1982, commander 1987, Captain 1993, Rear Admiral junior Grade 1999, and Rear admiral January 2004.”

Would you like to qualify your stars as you are standing before the commission?\

20 R/ADM SCHOULTZ: Chairperson just to indicate I am currently a Rear Admiral Junior grade and that is a Rear Admiral and that is a two Star Position within the department of Defence.

ADV LEBALA: We have already traversed that you went through the ranks, became a commander up to the level where you are, I need not draw
25 similarities between you and your colleague who testified before us because

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you have different strengths and talents. Let us go to the next paragraph, your awards. You have been awarded the Southern Cross decoration, the Southern Cross Medal, the Military Merit medal, the Pro Patria medal, the Southern Africa medal, the General Service Medal, the Tshumelo Ikatelaho medal, the Good Service Medal Gold, the Good Service Medal Silver and the Good Service medal Bronze, plus or minute ten eleven, am I right?

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R/ADM SCHOULTZ: That is correct.

ADV LEBALA: The award of those medal are there those that are pre-1994 and those which are post-1994?

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R/ADM SCHOULTZ: That is correct Chair they are pretty much 50/50 pre-1994 and post-1994.

ADV LEBALA: We have recognised when the previous witness was taken through some of the medals that are common between you two as there is an inclination and one can sense that the earlier ones are pre-1994, the latest ones are post-1994, am I right?

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R/ADM SCHOULTZ: Chair I have written the medal actually in the sequence of their seniority as oppose to the sequence of their award. So the Southern Cross Decoration I received after 1994, the Southern Cross medal is back I think late 70's and then the rest follows similar suit, like the Pro Partia I got before 1994, the Good Service Bronze right at the end, I got after ten years service and the Good Service Gold I got after 30, so the sequence there is the sequence of seniority as oppose to the sequence of award.

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ADV LEBALA: Thanks for correcting me Admiral Schoultz, I should not assume. Dr Allen Patten says never generalise and assume, thank you. Next paragraph:

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“He is a keen student of military and international affairs and has delivered a number of papers at national and internal symposia.”

Now just wet our apatite and give us examples of the papers you have delivered one and where you delivered them, let us start with internal
5 symposium ones before we go to national?

R/ADM SCHOULTZ: (indistinct) them but certainly in terms of national papers that I delivered I delivered a paper on the requirements for a new search and rescue regime for South Africa, this is Maritime Search and Rescue. This was about two years ago now, I also delivered papers on
10 integrated and multi dimensional peacekeeping in country, but under Canadian sponsorship, as well as a paper on operational logistics and peacekeeping.

Then I delivered a paper under Swedish (indistinct) University also in country on the challenges to international peacekeeping, and much further back I stand corrected but probably 2006/7 under Dutch Auspices a paper on
15 sea space management, and then also in Washington DC I think that was 2004 a paper on defining the African Maritime Battle Space.

So that is roughly, most of these papers were under external and auspices even if they were presented of them in the country.

ADV LEBALA: So does that mean you cannot draw a distinction between
20 national and international symposium?

R/ADM SCHOULTZ: Chairperson I think the time when most of these were presented I was working in the joint operations division. Our country was very involved in as it still is peace keeping operations but it was at the early stages of it, and so there was much, many conferences taking place both in South
25 Africa and externally.

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And the whole issue of peacekeeping has changed significantly in the last decade from people that stand there between opposing factions to really the whole issue of security sector reform and South Africa played a cardinal role in that evolving body of knowledge and literature and I was very privileged to be caught up in that having spent five years roughly working in the peacekeeping environment in Africa.

ADV LEBALA: This erudite papers that you delivered are they published anywhere, could they be accessed.

R/ADM SCHOULTZ: I believe Chairperson, some of them are published, I know the defining the African Maritime battle space, it has also been taken up in part of the American Foreign Policy on Africa, I was told by I think it was Ambassador Frasier at the time, the sea space management one I could not tell you because that was handed over to the Dutch at the end of it, and the rest would be with the agencies, I would have to check.

Most of them were published online at the time, but whether they captured them in hardcopy afterwards I could not tell you, I have never gone back to them.

ADV LEBALA: The last paragraph or you can (coughing), I beg your pardon Chair. The penultimate paragraph:

“His hobbies include reading, carpentry and hunting.”

What is the correlation between the military, Navy, water and hunting if any?

R/ADM SCHOULTZ: I do not know how to answer that, but hunting I presume military guns, but also people that spends their lives at sea have a great love for nature, and hunting is about the love for nature to me. Reading, I think education is the key, and carpentry, work with your hands and I guess if you

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spring a leak it might be good on a ship to be able to swing a hammer sir.

ADV LEBALA: Admiral Schoultz I would like you to go back to your statement paragraph 4, the nub of why you are standing before the commission ...[intervene]

5 CHAIRPERSON: I am sorry Adv. Lebala I see it is already 15:55, if you are going to start a new topic now going through the statement do you not think this would be an appropriate moment to adjourn?

ADV LEBALA: Thank you Chair.

10 CHAIRPERSON: Unlike dealing with the statement for five minutes, we adjourn and then we start again tomorrow morning.

ADV LEBALA: Thank you Chair, with that direction we could adjourn Chair.

CHAIRPERSON: I think maybe let us adjourn and we could start again tomorrow morning and then tomorrow morning you could start with this statement. Thank you I think we will adjourn till tomorrow morning at 09:30.

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