

HOMELANDS — TRANSKEI — GENERAL

1988

~~JUN~~ — ~~AUG~~ SEPT.

MAY — ~~SEPT~~ DEC.

TDC told to foot the bill

EAST LONDON — The Transkei Development Corporation (TDC) nearly found itself having to auction off some of its office equipment next week to settle an employee's debt with an Um-tata garage.

The TDC, which is solvent to the tune of a few hundred million rands, was faced with a sale-in-execution order by Um-tata Magistrate's Court.

The court ordered that two office desks, four chairs and two typewriters would be sold by public auction on May 9 in front of the magistrate's offices to settle a debt between the TDC and the plaintiff, Dukel Motors Limited, trading as BMW City.

A TDC spokesman, Mr A O'Connor, said yesterday the issue went back to 1986 when a former employee ran up an account with BMW City Motors, apparently after hiring a motor vehicle.

He said a subsequent summons and notice was served on another former employee, a secretary, who did not know anything about the matter and filed the demands away.

A judgment was then secured against the TDC by default. —

Sapa.

Daily Dispatch Reporter

UMTATA — Some four to eight more months would be needed for the commission of inquiry into gambling rights to be properly concluded, the commission was told yesterday.

The commission is scheduled to close at the end of this month.

In submissions to the commission, chaired by Mr Gerald Alexander, advocates representing various parties said the amount of work still needed to be done could not be concluded by the end of this month.

Mr Harry Snitcher, representing a Cape Town businessman, Mr David Bloomberg, and a Liechtenstein company, Etablissement Sports et Loisirs, told the commission that a large number of witnesses still had to be called.

He said the commission would take up to 88 days to conclude its terms of reference.

He added that lawyers and other parties had other commitments, meaning the commission would only complete the inquiry in more than eight months time.

Mr Fanie Cilliers, SC, representing Sun International, also called for an extension, arguing that resolution of dis-

DID 4/5788
**More
 time
 urged
 for
 inquiry**

puted facts would have to be properly provided in order that a desirable state of affairs could prevail.

Mr Wilfred Cooper, SC, appearing for Mr Chris van Rensburg of Jalc Holdings, said it was clear that the time left for the cross-examination of witnesses was totally inadequate and matters relating to their evidence would remain unresolved.

Mr Cooper criticised a report in the Johannesburg newspaper, Business Day, on an interview with Transkei's military ruler, Major-General Bantu Holomisa.

Gen Holomisa was quoted as saying the commission would have to be curtailed at the end of May, and that some parties at the commission had "used deliberate delaying tac-

tics" while the government had wanted action.

Mr Cooper described the remark as a deliberate action aimed at discrediting the legal fraternity participating in the commission.

He said a suggestion that representations made to Mr Alexander were a delaying tactic was "a mischievous attack to discredit the legal representatives here".

He also objected to a reported statement that another challenge to the legitimacy of the inquiry by Jalc lawyers had still to be resolved.

"To say that we are contemplating another challenge is without foundation," he said.

He also pointed out that discussions between the parties were confidential and questioned who the source of such speculation could be.

Mr Cooper challenged an assertion in the report that there were 11 advocates before the commission who were being paid in the region of R30 000 a day, suggesting that the running of the commission was too expensive.

The hearing resumes this afternoon.

A spokesman for one dairy said if private boxes would be sorted.

DID 415158 (103)
Filed away demand leads to embarrassment for TDC

EAST LONDON — The Transkel Development Corporation (TDC) almost found itself auctioning off some of its office equipment to pay an Umtata garage because a former employee filed away demands for payment.

The TDC, which is solvent by a few hundred million rands, found itself at the embarrassing end of a sale-in-execution order issued by the Umtata Magistrate's Court.

The court ordered that two office desks, four chairs and two typewriters be sold by public auction on May 9 in front of the magistrate's offices.

This was in order to settle a debt between the TDC and the plaintiff, Dukel Motors Ltd, trading as BMW City.

A TDC spokesman, Mr A. O'Connor, said yesterday

that the notice had come as an unpleasant surprise to the corporation's senior executives who knew nothing about the action against the TDC.

After investigating the matter, Mr O'Connor said the issue went back to 1986.

A former employee had run up an account with BMW City motors, for what is believed to have been the hire of a motor vehicle.

A summons and notice was served on another former employee, a secretary, who did not know anything about the matter.

The demands had simply been filed away.

A judgment was then secured against the TDC by default.

Mr O'Connor said once the notice of the sale in execution was published, the TDC's

lawyers had immediately made arrangements for the debt to be settled by cheque, and that the sale in execution was called off.

He was happy to announce that the TDC was quite solvent.

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However floods d tages — floods o take 10 the Nah return prior t floods.

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Israel denies handling model of sub for SA

MUNICH — Israel has officially denied West German reports that a packing case it received from Hamburg in December 1986 contained a scale model of an advanced German submarine intended for South Africa.

The reports said the model had been constructed by the Kiel shipyard, Howaldtswerke, which is accused of secretly selling South Africa submarine blueprints and spare parts.

Opposition members on a Bonn parliamentary committee inquiring into the deal said they had been informed by reliable sources that Howaldtswerke had supplied South Africa with a model of the submarine.

It was apparently shipped to South Africa via Israel, they claimed.

The Israeli embassy in Bonn said the packing case had contained machinery for an Israeli firm. — The Star's Foreign News Service.

Warrant for ex-PM's arrest

Transkei's attorney-general has issued a warrant for the arrest of a former Prime Minister, Chief George Matanzima (right).

The attorney-general, Mr Chris Nel, said the warrant was issued yesterday by an Umtata magistrate.

Mr Nel said the warrant was issued in connection with allegations of corruption arising out of a commission of inquiry into Transkei's Department of Public Works. — Sapa.



R 10,000

Calls for time in gambling probe

Stev
5/1/68 Own Correspondent (102)

UMTATA — The commission of inquiry into gambling rights in Transkei would need at least five to eight months to conclude its business, advocates said in Umtata yesterday.

Submissions for extending the hearing were put yesterday to Mr G Alexander, chairman of the commission, which was scheduled to close at the end of the month.

Mr S A Villiers, SC, for Sun International, said the resolution of many of the issues — principally between Sun International and Cape Town businessman and former mayor Mr David Bloomberg — depended on credibility findings.

These issues could be resolved only by allowing lengthy cross-examination.

Twenty-five witnesses had yet to be called and some, such as former Transkei Prime Minister George Matanzima, might have to be recalled.

Mr de Villiers said 60 volumes of evidence would be produced and it would require at least 118 days, or five months, to complete the work.

Dr Wilfrid Cooper, SC, appearing for Mr Chris van Rensburg of Jalc Holdings, said it was clear there was not enough time for cross-examination.

Mr Harry Snitcher, QC, representing Mr Bloomberg and a Liechtenstein company, Etablissement Sports et Loisirs (ESL), said many witnesses had yet to be called.

His party had called for documents from Sun International and Mr Sol Kerzner which had not yet been produced.

INVIDIOUS POSITION

Asked by Mr Alexander what he would suggest if an extension beyond May was not granted, Mr Snitcher said witnesses would be put in an invidious position.

At a previous hearing Mr Richard Kurland, one of four founding members of ESL, alleged that the company was merely "window dressing".

Mr Kurland alleged that Mr Walter Reif, a Swiss friend of Mr Bloomberg, another shareholder, was appointed chairman but had no working knowledge of the company.

He alleged that ESL was merely a means of sending profits off-shore. He said Mr David Bloomberg Jun, Mr Bloomberg's son and partner, had gone through the ruse of reporting to and taking instruction from ESL.

A file handed in on Tuesday contained affidavits from secretaries who worked for Mr Reif, handwriting experts and paper manufacturers testifying to the authenticity of letters signed by Mr Reif.

There were also copies of dozens of letters exchanged between Mr Reif and the Bloombergs.

Mr Reif's widow, Mrs Felicia Reif, said in an affidavit that although she was not privy to her husband's business affairs, he was a personal friend of Mr Abe Bloomberg and had a very special affection for his son. The name ESL was well known to her.

The commission continues.

WARRANT OUT FOR CHIEF GEORGE

UMTATA — A warrant has been issued for the arrest of former Transkei Prime Minister Chief George Matanzima, Transkei Attorney-General Chris Nel said yesterday.

The warrant, issued on Tuesday, was in connection with charges of corruption arising from the Alexander inquiry into the Transkei Department of Works and Energy.

The inquiry, which is currently dealing with the issue of gambling rights in Transkei, earlier lodged an interim report with Transkei's ruling Military Council on the Mbuque Park housing estate scandal.

At the time, a commission heard Chief George had accepted R1m in "lobola money" from a construction

ROGER SMITH

company to which he had granted a R30m housing contract. The disclosures led to a coup which toppled him in October last year.

Allegations of serious irregularities in the awarding of contracts at the estate were made in evidence to the inquiry last year.

Nel said the report had been referred to him and confirmed the charges related to the Mbuque Park issue rather than that of gambling rights.

He said a warrant was also issued for the arrest of S Qaba on similar

(103) B/day ● To Page 2 → 5/5/88

Warrant of arrest for George Matanzima

charges. Lawyers for the Auditor-General yesterday refused to release the interim report of the inquiry as they believed it could now be sub judice.

Chief George's whereabouts could not be established late yesterday, but he is believed to have left Transkei late last week.

His attorney, Johan Vlok, said last night he had only heard rumours of the warrant and had not been in touch with Chief George.

He did not know where he was and when asked when last he had seen Chief George replied "I am not going to tell you".

In an interview on Monday, Transkei's ruling military leader, General Bantu

← ● From Page 1 (103) B/day 9/5/88
Holomisa, expressed concern about delays in bringing corruption cases arising out of continuing investigations to the courts.

He said then: "If we were to say there were going to be no prosecutions, we might as well close down the inquiry."

Chief George's brother, former President Chief Kaiser Matanzima, yesterday attended the official opening by Transkei President Tutor Ndamase of a new multi-million rand Supreme Court complex in Umtata.

President Ndamase payed tribute to Chief Kaiser as he had selected the site of the new complex, and "refused to take no from the municipality".

Decades-old feuds re-open in a duel over an empty throne

A MAJOR tussle has erupted for the powerful paramount chieftaincy of Sabata Dalindybebo, the king of the Tembus, who fled into exile and linked up with the African National Congress after a long conflict with Kaiser Matanzima, former president of the "homeland".

There appears to be massive popular backing for Sabata's son, Buyelekhaya, at present studying in Zambia, to take over the position, but Matanzima this week mounted a court bid to prevent his accession.

The application was brought by Matanzima as well as his candidate for the position, Zondwa Mirara, who was the head of the Transkei Defence Force until he was ousted by the Transkei's military ruler, Major General Bantu Holomisa.

Significantly, the ruling military council seems to be backing Buyelekhaya. It was cited as a respondent in the application for an urgent interdict

brought by Matanzima this week. The Umtata Supreme Court granted the interdict to halt a meeting of the Dalindybebo Regional Authority set for May 2 to discuss the installation of Buyelekhaya "or anyone else".

The return date was set for Wednesday, but an application by the state attorneys for a postponement to May 11 was granted. This means the meeting will have to be at least postponed.

Conflict between the Matanzima and the Dalindybebo families goes back for many decades. Both belong to the Hala Tembu royal family, as does jailed ANC leader Nelson Mandela.

A thirty-year-old feud flares in a fierce tussle over the empty Tembu royal throne.

On opposite sides: Transkei's military rulers and its former president.

FRANZ KRÜGER reports

Sabata Dalindybebo, a long-standing opponent of the "homeland" system introduced by the government, was the paramount chief of the Tembus and the senior member of the family.

But in the 1950s, Kaiser Matanzima asked the government to establish a new paramount chieftaincy for West-

ern Tembuland, in the Queenstown district.

This was granted by government ethnologists — on what experts regard as dubious historical grounds — to strengthen the traditional authority of the more pliant Matanzima.

Sabata refused to recognise Matanzima's status, and conflict between the two men continued throughout the decades that followed.

Matters came to a head in the late 1970s, when Sabata was convicted of "violating the dignity of the state president" — Matanzima.

Sabata was deposed and fled into exile in Zambia, where he linked up

with the ANC. He died in Lusaka in 1986.

Meanwhile, Matanzima had installed another member of the family, Bambilanga Mirara, as paramount chief. He died last year and his son, Zondwa, is now Matanzima's candidate.

Amid the political turmoil last year, Matanzima hastily convened a meeting of the Tembu royal family, at which the chiefs decided that Zondwa Mirara should become paramount chief.

His installation was delayed, however, as supporters of Buyelekhaya mustered their forces. Among them were members of the Joyi branch, long-standing supporters of Sabata who had been banished in the 1950s. Their banishment orders had been revoked during the brief rule last year of Stella Sigcau.

A second meeting was held at the Sithubu Great Place on April 9, where it was decided that Buyelekhaya should become paramount chief. A meeting of the Dalindybebo Regional Authority was to be held on May 2 to ratify the move, and inform the government.

It is this meeting that Matanzima's court application was designed to halt.

In a letter before the court, Matanzima warned the military council to stay out of the succession dispute, as it was not its role to tamper with tribal traditions. — Elnews

Bizarre car-chase to police station

IN a bizarre twist, Prigelpro officials say they spotted a vehicle involved in a recent shootout in Umtata, and followed it ... into a police station.

The report says that after a high speed car chase, "the culprits were chased right into the police station in Umtata where they took cover and positioned themselves in ready position to shoot".

When the officer in charge attempted to investigate, another policeman allegedly stopped him, "warning him that the security police would shoot at anything on sight at the back of the police station".

The Prigelpro official who had reported the incident was subsequently detained. He was told that this was because some of the people who had followed the police vehicle had been armed, which he claimed was untrue.

No one has yet been arrested in connection with the incident.

Elmer's

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W. M. L.
Kei hanged 86
in ten years (103)

By LOUISE FLANAGAN,
East London

TRANSKEI has 30 political detainees, 30 prisoners on death row and 16 political trials underway.

These are just some of the statistics compiled by the Umtata-based Prisoners' Welfare Programmes (Priwelpro).

According to Priwelpro, some of the detainees being held have been in detention since 1986, and there are R2-million in legal claims relating to the activities of the security police pending.

Condemned prisoners spend an average of a year on death row and are denied private consultations with their attorneys.

The report said the project's research had shown that 155 people were sentenced to death in the 10 years from April 1987, when the Transkei built its own gallows, up to September 1987.

Of these, 86 were hanged. Others are still on death row or had their sentences commuted, and one escaped.

Priwelpro lists details of 40 civil claims against the police, totalling R2 025 500. Most of the claims involve unlawful arrest and assault.

The project said it is involved in a case of about 30 sentenced prisoners, two of whom died in an incident where prisoners were allegedly assaulted by warders at Umtata Prison. The case is still pending.

Warrant out for Chief George

EAST LONDON — On application by Transkei's Attorney General, the chief magistrate in Umtata has issued a warrant for the arrest of a former prime minister, Chief George Matanzima.

The Attorney General Mr Chris Nel, said last night the warrant was issued by the chief magistrate, Mr Martin de Beer, on Tuesday.

Mr Nel said the warrant was issued in connection with allegations of corruption arising out of the commission of inquiry into Transkei's Department of Works and Energy.

A spokesman for the Transkei Police said police had not yet received the warrant, and thus it had not yet been executed.

According to reports in Umtata, Chief George left Transkei on Tuesday and efforts to trace him yesterday were unsuccessful. DID 575788

● The commission of inquiry, which has been hearing testimony into the issue of gambling rights in Transkei and was due to resume yesterday afternoon, did not hear any verbal evidence yesterday. — DDR-Sapa

Ndamase opens new T'kei Supreme Court

D1D 575788

103

vies, Mr Justice Fennin, Mr Justice Hofmeyr and Mr Justice Goldin.

Soon Transkei would appoint its own citizens as judges of the Supreme Court, President Ndamase said.

He said Transkei owed South Africa a debt for having been blessed with a highly competent and dedicated judiciary.

"I wish to pay particular tribute to those who have served as chief justice and there could have been no happier appointment as our first Chief Justice, than Judge Munnik.

"His fluency in Xhosa and his deep understanding of our people and his love for this country endeared him to all of us as he set this court firmly upon a correct course," he said.

Describing the structure of the new court complex as unique, he commended his predecessor, Paramount Chief Kaiser Matanzima, who saw the site as ideal for the court and refused to take "no" for an answer from the municipality.

Bantu Holomisa, and members of the ruling military council were present.

In his speech, President Ndamase said that when the people of Transkei opted for independence the leaders of Transkei recognised that an independent and experienced judiciary would be of paramount importance to the proper development of the country.

It was worthy of note, he said, that the Transkei constitution enacted in 1976 provided that no one could be appointed as a judge unless he had had at least 10 years experience as an advocate in the Supreme Court of South Africa or in some other recognised superior court, or had previously been a judge in such a court.

"There were at that time no Transkeians who would qualify for

appointment and this position continued for some considerable time.

"Our leaders accordingly accepted that until suitably qualified and experienced Transkeians became available, we would have to look elsewhere, particularly to South Africa, for assistance," he said.

From the start, that assistance had been willingly given in the form of secondment from provincial divisions of the Supreme Court of South Africa or judges to our Supreme Court, the President said.

The South African authorities readily recognised, however, that the final decision as to any judicial appointment in Transkei and its duration was vested in the Transkei Government.

President Ndamase

said that in 1973, while Transkei was still constitutionally tied to South Africa as a self-governing territory, it was decided to break the long association between the territory and the Eastern Cape Division, and to form the Transkei High Court.

Mr Justice Munnik was seconded from the Eastern Cape Division and was appointed Chief Justice.

He was the only judge until Mr Justice Wienand was seconded from the Eastern Cape.

President Ndamase said the number of judges increased until an appellate division was formed.

Among those he named were Mr Justice Rose-Innes, Mr Justice Rodgers, Mr Justice van Coller, Mr Justice Da-

Daily Dispatch Reporter
UMTATA — The new Supreme Court building here was officially opened yesterday by Transkei's State President, Paramount Chief Tutor Ndamase, at a ceremony attended by the largest collection of supreme court judges seen in the country.

Judges and advocates from as far as Grahams-town were present, as was the Judge President of South Africa, Mr Justice G. G. A. Munnik, who was the first Chief Justice of Transkei.

The ceremony was also attended by the Chief Justices of Ciskei, Venda and Bophuthatswana.

The South African Minister of Justice, Mr Cobie Coetsee, represented the South African Government, while Transkei's military ruler, Major-General

D 15 515/88 (103)

Former mayor of Mount Frere dies

UMTATA — A former mayor and businessman of Mount Frere, Mr Acton Sandile Vakalisa, 58, died after a long illness.

Mr Vakalisa, who owned a furniture shop, a general dealer's store and a butchery in Mt Frere, was born in Mount Ayliff and went to high school at Ohlange Institution in Natal.

He later trained as a medical aid worker in

Durban before working at the Sir Henry Elliot Hospital in Umtata.

During the mid-60's he left the civil service to go into business in Mt Frere. Since then, he was a member of the National Federation of Chambers of Commerce.

Mr Vakalisa, who is survived by his wife and seven children, will be buried at his Mt Frere home on May 7. — DDR

Warrant out for Matanzima

TRANSKEI'S attorney general issued a warrant for the arrest of a former Prime Minister, Chief George Matanzima, SABC radio news reported. *Sowetan 5/5/88*

The Attorney General, Mr Chris Nel, said the warrant was issued on Tuesday by an Umtata magistrate. (103)

Mr Nel said the warrant was issued in connection with allegations of corruption arising out of a commission of inquiry into Transkei's Department of Public Works.

A spokesman for the Transkei Police said police had not yet received the warrant, and thus it had not yet been carried out. — Sapa

Daily Dispatch Reporter
UMTATA — A Cape Town businessman's former partner had been convicted of dishonesty concerning trust account transactions in Australia last year, the commission of inquiry here into gambling rights has been told.

In evidence to the commission, a Cape Town advocate, Mr Harry Snitcher, said Mr Richard Kurland, who was a former partner of Mr David Bloomberg, had been investigated by the New South Wales Law Society.

Mr Snitcher is representing Mr Bloomberg.

Mr Kurland had flown out from Australia two months ago to give evidence before the commission.

Among the claims made by Mr Kurland, was that a "smoke-screen" had been thrown up to conceal Mr Bloomberg's interests, and those of other members of his family, in a Lichtenstein-based company, Etablissement Sports et Loisirs (ESL).

Mr Kurland had claimed that Mr Bloomberg and his father, Mr Abe Bloomberg, had ar-

ranged for the establishment of ESL through their attorneys in Zurich.

Included in the documents submitted by Mr Snitcher to the commission were affidavits by a number of people who supported allegations against Mr Kurland.

Mr Dennis Saunders of Creda Press, said in an affidavit that his firm had been printers in Cape Town for Bloomberg and Company for 10 years.

They had not printed any ESL letterheads and the paper ESL used for printing was not manufactured or believed to be available in South Africa.

He had examined a file of correspondence between a Mr Walter Reif of ESL, and Mr David Bloomberg between 1977 and 1986 and had

concluded that the ESL letterheads were all printed on paper with a distinctive wire mark not manufactured in South Africa.

Two Swiss secretaries, Miss Even Giubbini and Miss Glynis Nodirolli-Hunt, said in affidavits that they had worked for a Mr Reif and had typed letters on ESL letterheads to Mr Bloomberg.

Miss Nodirolli-Hunt said Mr Reif had never asked her to backdate any letters, and everything she did for him was absolutely straightforward and above board, only about business and investments.

Miss Giubbini said she had not seen Mr Reif sign letters nor did she do any filing for him.

While she had never met Mr David Bloomberg, she did recall typing letters to him.

"I also remember typing letters on the letterhead of ESL, Vaduz."

Mr Reif's widow, Mrs Felicia Reif, said in her affidavit that her husband had been a personal friend of Mr Abe Bloomberg, and had had a special affection for Mr David Bloomberg.

She said her husband had never discussed his involvement in ESL with her.

She said she had been visited by three men inquiring about ESL, and people involved in it, and had let them into her home thinking they had come to fix a grill to her kitchen window.

She only found when they were inside the room that they were either from South Africa or Transkei.

She was astounded when confronted by the transcript of evidence at

Businessman's former partner convicted of dishonesty inquiry told

be totally contrary to his character.

In his evidence, Mr Kurland claimed ESL had arranged the incorporation in Transkei of Tattersalls Company.

The company was registered on July 26, 1978, and the issued share capital was R20 000 divided into 20 000 shares of R1 each.

The other shareholders were Mr Louis Miller and Mr Gus Wisenberg.

Mr Kurland said he had subscribed for one share which was transferred to ESL, and the remaining 19 999 shares were allotted to ESL.

The total of 20 000 was paid for by a transfer of funds from abroad arranged by Mr David Bloomberg.

He said Mr Bloomberg had fabricated certain claims against him and had said he had kept certain fees which belonged to the firm.

He had decided to visit South Africa to settle claims the Bloomburghs had against him, which amounted to between R80 000 and R90 000, but had refused to relinquish his interest in ESL and had returned to Australia.

the inquiry about the meeting.

She denied having made statements, including that her husband gave ESL its name or lent his name to the Bloomburghs.

She said her husband derived no financial benefit from Transkei and also denied that a Mr David Jack administered the Bloomburghs' overseas money and investments.

Mr Neville George Furnell of Metropolitan Life where, until recently, Mr Bloomberg was a director, said in his affidavit that he did not recall their ever having printed ESL letterheads and any such printing would have come to their attention.

He said he could not envisage Mr Bloomberg forging letterheads or documents as this would

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Director

gives (103)

views on ex-PM

UMTATA — The Transkei commission of inquiry into the Department of Works and Energy, which is also investigating gambling rights, sat briefly yesterday to hear evidence involving the former prime minister, Chief George Matanzima, from a member of a firm of auditors for the Wild Coast Casino.

Mr Pat Goss, who is also a director of the Transkei Development Corporation, said he had thought, in his dealings with his firm's clients, that Chief George was part of ESL, a Liechtenstein-based company.

He said he had always had the suspicion that the prime minister was one of the clients who had a 55 per cent shareholding in Wild Coast Sun, which in due course became Transun.

Asked if he was satisfied that the prime minister should have a stake in the shareholding of any company, he said he was horrified.

The deputy attorney-general of the Western Cape, Mr Frank Kahn, SC, who has been seconded by the South African Government to the commission to deal with prosecutions that might arise from its findings, has arrived in Umtata and was present at yesterday's one-hour sitting. — DDB

D10 6/5/88 (103)

Corruption: arrest of culprits ordered

UMTATA — The Transkei military government has ordered that all culprits in cases of corruption be arrested and brought to court as a matter of urgency.

The chairman of the military council Major-General Bantu Holomisa told members of the Transkei Defence Force at the Ncise military base near here, that the police, the attorney-general and the courts of law should perform their functions without inhibition.

He said that financial assistance by the government of South Africa for the betterment of the people of Transkei dated back from the earliest days of the inception of the government of Transkei.

"The former political office bearers were accorded a mandate and a trust to utilise these monies for the welfare of the people of Transkei.

He said the military government would not remain indifferent to their breach of trust.

"I can give the assurance that, with the eradication of corruption to which the military government has committed itself, Transkei will cease to be a bottomless pit and funds allocated to Transkei

will be put to good use."

⊙ The Transkei commissions of inquiry had had a political and economic impact throughout Southern Africa, Transkei's State President, Paramount Chief Tutor Ndamase, said yesterday.

In a press statement on the presentation to him of the second interim report of the Commission of Inquiry into the Department of Works and Energy regarding the Mbuqe Park housing project, President Ndamase said the reports were a positive step towards clean administration. — DDR

UMTATA — Metropolitan Life, categorised by the Life Offices' Association as being one of the country's larger Life insurers, has broken its own records in the Transkei by producing more business in the area in two weeks than ever before.

Metropolitan Life, does a large percentage of its business through its three Transkei branches in Umtata, Butterworth and Mount Frere. The region is showing the same steady growth as the company itself.

But despite the steady nature of the growth of its business, phenomenal increases are still experienced.

Two weeks ago, production soared by 40%,

D J D 6/5788
Umtata branch (103) is tops

and last week again by another 21%.

The three branch managers in Transkei, Mr Admiral Magadla (Umtata), Mr Socks Sokutu (Butterworth) and Mr Willie Siko (Mount Frere) all qualified as winners in the company's field staff bonanza competition. They have attended a marketing conference in Greece and Turkey.

Mr Magadla is the company's top producing branch for the seventh year.

Steel

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TV reception in C'kei, T'kei merely a spillover — SABC

103 Daily Dispatch (240) Reporter

EAST LONDON — SABC television reception in Ciskei and Transkei was "merely a spillover" from South African transmitters near the two states, and was not meant for Ciskeians and Transkeians even though they paid TV licence fees.

An SABC spokesman in Auckland Park said this yesterday when asked to comment on complaints that live coverage of competitions on TV2 and TV3 as well as Radio Xhosa was restricted to the large centres in South Africa but never included Mdantsane.

Viewers in Mdantsane complained that this afforded people in areas like Johannesburg, Cape Town, Port Elizabeth and Durban the opportunity to

monopolise prizes, despite the fact that Ciskei viewers paid the same television licence fees as were paid in South Africa.

The programmes, Imalini, TV2 Pow Pow and Khetha Oyikhetayo, which appear on Radio Xhosa were cited as examples.

During these programmes, prizes worth thousands of rands were won by viewers or listeners who attended live performances of the programmes.

An SABC spokesman in Johannesburg, Mrs J. Balt, said in a telex statement that the TV2 service received in Ciskei and Transkei was a "spillover" because SABC services are not meant for independent states.

Later in a telephone interview, Mrs Balt reiterated the statement, adding that the same

applied to TV3 viewers in Bophuthatswana and Venda.

She said SABC services were for viewers in South Africa, including homelands that had not attained independence.

In Ciskei and Transkei, the SABC only covered live sport, while in Bophuthatswana only radio recordings were conducted. Live sports events and variety radio programmes were covered in Venda, Mrs Balt said.

Yesterday, the deputy director-general of foreign affairs and information in Ciskei, Mr Headman Somtunzi, confirmed that Ciskei TV viewers paid licence fees for their television sets.

He said the money went into the Ciskei Government coffers, although the service was provided by South Africa.

He declined to comment on whether there was any agreement between Ciskei and South Africa concerning the supply of a television service and the collection of licence fees.

A spokesman for Radio Xhosa in King William's Town, Mr W. H. Groenewald, said live radio coverage of money-winning programmes was conducted in Ciskei as well.

He said such programmes were only conducted on invitation by the community from the particular area.

There were only 12 of these programmes a year and communities who wanted their area to be included in such programmes could approach Radio Xhosa in King William's Town.

Matanzima in 'shady' deals

Own Correspondent

UMTATA. — Allegations of involvement by former Transkei prime minister Chief George Matanzima in apparently irregular dealings were made by Transkei Development Corporation (TDC) board member Mr. Patrick Goss at the Alexander inquiry into Transkei government corruption here this week.

A warrant for the arrest of Chief George on corruption charges unrelated to the inquiry's current investigation of gambling rights, was issued on Tuesday.

But Transkei's head of police, General L S Kawe, declined to comment on what steps were being taken to apprehend Chief George, who is understood to have left Transkei.

Meanwhile, Transkei's ruling military leader, General Bantu Holomisa, said in a "progress report" speech to Transkei Defence Force (TDF) members here that he had asked the Justice Department to speed up matters so that all the culprits in corruption cases were taken to court.



General Holomisa

He rejected accusations that they were afraid of detaining some culprits or were protecting them from prosecution.

"We fear no one, and we shall protect no one, from the normal process of the law," General Holomisa said.

In his evidence, Mr Goss said he had always been suspicious of Chief George, who was a member of the Lichtenstein-based company Etablissement Sports et Loisirs (ESL), and stood to gain from the Transgames deal (in which ESL was paid R2 million by Sun International (SI) for its Transgames shares).

Asked by chairman of the inquiry, Mr. Gerald Alexander SC, what the basis for this belief was, Mr Goss said: "I will be delighted when you find out — it was always my suspicion, let it rest there."

He said that when the TDC was told to hand over shares and a petrol company to a company in which Chief George was a shareholder, this was "almost the order of the day, unpalatable as that might be".

He said that in the case of Transkei Breweries he

Allegations

had kicked up a fuss about the sale of shares.

He had said a public investment company must be set up, but was told this was "not acceptable to the people on the hill".

He said the TDC's budget was slashed from R25 million to R6 million "because the board was not pliable enough" and the money was diverted to Tracor, which he was told was "more pliable and development-oriented".

Asked why he had not tried to establish whether Chief George was involved in the Transgames deal, Mr Goss said he did not deem it to have been his responsibility.

"I'm a chartered accountant — my concern was accountability and I was responsible for seeing there were good commercial reasons for buying the company (Transgames). I discharged that responsibility."

He said that to pursue the matter could have threatened the deal. The decision to buy was a correct one.

w/c Argus

7/8/88

103

Bantu Holomisa's peace recipe

TRANSKEI'S military ruler believes South Africa and the "liberation movements" should drop their preconditions in order to meet. He also believes they should include the leaders of the independent homelands.

Just over a year ago, Major-General Bantu Holomisa, a young almost unknown army officer, was released from detention in Transkei. Now he's head of the army and chairman of the ruling military council.

He blamed former Rhodesian Selous Scouts employed by the Transkei Defence Force for his detention. Shortly after his release the 27 scouts led by Major-General Ron Reid-Daly were expelled from the homeland.

Within weeks, General Holomisa had taken over command of the army from Major-General Zondwa Mitrara, an associate of the Matanzima. By September General Holomisa had taken over the government and announced a "clean-up" in the administration. Prime Minister Chief George Matanzima fled.

The army went back to the barracks after a new prime minister, Stella Sigcau, was elected but the general stepped in and took over the government again after further allegations of government corruption.

Since then General Holomisa has announced himself determined to end corruption in the homeland and said that those involved will stand trial. A warrant was issued for Chief George Matanzima's arrest on corruption charges this week.

In an interview this week General Holomisa said he would like to see round table discussions between the South African Government, liberation movements and the homelands.

In order to achieve this there should be no preconditions for talks, such as have been laid down by both South Africa and the liberation movements.

Instead preconditions should be discussed at an initial meeting which would involve "every-one who is a leader".

General Holomisa said he was not a politician, but would like to see all interested parties temporarily drop their demands and meet at a neutral venue "without their ideologies".

"Let us swallow our pride, discuss peace and all the demands," he said.

He was unclear on the major issues of who should be invited and how, but said the main participants would be leaders from the South African Government, the ANC, PAC and the "independent" homelands.

The way to achieve this would be by dropping preconditions and avoiding drawing up an agenda until the start of the meeting.

EVERYONE "who is a leader" should be invited, ranging from P W Botha to Gatscha Butelezi to banned organisations.

"Once you start prescribing that's dangerous," he said.

Once the talks were under way more participants could be invited.

"You sit and say: 'Let us call so-and-so' and the number grows."

By setting preconditions such as renouncing violence or the release of political prisoners and detainees and the unbanning of organisations was a major stumbling block.

"To say you won't speak to people because of this or that is a problem."

The actual meeting between opposing groups should smoothe the way: "Sometimes it's better to talk man to man than to talk through the Press. Then you can get to know each other."

HE proposed that the agenda be drawn up at the start of the meeting by the participants, rather than "imposed on the people".

"There should be no agenda except to say we want to review peace in Southern Africa.

"The meeting would set up separate committees to look into this and that," he said.

"First talk then things will come up — a committee to look into political prisoners, a committee to look into dismantling of apartheid and so on."

Although General Holomisa sees the "independent" homelands as an essential part of such a venture he does not think they would be a good venue as they are not recognised internationally.

INSTEAD he proposed a neighbouring country where liberation movements are not banned and would "feel comfortable".

A chairman for the talks could also be provided by the host country — possibly Botswana or Lesotho.

"There's no need to go to London, it's a waste of money."



Let's swallow our pride, forget the preconditions and get talking man to man. This, says Transkei's military ruler, Major-General Bantu Holomisa, is the way to negotiations for South Africa. Weekend Argus Correspondent LOUISE FLANAGAN reports.

rule, what are you going to do with the other rulers?"

The general said he was not a politician but a military man.

"We have no ideology. We address the issues as they are in the military."

He did not want to prescribe a solution to anyone. "All we want is peace, not war. That is my main concern," he said.

If there was a call for the dismantling of the homeland system, General Holomisa said, this could be problematic as large administrative structures were already established and homeland leaders already in power.

A forced end to the homelands could cause bloodshed. "A sort of a federal system could be a solution."

"I don't think it can work if you say so-and-so can rule Transkei. If I say one man is going to

EDGE

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2

Transkei Methodists rejoin flock after 10 years

A TRANSKEI splinter group of the Methodist Church of Southern Africa rejoined the mother body in Umtata this week - healing an enforced 10-year rift between the two.

The six-hour unification meeting, attended by delegates from both the United Methodist Church of Southern Africa and the mother church was a result of the lifting last month of a 1978

ban imposed on the Maritzburg-based Methodist Church, which prevented it from operating in Transkei.

The Prime Minister, Paramount Chief KD Matanzima, banned the church because of a controversial article published in a Methodist newspaper. The chairman of Transkei's military council, Major Gen HB Holomisa, has said the church's unbanning was in

keeping with Transkei's policy of freedom of worship.

The Methodist Church delegation was made up of the President of Conference, Dr EKM Mgojo, four ministers and four laymen, while the United Methodists were represented by Rev WL Pupum, six ministers and eight laymen.

The meeting issued a joint statement for the benefit of

"all Methodists in Southern Africa".

The statement described the general spirit of the meeting as very cordial and in the true spirit of Christian brotherhood.

"The lifting of the ban on the Methodist Church of Southern Africa in Transkei is welcomed as a very significant event.

"The uniting of the two other matters. - Sapa

of 8/18/88

(03)

of 8/18/88

(03)

Chieftaincy row erupts in Transkei

CP Correspondent

A TRIBAL succession dispute is developing into a major row between Transkei's new military rulers and the former State President, Paramount Chief Kaiser Matanzima.

At issue is the powerful paramount chieftaincy of the Tembus, previously held by Sabata Dalindyebo, who was deposed, fled into exile and joined the ANC.

Matanzima and Dalindyebo are both members of the Dlomos, the Tembu royal family.

After deposing Sabata in 1979, Matanzima replaced him with Bambilanga Mtirara, who died last year.

Now Mtirara's son, Zondwa, backed by Matanzima, and Sabata's son, Buyelekhaya - widely seen as the legitimate heir - are both contenders for the position.

Little is known about Buyelekhaya, but he is believed to be in his early 20s and studying in Zambia. He fled Transkei with his father.

Last week, Matanzima obtained an urgent interdict against the ruling military council preventing a meeting to discuss the succession dispute.

In a letter attached to the court papers, Matanzima warned the military council to stay out of the dispute.

The letter - signed by both Matanzima and Zondwa Mtirara - was addressed to Gen Bantu Holomisa - who ousted Mtirara as head of the Transkei Defence Force during the political upheavals last year before going on to seize power.

"The government has never interfered with our laws and traditions," the letter read.

Holomisa hit back with a statement that his government was "losing patience".

He said Matanzima was to blame for the whole dispute: "The government of Transkei became involved in this dispute when it unilaterally removed Paramount Chief Sabata Dalindyebo from office, with all the disastrous consequences that followed. It should be remembered that Paramount Chief Kaiser Matanzima was State President at the time."

On Monday the Umtata Supreme Court granted an interim interdict preventing a meeting scheduled to propose Buyelekhaya for the chieftaincy. The return date was set for May 11. -
Elnews

Hunted Matanzima 'on the run in SA'

TRANSKEI's most wanted man, ex-Premier George Matanzima, is presumed to have fled to South Africa to escape a warrant for his arrest.

But the man sought in connection with allegations of fraud and corruption amounting to millions of rands has not been traced to any of his old haunts in the Eastern Cape.

"He escaped the net," an official in Transkei's Ministry of Justice said this week after warrants were issued for the ex-Premier and his one-time Minister of Finance, Mr S Qaba.

Mr Qaba, alleged to have received large sums of money in return for business favours, appeared briefly

By BILL KRIGE

before a magistrate in Umtata this week and met the conditions for bail.

Estate agents at the millionaire's resort of St Francis Bay where Chief Matanzima took up residence when the army purged his government last year, say he has not been seen.

Nor has he returned to the house he rented in Port Elizabeth.

According to Transkei sources he has been seen lately in the company of a South African who may be harbouring him.

(103) *STimes* 8/5/88

Retired seconded official aided formulation of gambling bill inquiry told

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DIP/8/5788

Daily Dispatch Reporter

UMTATA — A retired seconded official, Mr. A. R. Hutchison, who was attached to the Transkei Department of Justice, yesterday told the commission of inquiry into the Department of Works and Energy that he was one of the people who had drawn up the Transkei Gambling Bill.

Mr. Hutchison, who was deputy-secretary for Justice from 1973 until he retired in 1985, was asked by counsel presenting evidence before the commission about correspondence dealing with applications for all gambling activities during that period.

He said these were controlled under South African legislation as there was no gambling in law in Transkei at the time. He and the government attorney were asked to draw up the Transkeian act.

They had moulded it on the lines of the Transkei Liquor Act and there was reference for specific premises in the gambling legislation.

Mr Hutchison had also drawn up the policy speech of the Minister of Justice explaining the act. The law gave sole discretion to the minister to grant or refuse a gambling licence, but there was no provision for the granting of exclusive rights.

He said his department was aware that the State President at the time, Paramount Chief K. D. Matanzima, was not in favour of any further gambling in Transkei, apart from that in Mzamba.

So it was understood that the Holiday Inns Wild Coast Casino would have a clear field for at least five years as no other applications would be entertained.

THE former Prime Minister of Transkei, Chief George Matanzima cannot be located in Transkei and was believed to have left the country.

A warrant of the arrest of Chief Matanzima was signed by the chief magistrate of Umtata, Mr J de Beer, last Tuesday.

Mr De Beer said he signed the warrant after the attorney-general, Mr Chris Nel, applied for Chief Matanzima's arrest in the presence of the Commissioner of Police, Major-General Leonard Kawe.

He said the warrant was handed to Gen Kawe.

Mr de Beer said he issued the warrant after asking whether no other measures could be taken without

Where is Kei's George?

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arresting Chief Matanzima, as he was a well-known man.

"I accepted that there was a reason for their action and I now believe, as they said, that he was at that very moment preparing to leave the country," Mr de Beer said.

A government official said last week that Chief Matanzima was believed to be in South Africa or Bophuthatswana and could be brought back to Transkei as there were extradition agreements with the two states. — Sapa.

Source: Sapa

Adviser 'tried to warn' Matanzima on casino deal

Call Times 10/5/88 (103)

UMTATA. — A former adviser to Chief George Matanzima, Liston Ntshongwana, who is serving 45 months' imprisonment for fraud, said yesterday that he tried to warn the former Transkeian prime minister not to involve himself in a casino deal.

Ntshongwana, cross-examined by the legal representative for Sun International, Mr S A Cilliers, told a commission of inquiry it had been an open secret that the former prime minister wanted to buy a farm at Ugie. He advised Chief Matanzima to approach the Transkei Agricultural Corporation.

He accompanied Chief Matanzima and Mrs Lexie Ceza, an applicant for casino rights, to Ugie, aware that the prime minister wanted Mrs Ceza and her colleagues to contribute towards the purchase of the farm, he said.

A figure of R2 million in exchange for gambling rights was discussed and

he tried to warn the prime minister to handle the matter carefully.

Chief Matanzima demanded he explain his concern in the matter. Ntshongwana approached him on the matter a number of times after that.

Questioned by Mr Cilliers about a visit to Mr Abe Bloomberg in Cape Town, Ntshongwana said he accompanied Mr V Mbotoli, a JALC shareholder, to a meeting. As an outsider he was introduced to the group as adviser to the Prime Minister.

He said there was talk about gambling licences, exclusive rights and the group's interest in Transgames. He conceded that during the discussions there was urgency to achieve this and they knew the matter would have to come before the Transkei cabinet.

The commission continues tomorrow. — Sapa

Casino warning given to ex-PM

STW 10/5/88 (103)
UMTATA — Former adviser to Chief George Matanzima, Liston Ntshongwana, serving 45 months' imprisonment for fraud, said yesterday that he tried to warn the ex-Transkeian Prime Minister not to involve himself in a casino deal.

Ntshongwana, cross-examined by the legal representative for Sun International, Mr SA Cilliers, told a commission of inquiry it had been an open secret that the former Prime Minister wanted to buy a farm at Ugie. He advised Chief Matanzima to ap-

proach the Transkei Agricultural Corporation.

He accompanied Chief Matanzima and Mrs Lexie Ceza, an applicant for casino rights, to Ugie, aware that the Prime Minister wanted Mrs Ceza and her colleagues to contribute towards the purchase of the farm, he said.

A figure of R2 million in exchange for gambling rights was discussed and he tried to warn the Prime Minister to handle the matter carefully.

The hearing is continuing today. — Sapa.

Ex-director on fraud^{p10} charges_{10/5/88}

UMTATA. — A former director for the Department of Commerce, Industry and Tourism, Mr Bongani Soldati, appeared in the magistrate's court here yesterday charged with fraud and misuse of government funds.

Mr Soldati, who was released on R500 bail, had his case joined to that of Mr Kenneth Magidigidi, who was released on R1 000 bail for similar charges.

They are to appear on August 1.

Both men were witnesses at the commission of inquiry into the Department of Commerce, Industry and Tourism. -- DDR

Mandrax tablets in mail: Umtata DJ released

Daily Dispatch Reporter UMTATA

A Radio Transkei disc jockey, Mr Ed Mangxaba, has been released after being detained for 15 days by Transkei police on allegations of possessing mandrax tablets.

No charges have been preferred.

Mr Mangxaba said

that someone had sent parcels containing Mandrax tablets to him from India but he had no idea who sent them, or why they used his name.

Mr Mangxaba called the police in March after he received a parcel containing R400 000 worth of Mandrax tablets.

During April Mr Man-

gxaba was detained after discovering through the post office that a similar parcel had arrived for him.

He was detained under section 13 of the Abuse of Dependence Producing Substance and Rehabilitation Act which provides for indefinite detention pending interrogation.

210 10/17/88 Umtata DJ released

Mr Mangxaba said he was interrogated in Buterworth and had to be admitted to hospital under police guard for treatment.

After being discharged from hospital, the interrogation continued until he was released unconditionally.

He said that through-

out the interrogation he had continued to tell police he knew no-one in India and had never expected to receive such a parcel.

He said he was still receiving treatment from a doctor.

The head of the CID, General T. Willie, could not be contacted for comment.

FOR SUBSCRIPTION INQUIRIES — TELEPHO

D.10 1015788
Inquiry told Chief ⁽¹⁰²⁾
George wanted farm

UMTATA — The former adviser to the prime minister of Transkei, Liston Ntshongwana, said yesterday he had believed Chief George Matanzima might try to acquire money from an application for a gambling licence to buy a farm.

Ntshongwana is serving 45 months' imprisonment for fraud.

Ntshongwana was being cross-examined by the legal representative for Sun International, Mr S. A. Cilliers, SC, at the commission of inquiry into the Department of Works and Energy.

He said the former premier had not indicated to him how he would get the money for the farm, but he had advised Chief Matanzima to approach the Transkei Agricultural Corporation.

He had been among a group of associates of an applicant for casino rights, Mrs Lexie Ceza, which accompanied Chief Matanzima to Ugie.

He said he had been aware that the prime minister wanted Mrs Ceza and her colleagues to contribute towards the purchase of the farm. — DDR

PVP 16/5/88

Jump in Unitra numbers ¹⁰³

UMTATA — Political developments which influenced perceptions about the future of university education in southern Africa had caused an increase in population at the University of Transkei (Unitra), it was said in the first annual report of the Unitra released here yesterday.

The principal and vice chancellor of Unitra, Professor Wiseman Nkuhlu, said in the

report that the total student population had increased by 27,3 per cent in 1987.

The report said 1 600 full-time students registered in 1984, while the figure for 1985 was 1 500. A total of 2 300 students registered this year.

The decline in numbers at Unitra in 1985 was attributed to student unrest in 1984. —
DDR

D 10 10/57 88 103

Corrupt clique led to coup in Transkei says Holomisa

UMTATA — A clique of senior Transkei Government officials and certain businessmen had been behind the corruption in the country that led to the coup d'etat.

This was said in an interview yesterday by Transkei's military ruler, Major-General Bantu Holomisa.

He said a clique in the government service, with certain private individuals had taken over hotels, farms, businesses and other prop-

erties in the country for themselves either at comparatively low prices or "for sweet nothing".

"Had these things been allowed to continue with the people concerned remaining in office as if nothing had happened, we would have seen bloody civil strikes."

General Holomisa said the commissions of inquiry, and their startling revelations, had apparently enhanced

stability in the country.

Transkeians had become sick and tired of seeing their taxes being used to enrich certain individuals and so his soldiers had decided that the country should be ruled by the army, he said.

"Our aim was to run the country for the benefit of Transkeians."

He said a major priority had been to upgrade recreational facilities, in particular sport and youth. — DDR

Matanzima told to ignore casino deals - evidence

sowetan 11/5/88

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FORMER adviser to Chief George Matanzima, Liston Ntshongwana, serving 45 months' imprisonment for fraud, this week said he tried to warn the former Transkeian Prime Minister not to involve himself in a casino deal.

Ntshongwana, cross-examined by the legal representative for Sun International, Mr S A Cilliers, told a commission of inquiry at Umtata it had been an open secret that the former Prime Minister wanted to buy a farm at Ugie. He advised Chief Matanzima to approach the Transkei Agricultural Corporation.

He accompanied Chief Matanzima and Mrs Lexie Ceza, an applicant for casino rights, to Ugie, aware that the Prime Minister wanted Mrs Ceza and her colleagues to contribute towards the purchase of the farm, he said.

A figure of R2 million in exchange for gambling rights was discussed and he tried to warn the Prime Minister to handle the matter carefully.

Chief Matanzima demanded he explain his concern in the matter. Ntshongwana approached him on the matter a number of times after that.

Questioned by Mr Cilliers about a visit to Mr Abe Bloomberg in Cape Town, Ntshongwana said he accompanied Mr V Mbotoli, a JALC shareholder, to a meeting. As an outsider he was introduced to the group as adviser to the Prime Minister.

He said there was talk about gambling licences, exclusive rights and the

group's interest in *Transgames*. He conceded during the discussions there was urgency to achieve this and they knew the matter would have to come before the Transkei Cabinet.

From the discussions he had been surprised to hear they were part of the Sun International group, he said. — Sapa.

Request to recall witnesses before Transkei inquiry 103

UMTATA — Legal representatives of Sun International and Bloomberg & Co. have submitted requests to cross-examine witnesses before the Transkeian commission of inquiry into the Department of Works and Energy.

Mr Harry Snitcher, SC, for Bloomberg, asked Mr Gerald Alexander, SC, chairman of the commission probing the granting of gambling licences and exclusive rights, to have a Mr Southgate and the former managing director of the Transkei Development Corporation, Mr Monty Ntloko, recalled.

Mr S A Cilliers, SC, representing Sun International, said he would like to cross-examine Mr Pat Goss, a director of the TDC and Transun, Mr Liston Ntshongwana, the jailed former adviser to the Prime Minister, Mr David Bloomberg and a policeman assisting the Auditor-General.

ape Times, Wednesday, May 11, 1988 3

Corrupt clique led to coup, says Holomisa

UMTATA. — A clique of senior Transkei government officials and businessmen were behind the corruption that led to the coup, Transkei's military ruler, Major General Bantu Holomisa, said.

Gen Holomisa said the Transkei Defence Force decided to act when it realised the extent of the corruption reached a level where a bloody civil uprising was possible.

He said a clique in the government service and certain individuals in the private sector had taken over hotels, farms, businesses and other properties either at comparatively low prices or "for sweet nothing".

People were disappointed when the culprits would not step down from public office, despite evidence incriminating them at commissions of inquiry.

Anybody occupying a public office should not have to be told to resign, but should take it as his duty to do so if accusations of corruption were made against him by a public inquiry, he said.

"Had these things been allowed to continue and the people concerned remained without conscience in the public offices, we would have seen bloody civil strikes."

Transkeians had become "sick and tired" of seeing their taxes being used to enrich certain individuals, and his soldiers had decided the country should be ruled by the army.

"Our aim was to run the country for the benefit of Transkeians."

He said a major priority was to upgrade recreational facilities. — Sapa

T'kei inquiry ¹⁰³ to cross-examine

Cape Times 11/5/88

UMTATA. — Legal representatives of Sun International, Bloomberg and Co and Jalc Holdings submitted requests this week to cross-examine witnesses before the Transkeian commission of inquiry into the Department of Works and Energy.

Mr Gerald Alexander, SC, the chairman of the commission, which is investigating the granting of gambling licences and exclusive rights, was asked by Mr Harry Snitcher, SC, for the Bloomborgs, to have the former managing director of the Transkei Development Corporation, Mr Monty Ntloko, recalled, as well as a Mr Southgate. Mr S A Cilliers, SC, representing Sun International, said he would like to cross-examine Mr Pat Goss, a director of both the TDC and Transun, Mr Liston Ntshongwana, the jailed former adviser to the prime minister, Mr David Bloomberg and a police officer assisting the Auditor-General.

Mr Ntshongwana was cross-examined briefly by Mr Cilliers on Monday before he was asked to step down so that Mr Goss could be questioned.

Mr Goss refused to give reasons why certain shareholders in Transgames had not wanted the company to be listed on the Johannesburg Stock Exchange.

Mr Goss said he feared legal repercussions if he revealed the reasons. He was being questioned by senior counsel on evidence he gave last week regarding the TDC's decision to acquire the remaining shares in Transgames.

Dr W Cooper, SC, who represents Jalc Holdings, told the commission he had no requests to make. He was, however, assured that he would be entitled to cross-examine any witness in so far as his clients were affected. Mr Snitcher also indicated that his clients would like Mr Sol Kerzner, Mr Ken Rosevear and Mr Ian Heron to be cross-examined as well, but that would depend on whether the submissions of all three groups for an extended term of the inquiry would be considered favourably by the military government. — Sapa

Inquiry witness declines to reply to query

DL.D 11/5/88
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Daily Dispatch Reporter

UMTATA — A witness before the Transkei commission of inquiry into the Department of Works and Energy refused yesterday to give reasons why certain shareholders in Transgames had not been wanted in a company to be listed on the JSE.

The witness, Mr Pat Goss, a director of the Transkei Development Corporation (TDC) and of Transgames, said he feared legal repercussions if he gave reasons.

Mr Goss was being questioned by senior counsel presenting evidence to the commission on evidence he gave last week regarding the TDC's decision to acquire the remaining shares in Transgames.

He said that apart from the former prime minister, Chief George Matanzima, Mr D. Bloomberg, Mr C. van Rensburg and Mr V. Mbotoli were not wanted in the undertaking.

Mr Goss said as a director of the TDC he had had dealings with Mr Mbotoli and Mr Bloomberg, and therefore would not like to talk about them.

Regarding the situation in Transun, he said the board of directors had been divided on whether the first casino should be built at Mzamba. However, he said, Transkei had got benefits from the project such as the employment of people and the benefits to the fiscus in profits and taxes.

When the sale of the shares at Transgames had come up, he said, they had examined the balance sheets and decided it was a good buy.

But the concern of the directors was that the shares in Transgames were the subject of a takeover by a few individuals. They had been concerned enough to see

to it that the general public would benefit.

He said he had been the motivator and originator of a public listing of the TDC shares.

Commenting on the work already started at the hotel site in Umtata, Mr Goss said the directors of Transun must have been given some comfort that the licence would be forthcoming and that was why extensive earthworks costing R1 million were started.

In earlier evidence he told the commission that he had been astounded to learn that R500 000 had been paid for the gambling rights at Mzamba and that the money had gone into the hands of a few individuals.

He said it had been his view that the rights were the property of the state and that was why he had motivated the public listing of the Transkei Sun. He had also been part of the team that obstructed the takeover of the shares in a brewery and a petrol depot in Umtata.

They had also blocked the buying out of shares worth R125 million for R50 000. This had been one of the biggest contributing factors to the dismissal of Mr Sonny Tarr, he said.

The commission continues today.

● Legal representatives of Sun International, Bloomberg and Co and Jalc Holdings have submitted requests to cross-examine witnesses before the commission of inquiry.

D/D 12/5/88

Inquiry told of Tattersalls trip ¹⁰³

Daily Dispatch Reporter

UMTATA — A former Transkei Minister for Commerce, Industry and Tourism, Mr Ramsay Madikizela, yesterday told the commission of inquiry into the Department of Works and Energy about a visit he made in 1977 to Cape Town in connection with the establishment of a Tattersalls club in Transkei.

Mr Madikizela said he had been asked by the then prime minister, Paramount Chief K. D. Matanzima, to go to Cape Town at the invitation of a firm of attorneys, Bloomberg and Co, who said they were looking for certain concessions.

He said the Bloombergs had indicated they were acting for a client, a Mr Walter Reif, of Switzerland, who was also interested in the importation of certain gambling machines.

He told them they had to make a formal application.

He was asked by counsel about a communication between the secretary for commerce and the secretary for the interior, seeking clarification on 62 amusement machines.

Mr Madikizela said he did not remember having dealt with this.

Under cross-examination by Mr Harry Snitcher, SC, for the Bloombergs, Mr Madikizela said the real purpose of his visit to Cape Town was to see how a Tattersalls club was run.

He shared the view that a totalizator would be a source of revenue for Transkei.

He said the Minister of Justice at the time was Chief George Matanzima, the Minister of Finance was Mr T. T. Letlaka and the Minister of the Interior was Miss Stella Sigcau.

Those were the de-

partments through which a gambling licence would have to go before being dealt with by his own department, he said.

Another witness told the commission that the former prime minister, Chief George Matanzima, had told his brother, the ex-president, Paramount Chief Kaiser Matanzima, that Mr Sol Kerzner had given him money as an advance on dividends.

He had intended to buy a farm with the money.

This evidence was given by the former adviser to the prime minister, Liston Ntshongwana, when he resumed his testimony under cross-examination by Mr S. A. Cilliers, SC, for Sun International.

Ntshongwana said Chief Kaiser had also said that Chief George had shares in Transun.

He had noticed that Chief George had the propensity to accept money in exchange for requests, but he did not know at the time that there was a price tag to the gambling rights.

Because he suspected double-dealing by Chief George, he had sent one of the applicants for the rights, Mrs Lexie Ceza, a telex message which disclosed that she would not get the rights.

He also said he got the impression that Bloomberg and the Sun were one group as there was correspondence to that effect.

He had noticed that the prime minister was not taking him into his confidence regarding the gambling rights.

Regarding a Cape Town meeting at which he had met the Bloombergs, he said he had preferred not to be briefed as he had felt that the matter was not being handled properly.

The commission continues on Monday.

▷ 10 12/15/88 (103)

eZibeleni call to Transkei council

QUEENSTOWN — Residents of eZibeleni in Transkei have called for the dissolution of the town council and want the town to be run by the country's military government.

At a meeting in the town, addressed by Colonel G. T. Madikiza, of the Transkei Defence Force, to outline the military government's structure and policy, angry residents claimed

that some town councillors were corrupt and power-hungry and were on the council to make money for themselves.

Residents accused some councillors of accepting bribes from friends in return for the allocation of new houses. Objections to other actions of the council were also voiced.

Col Madikiza asked

the mayor, Mr Eric Mashibini, to arrange a meeting between himself and the town council to discuss the grievances.

An objection to Paramount Chief Kaiser Matanzima's use of a government vehicle to attend a meeting at the weekend was also lodged. The major assured the people that the matter would receive attention. —DDR

UMTATA — The Dalindyebo Regional Authority was interdicted by a Supreme Court order here yesterday from designating anyone as paramount chief for the area of its jurisdiction.

The order was made before the court postponed the hearing of a civil action over the succession to the late Para-

D/10/2/5/88
**Tembu succession
action postponed** (103)

mount Chief Bambilanga Mtirara until June 15.

The dispute arose after some Tembus objected to the installation of the son of Paramount

Chief Bambilanga and former army commander, Major-General Zondwa Mtirara, as the new Paramount Chief.

An interim order restraining the military

council and the Dalindyebo Regional Authority from holding a meeting on May 2 to discuss the possible installation of the son of the late Paramount Chief Sabata Dalindyebo, Mr Buyelekaya Dalindyebo, instead of General Mtirara, was granted by the Supreme Court in April. — DDR

'Kei agree: We won't hang him

By STEPHANIE VENTER,
Cape Town

THE Transkei authorities this week gave a verbal undertaking not to execute a political prisoner they want extradited from South Africa.

The application to have Mzwandile Vena, 31, extradited to Transkei to stand trial on charges of terrorism and sabotage hinged on the fact that the "homeland" provides for the death sentence for sabotage.

In a letter requesting the extradition of Vena in terms of article 12 of the extradition agreement between South Africa and Transkei, deputy attorney-general JHS Hiemstra, said: "The death penalty is therefore a competent sentence."

Attorneys for Vena argued that he should only be sent to Transkei for trial if it could be guaranteed that he would not be sentenced to death if convicted.

According to Article 5 of the extradition agreement: "When the offence for which extradition is requested is punishable by death under the laws of the requesting Party and the laws of the requested Party do not permit such punishment for the offence, extradition may be refused unless the requesting Party provides such assurance as the requested Party considers sufficient that the death penalty, if imposed, will not be executed."

Vena, from Qunu in the Umtata district, faces charges relating to attacks on a bulk fuel depot, a municipal electric power station and the Umtata Dam on June 26 1985.

13-19/85

W. Mail (103)

Matanzima (103)

is on the run ✓

13/5/84
UMTATA — Transkei police are still looking for former Prime Minister Chief George Matanzima, the police said in Umtata yesterday.

Chief Matanzima disappeared after a warrant for his arrest was issued last Tuesday. — Sapa.

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If George is in SA, we want him back, says Holomisa

By THANDEKA GQUBULE and FRANZ KRÜGER

FORMER Transkeian prime minister George Matanzima will be extradited if he is hiding in South Africa, says Major-General Bantu Holomisa, chairman of the "homeland's" ruling Military Council.

Holomisa this week confirmed that a warrant for Matanzima's arrest had been issued by the Transkei attorney-general in connection with allegations of corruption.

He added: "It remains axiomatic that an innocent conscience fears no accusation, and he that has committed no crime should fear no punishment."

Matanzima disappeared last Tuesday, the same day the warrant against him was issued. For several days afterwards, the police were denying any knowledge of the warrant.

Attorney General Chris Nel said the amount of money involved in the charges against Matanzima would run into hundreds of thousands of rands, probably over R1-million.

Nel said the charges arose out of the findings of the commission of inquiry into the department of works and energy on the Mbuqe Park housing development. Other evidence before the commission, for instance in relation to the granting of casino rights, was not at this stage involved, he said.

Asked whether the recent decline in media coverage of the corruption proceedings in Transkei meant the inquiry was being wound down, Holomisa said the commission was taking a long time "because of the problems of manpower experienced by the Transkeian judiciary".

A backlog had resulted, said Holomisa, and he expressed gratitude to South



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Holomisa: 'extent of corruption is unbelievable'

Africa for sending a judge to assist the "homeland's" attorney-general.

Holomisa said his military council was investigating the possibility of creating special courts to hear cases of government and civil corruption.

But, he said, "ours is not to dictate to the courts, ours is to protect the judiciary. Contrary to what happened before, we will not intervene to protect certain people from the law."

Asked about the prospects for a return to civilian rule in the Transkei, Holomisa said: "The commission of inquiry will have to complete its tasks, and we will have to be briefed by military intelligence about how far we have succeeded (in the drive against corruption)."

In a speech earlier this

month, he told the military council: "We have to act more and talk less. The extent of corruption in our country is unbelievable. But we will leave no stone unturned."

Meanwhile, there have been a spate of court appearances by former officials on various corruption charges.

Among those who have appeared in court during the last two weeks are Kenneth Magidigidi, a sawmill-er and business partner of Matanzima who is charged with misusing over R1,5-million of government funds; Bongani Soldati, the former director of commerce, industry and tourism; Sidney Qaba, former minister of transport and G M Makasi, managing director of the Transkei Road Transport Corporation.

D 10 13/5/88

Interview by Frances Cross

Holomisa: I want proud people of Transkei

103

If professional soldiering had not been in existence as a career, it might have had to be invented for Major General Bantu Holomisa.

Tough, fair-minded, and clear-sighted about the goals he sets himself, he personifies the qualities of a professional leader of men.

However he certainly did not visualise as a boy this was the way his life would turn out.

"I didn't have any pre-planning," he says. He worked to each goal as it materialised. His rise in the Defence Force was almost meteoric, and initially his involvement in the clean-up of Transkei began with his involvement in what was happening within the force.

He says his education at Jongilizwe College — at that time a school for sons of chiefs and headmen — played a great role in preparing him for what lay ahead. Students were encouraged to think independently and assess situations. Even when young he preferred to debate such things as the Kissinger Vietnam peace talks.

After matriculating with an impressive array of subjects which predictably included



General Holomisa . . . he wants to engender a sense of belonging.

current affairs and African law, his formal academic education came to an end. He says with a wry smile that he was scheduled to start a B.Admin. degree with Unisa this year but he hasn't had time.

A formidable task lies ahead of him. However he does not appear particularly fazed about it, saying: "I will succeed because this is not a one-man show."

Although he is in control, he emphasises this is with the full co-operation of the various ministries. His hope is that everything can be accomplished under "one umbrella of action." He delegates, and says with a smile that he just sits and watches that the machinery is running smoothly.

His views on corruption and the need for the perpetrators of it to be

brought to justice is well known, but his vision for Transkei is much larger than this. He wants the people to feel proud of what they have, and to engender a sense of belonging and participation in them.

His face darkens when he talks about the judiciousness of men going to Bophuthatswana to get work because there is nothing for them in Transkei.

"All this development could have begun," he says after independence, "just after independence," he says with a touch of weariness. He feels strongly indeed about restrictive laws on such things as land tenure.

He says it is indefensible that a shopkeeper can be chased away by a local chief because he has no security of tenure, just as it is ridiculous to expect investors

to put large sums of money into Transkei while being here on a temporary work permit.

General Holomisa does not raise his voice or make expansive gestures, but when he begins to discuss the free enterprise system which he would like to see for Transkei, his voice becomes stronger.

"We would like to see financiers come and buy land, insurance companies coming and owning land, and industrialists coming and buying land," he says. He is also against monopolies. "We need competition as well."

But what role does he believe that Transkei has to play in the greater political situation in South Africa? "In a perfect world if South Africa were radically to change its system, there would be no need for us to be here at all," he says.

But he believes it will take another decade to convince the people of the need for change. He believes that a breakthrough in the form of a federal government will

take place only when everyone swallows pride and sits down at a table to talk.

"We must protect the need for people to have a sense of belonging and recognition," he says, and cites the example of a judge in Bophuthatswana for example, who has the same needs as a judge in South Africa.

His office is comfortable, but not particularly ornately furnished and is almost spartan. On his tidy desk there is a small silver aeroplane and at the other end, a bible. I ask if he is a religious man.

"Yes, I am Anglican," he says, and believes that religion has taught him a great deal, particularly in terms of respect for other people.

But what does he do in his minute amount of spare time — read papers? He smiles and says he doesn't read books at the moment because he is afraid they might influence any decisions he has to make. This doesn't apply, he says laughing, to newspaper articles though.

Privately, the real love of his life apart

from his wife and little children to whom he is obviously very attached, is sport. "You name it, I play it," he says enthusiastically.

His favourite sport is football and he is indubitably proud of his connection with the Tembu Royals Football Club, of Transkei, one of the oldest professional teams in Transkei. The day I saw him he was about to make a presentation to them, "just to say thank you" because he says that for the time he was their manager, they gave him a lot, "and in many ways they have contributed to what I am today."

The telephone rings. It is about a corruption charge. The general is polite but firm. "The law must take its course. Unless we do our job properly there is absolutely no justification in our presence here."

Would he encourage his son to become a professional soldier? He says it depends on his natural inclinations but he wouldn't necessarily want his son to be another Holomisa in the army.

KD's court challenge to Transkei military rulers

Daily Dispatch Reporter

UMTATA — The legality of Transkei's military government is to be challenged in the Supreme Court here by the former state president, Paramount Chief Kaiser Matanzima, and the former commander of the Transkei Defence Force, Major-General Zondwa Mtirara.

Paramount Chief Matanzima and Gen Mtirara have filed a notice of motion before the court to seek the nullification of the first decree of the military council earlier this year which, among other things, dissolved parliament and established military government.

The respondents are the State President, Paramount Chief Tutor Ndamase, and the chairman of the military council, Major-General Bantu Holomisa.

The hearing of the application is set down for May 19.

In the notice of motion, filed with the Registrar of the court, Gen Mtirara says that on December 30 last year Gen Holomisa deposed the executive council constituted in accordance with the provisions of Section 18 read with Section 2 (4) (b) of the Transkei Constitution Act by the threat of force and purported to usurp the powers, authorities, duties and functions of the executive council.

He said that on January 5 this year by means of a decree (Decree No 1 of 1988, promulgated under Government Notice No 3) and acting on the advice of "a so-called" military council of which he acted as chairman, Gen Holomisa purportedly:

- Dissolved parliament;
- Established a military council;
- Established a sub-

ordinate council of ministers;

● Amended and repealed the provisions of the Transkei Constitution and abrogated the executive council; and

● Vested executive, legislative and administrative authority in President Tutor Ndamase and the military council and council of ministers, both under his chairmanship.

Gen Mtirara said in the papers he had been advised the decree was null and void and of no legal force and effect.

Gen Holomisa and Paramount Chief Ndamase had unlawfully usurped the executive power of the executive council and abrogated it contrary to section 17 of the constitution.

Gen Mtirara said that by virtue of the fact that the attempt to dissolve parliament was null and void, parliament as it existed on December 29, 1987, had not been effec-

tively dissolved and was consequently capable of holding sessions and competent to perform its functions.

In support of the urgency of the application, Gen Mtirara stated that, since the decisions and actions of the president, acting on the advice of the military council, including those involving expenditure, were null and void, an already untenable situation would be compounded if more such decisions and actions were allowed to be taken, he said.

Gen Mtirara said his rights as a registered voter, paramount chief and member of the Transkei National Assembly, had been and continued to be severely prejudiced.

In a supporting affidavit, Paramount Chief Matanzima associated himself with the founding affidavit filed by Gen Mtirara and the relief sought.



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T'kei grieves over bus crash 103

UMTATA.— The Transkei military government has expressed its profound sorrow over the bus accident near Cathcart on Thursday morning, in which 32 people were killed and 35 injured.

The government's press liaison officer, Mr Theophilus Betela, said in a statement those killed were Transkei nationals from the districts of Ngamakwe, Idutywa and Butterworth.

"The government expresses its condolences to the bereaved families, and is setting machinery in motion to expedite the identification of the deceased."

Families in the three districts who were waiting for visitors from Port Elizabeth should get in touch with their nearest magistrate's offices.

At its meeting in East

London yesterday, the synod of the Anglican diocese of Grahamstown passed a motion of condolence for the survivors and families of those killed.

The medical superintendent of Frere Hospital, Dr Peter Mitchell, said yesterday three of the eight crash victims admitted to the hospital were still in a serious condition.

The three, two women and one man, were suffering from head injuries. The other five patients were in a stable condition.

The medical superintendent of the Cathcart Hospital, Dr W. M. Richardson, said six adults had been discharged with minor injuries yesterday morning, and the remaining 15 patients were in a stable condition.

He said three of the five children in the hospital were suffering from a head injury, fractured leg and fractured skull. There had been no further deterioration in their conditions.

The police liaison officer for the Border area, Major Trevor Hayes, said the names of the 32 people who died had not yet been released.

The owner of the company to whom the bus belonged, Mr Mishak Philiso, could not be contacted for comment.

The Daily Dispatch Port Elizabeth correspondent reports there is a possibility that the 32 passengers killed in the crash were not covered by insurance as they had not been issued with tickets.

A staff member at Tshangisa Bus Company,

owners of the bus, said yesterday the company's policy was to write the names of the passengers in an exercise book. They did not issue tickets to passengers.

She said Mr Philiso had said he would comment when he returned

from Cathcart where he had gone to assess the damage done to the bus and to visit crash victims in Cathcart and Frere hospitals.

The driver, Mr Sizwe Madinda, of New Brighton, was among the 32 dead. — DDC

Computer hitch leaves pensioners empty-handed

DIP 14/5/88
103

Daily Dispatch Reporter

UMTATA — Thousands of old age pensioners in various districts in the country left their pay-points empty-handed this month after they were turned away because their pay vouchers were not yet ready.

The Minister of Finance, Mr Julius Matutu, apologised, in a message broadcast on radio, saying that a problem encountered by his department had now been solved and that the pensions would be paid.

Mr Matutu called on old age pensioners to call at their nearest magistrates' offices for new dates of payment.

A Department of Welfare and Pensions

spokesman, Mr Manelisi Sandile, said the first payments would have started on May 1 but computers caused a delay in the production of vouchers.

Mr Sandile said that, to meet the situation, the itineraries of paymasters had had to be rescheduled, and that this had been arranged by various magistrates and district commissioners in the country.

The District Commissioner of Umtata, Mr B. S. Bacela, said in an interview that old age pensioners in the Umtata district had already been informed of the new paydays.

He said his office had been inundated with calls from people who did not get their pay, but said that officers of his department had already been dispatched to various pay-points to inform them of the rescheduled itinerary.

Mr Bacela said the programme scheduled for between May 4 and May 16 had been shifted to sometime in June, but the programme scheduled for May 17 to May 27 had not been changed.

He said the hardship caused by the delay had been suffered mostly by residents in Ngangelizwe Township, who had fallen into arrears in their rentals.

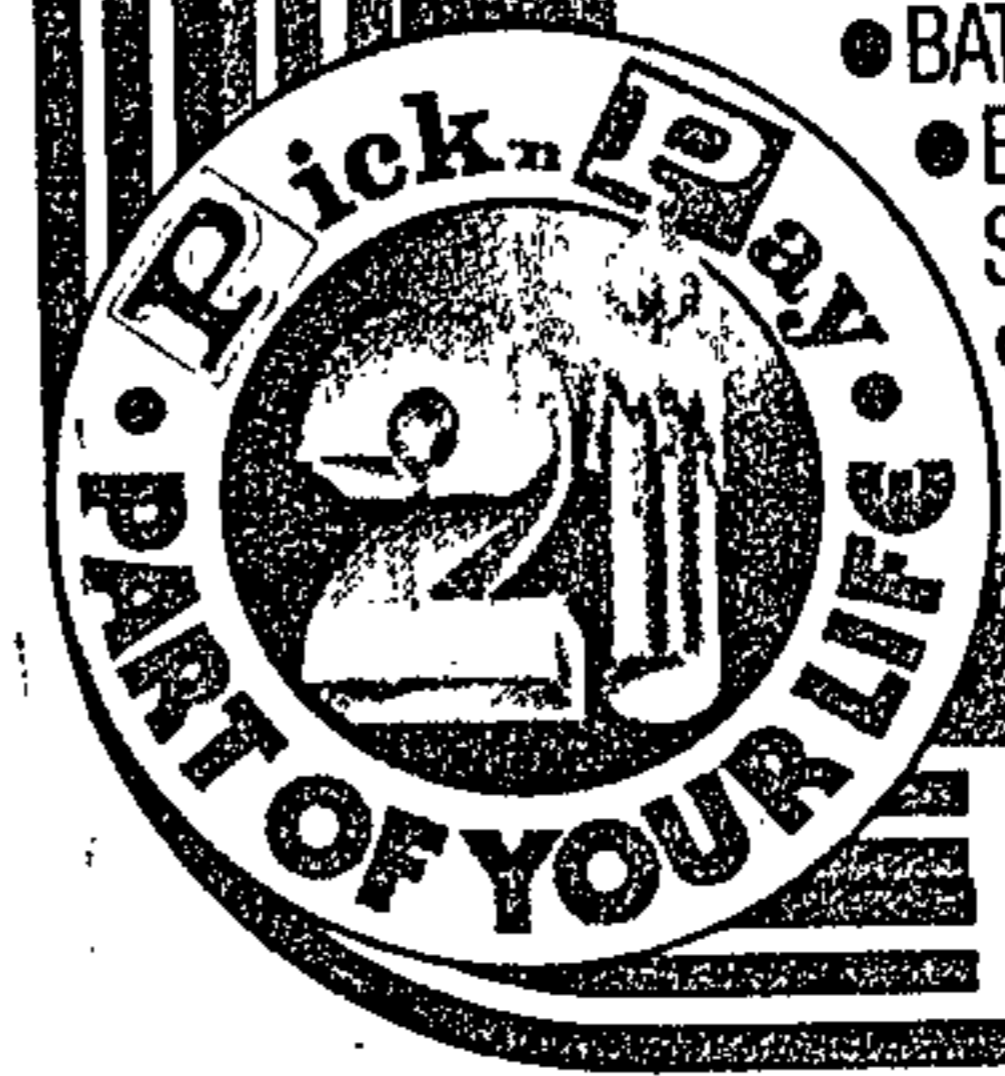
STEV 15/5/84
Chief to be
extradited (103)
to Transkei

UMTATA — Transkei's former Prime Minister, Chief George Matanzima, is to be extradited to the homeland to face criminal charges, the military government announced yesterday.

The government liaison officer, Mr Theophilus Betela, said the matter would be handled by the justice department.

He said an extradition agreement existed between Transkei and South Africa.

Asked to comment, the chairman of the Military Council, Major-General Bantu Holomisa, referred all inquiries to the Transkei police. — Sapa.



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A TIMES MEDIA PUBLICATION



EX-President Matanzima to challenge Transkei govt in court

UMTATA — The legality of Transkei's military government is to be challenged in the Supreme Court here by former State President Kaiser Matanzima and former Defence Force commander Major-General Zondwa Mirara.

The respondents are State President Tutor Ndamase and Military Council chairman Major-General Bantu Holomisa.

The hearing of the application is set for May 19. In the notice of motion Mirara says on December 30 Holomisa deposed the Executive Council by the threat of force and purported to usurp its powers, authorities, duties and functions.

He says on January 5 this year by means of a decree and acting on the advice of "a so-called" Military Council of which he acted as chairman, Holomisa purportedly:

gated the Executive Council; Vested executive, legislative and administrative authority in President Tutor Ndamase and the Military Council and Council of Ministers, both under his chairmanship.

Own Correspondent

Mirara says in the papers he was advised the decree was null and void.

He says Holomisa had acted contrary to the provisions of Section 17, read with Section 2, of the Constitution Act in that he acted other than on the advice of the

Dissolved parliament;

He says Holomisa had acted contrary to the provisions of Section 21 of the constitution, and to repeal, alter or render ineffective constitutional provisions in contravention of Section 75 and other sections of the Act.

Executive Council. He/5/88

Established a Military Council;

He says Holomisa had acted contrary to the provisions of Section 17, read with Section 2, of the Constitution Act in that he acted other than on the advice of the

Executive Council. He/5/88

Established a subordinate Council of Ministers;

He says Holomisa had acted contrary to the provisions of Section 17, read with Section 2, of the Constitution Act in that he acted other than on the advice of the

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Amended and repealed the provisions of the Transkei constitution and abro-

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Executive Council. He/5/88

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Cape Times, Tuesday, May 17, 1988 3

'ANC saboteur' extradited

Court Reporter

A WYNBERG magistrate yesterday found that an alleged senior African National Congress member could be surrendered to Transkeian authorities after an assurance that he would not be given the death sentence on charges of terrorism or sabotage.

Mr Mzwandile Vena, 32, is a Transkeian citizen wanted by police in connection with three bomb blasts which crippled Umtata in June 1985.

Mr C Vivier, for the State, yesterday handed to the court the assurance from the Transkeian Military Council that Mr Vena would not hang.

Earlier Mr L Rose-Innes, for Mr Vena, said the court could refuse the extradition on the grounds that in the Transkei the maximum penalty for sabotage was death, whereas in South Africa it was 20 years' imprisonment.

The court heard Mr Vena allegedly received training overseas and returned to South Africa last year to "take command of the Western Cape military machinery of the ANC as a replacement for Lizo Ngqunwana, who had been arrested". He allegedly lived with Ms Jenny Schreiner, who fetched him from Botswana, until his arrest in September.

DIB 1715788

Paramountcy talks end (103) in deadlock

UMTATA — A meeting of the Dalindyebo Regional Authority to discuss the dispute over a successor to the late Paramount Chief Bambilanga Mtirara ended in a deadlock here yesterday.

The meeting at the city hall was chaired initially by the Paramount Chief-designate, Major-General Zondwa Mtirara, who was asked to refuse himself from the chair as he was affected by the dispute.

Gen Mtirara is the late paramount chief's son and had been designated to succeed his father.

The other contender for the paramountcy is Mr Buyelekaya Dalindyebo, son of the late Paramount Chief Sabata Dalindyebo who was deposed and went into exile.

After the meeting, Gen Mtirara called another meeting of all members of the Tembu tribes, including Tembus of Emigrant Tembuland, at the Sitebe Great Place on Saturday, May 28. —DDR

1715785
Titanium search
near Kei Mouth

103

Daily Dispatch Reporter

EAST LONDON — A titanium prospecting exercise is in progress in southern Transkei.

The chairman of Rhombus Mining, Mr L. G. Holmes, said his company had started prospecting for a good titanium mineral deposit two years ago and were presently searching for the metal in an area 20 km north of Kei Mouth.

He said there was a substantial demand for titanium worldwide.

Mr Holmes said it is to be found in three minerals:

● Ilmenite which was used in the pigment industry for paints, paper and plastics.

● Rutile which was used in the production

of titanium metals.

● Zircon which was used in the nuclear industry and as an abrasive.

"Titanium metals can be used in the space research industry as well as the armament and chemical industries as it has varying properties," Mr Holmes said.

"We have not finalised anything, but feasibility studies are in progress.

"If the project proves viable it will give a tremendous boost to the local population in Transkei. It could have further benefits for East London with the construction of a major smelter and the subsequent exports through East London harbour," he said.

Doctor accused of assisting terrorists

PP/n/s/88

103

Daily Dispatch Reporter UMTATA — A former Willowvale doctor had helped a number of known terrorists by accommodating them, helping to hide arms and ammunition and providing transport, the regional court here was told yesterday.

Dr Zolile Nombe and Mr Mhleli Mdaka pleaded not guilty to two counts of terrorism under the Public Security Act.

They appeared before Mr G. H. Fatsha, who recused himself from the trial because of his personal and previous knowledge of the two accused.

Another regional court magistrate, Mr R. Mickelsfield, also recused himself because he was presiding at another trial in which Dr Nombe is a state witness.

The two are alternatively charged with possessing machine guns, ammunition, and explosives.

In his outline of the state case, the public prosecutor, Mr D. Sankey, said that between January 29 and February 11 last year, at Sterkspruit, Dr Nombe illegally possessed two AK47 assault rifles, 270 rounds of AK47 ammunition, 29 rounds of 9 mm ammunition and one hand grenade.

Mr Sankey said during the period January to December 1983, Mr Madaka had undergone training in Angola and East Germany, or had taken steps to undergo such training, which could be of use to any person intending to endanger the maintenance of law and order in Transkei.

On the second count, it is alleged that during January and February 1985, at Sterkspruit or in

the neighbouring districts, Dr Nombe either directly or indirectly harboured, concealed or rendered assistance to persons whom he had reason to believe were terrorists.

They were Mr Madaka, a person known as "Streaker", a person known as "Wellie" and a person known as "Mpilo", and/or other persons known to the state.

Mr Sankey told the court that Dr Nombe had, at the time of the offences, been practising as a medical doctor in Sterkspruit.

In 1985, the trained terrorist known as Wellie was accommodated by Dr Nombe at his house in Sterkspruit, he said.

Wellie had often visited Dr Nombe at his surgery and had been allowed to use the doctor's car, a grey Volkswagen Passat. He was often introduced by Dr Nombe as a friend of his son.

On Sunday, August 26, 1985, Dr Nombe drove to the Telle Bridge border post and stopped near a plantation to pick up three people who were coming out on foot.

He drove them past Rooiwal and switched over to another vehicle, a Volkswagen Passat, together with the trio.

He then drove them back to his home in Sterkspruit before he was later seen in the same vehicle together with one passenger.

A policeman tried to stop them, but the doctor, who was driving, sped off towards his home where the passengers alighted and went straight into his house.

The doctor, who remained in the vehicle, fetched Mr Madaka from the house and introduced him to policemen as his nephew from Butterworth.

Mr Madaka provided the policemen with a forged identity document and identified himself as Toto Nazo.

Dr Nombe was asked to accompany the policemen in his own car for questioning and Mr Madaka was taken away with the police.

When the doctor failed to follow the policemen in his car, they went back to search for him and traced him about 25 km away from Sterkspruit where he was caught conversing with someone.

Dr Nombe failed to explain why he had not followed the police as requested, Mr Sankey said.

On Thursday, January 29, last year, the doctor, in the company of another man, went to the home of his girlfriend, Miss Nomatshawe Zililo, with an AK47 rifle with a fully loaded magazine, 29 rounds of loose AK47 ammunition, a hand grenade, and 14 rounds of 9 mm bullets — which he had got from two terrorists, Mpilo and Streaker — and asked Miss Zililo to keep the arms.

Mr Sankey said that on the night of February 3 last year the doctor visited the house of Mpho Sepanya, who worked at his surgery. He was accompanied by two men, one of whom was Mpilo, a terrorist.

The doctor asked for accommodation for his two companions, but since they were men, Miss Sepanya was not prepared to accommodate them despite the fact that Mpilo had been introduced by the doctor as his nephew from Johannesburg.

The following day, Dr Nombe took a woman by the name of Maboitu-

melo Vivian Mosolodi, together with Miss Sepanya, to his house where he gave them two AK47 rifles with eight fully-loaded magazines and 29 loose rounds of ammunition.

Mr Sankey said Miss Mosolodi was arrested on February 12, and Miss Sepanya had taken the arms from where they had been hidden and had hidden them in a donga. The arms were later pointed out to the police.

The prosecutor said that on Tuesday, February 3, last year, Dr Nombe picked up Mpilo and one Dumisani Mafu, both of whom were terrorists, at or near the Y-junction leading to the Teko Vocational College and Tafalofefe Hospital near Centane.

The doctor had been driving a Ford Granada while a pilot vehicle drove in front to check on roadblocks as the two terrorists were being transported to Sterkspruit.

Mr Sankey said Dr Nombe was arrested at Sterkspruit on February 11, last year, before he pointed out various spots to the police where arms and ammunition were hidden.

He had also made a statement to the magistrate in Umtata on February 13, last year.

Turning to Mr Madaka, Mr Sankey said Mr Madaka had left the country in 1983 and undergone military training under the banner of the African National Congress in East Germany and Angola.

The hearing was adjourned until May 27 when an outline of the defence case will be presented.

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Inquiry told of political battle

(105)

UMTATA — A "bruising" political battle in Western Transkei had cost a former Transkei cabinet minister, Mr T. T. Letlaka, about R70 000, the commission of inquiry into the Department of Works and Energy was told here yesterday.

Mr Letlaka, who was recalled together with another ex-cabinet minister, Mr Mtutuzeli Lujabe, told the commis-

sion how he had had to fight against the founder of Transkei, Paramount Chief Kaiser Matanzima.

He had been asked by counsel for the Auditor-General how much he had lost campaigning in the 1986 general elections.

Mr Letlaka said he had lost about R70 000, but some of this was because he also had had to campaign on behalf of the former prime minis-

ter, Chief George Matanzima.

He was reminded by the chairman, Mr Gerald Alexander, SC, that the deposed prime minister, Miss Stella Sigcau, had said average election expenses would range between R10 000 and R20 000.

Mr Letlaka said Miss Sigcau was the daughter of a respected paramount chief, and her

candidacy was not controversial.

Mr Letlaka was also asked about letters and memos during the time of applications by the Bloombergs in 1978, on behalf of a client Mr Walter Reif, for Tattersalls clubs in five Transkei districts.

He said at that time he had never met Mr Reif or any partner of the Bloomberg company.

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Lawyers in split

UMTATA — Four executive members of the newly-formed National Association of Democratic Lawyers (Nadel), including its Transkei president, Mr Dumisa Ntsebeza, have resigned in an argument over representation.

In a statement yesterday, Mr Ntsebeza said he, the Natal vice-president, Mr Donald Kali, the assistant secretary, Mr Imrann Moosa, and the assistant treasurer, Mr Justice Poswa, had resigned because they felt they were unable to "pursue this struggle with those who violate all democratic principles in order to build puny fiefdoms".

The status of Nadel's annual meeting had been one of the issues.

Some had held that the meeting should be of the general council only instead of the whole membership. — DDR

Wanted ex-PM Matanzima in Port Elizabeth

D 11 17/5/88

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Plane hits house

Daily Dispatch Correspondent

PORT ELIZABETH — The former Transkei Prime Minister, Chief George Matanzima, for whom a warrant of arrest has been issued in Transkei, flew into Port Elizabeth last night accompanied by a Port Elizabeth businessman.

It appears Chief Matanzima spent Sunday night in Port Elizabeth as he was seen on a flight from the city to Johannesburg yesterday morning with the businessman, later identified as Mr Leon du Pisanie.

On his arrival in the city last night, Chief Matanzima walked unhindered past policemen to a private car in which he left the airport a while later.

The warrant for Chief Matanzima's arrest was issued by Transkei's Attorney General, Mr Chris Nel, on May 4 in connection with allegations of corruption arising out of the commission of inquiry into Transkei's Department of Public Works.

Chief Matanzima could not be traced in Transkei or South Africa since early May and last Friday the public relations officer of the Transkei Police, Colonel S. Mokoatle, said

police were still looking for him.

There were rumours that he had been seen in the Eastern Cape and it was also reported that he could have fled to Europe.

The head of the ruling military council in Transkei, General Bantu Holomisa, said last night it had been confirmed to him yesterday morning that Chief Matanzima and Mr Du Pisanie had flown from Port Elizabeth to Johannesburg.

He said he could not see any problems in getting the South African Government to agree to extradition as Chief Matanzima was wanted on criminal charges in Transkei.

Asked if there would be a problem if South Africa did not agree, General Holomisa said this would affect relationships between the two countries as it would be interfering with the process of law.

He pointed out that Transkei co-operated with South Africa in criminal cases.

A senior South African police officer said last night that no extradition order agreement stood between South Africa and Transkei and that the Transkei authorities would have to make representations in this regard.

Last night both Chief Matanzima and Mr Du Pisanie blocked a photographer's attempt to photograph Chief Matanzima as he walked into the arrivals hall at the airport.

The photographer said Mr Du Pisanie had swung his briefcase in front of his camera and pushed the camera into his face.

He said Chief Matanzima had shouted "I will bloody hit you. You need permission to do this."

He also attempted to block the camera with his hands.

Attracted by the noise, a policeman approached Mr Du Pisanie and the photographer while Chief Matanzima walked through to the baggage section.

Minutes later, the photographer and a reporter were asked by a policeman to accompany him to the charge office.

At the charge office, Mr Du Pisanie wanted to have the photographer's film confiscated and insisted that the policeman on duty contact a senior police officer.

The police officer in charge explained to Mr Du Pisanie that, to the best of his knowledge, no offence had been committed as the photograph was not taken in a restricted area.

This was later confirmed by the senior police officer contacted and the camera with the film was returned.

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Matanzima to be extradited

UMTATA — Transkei's former prime minister, Chief George Matanzima, is to be extradited to the homeland to face criminal charges, the military government announced yesterday.

The government liaison officer, Mr Theophilus Betela, said the matter would be handled by the Department of Justice, which was in charge of extradition matters.

He said an extradition agreement existed between Transkei and South Africa. — Sapa

Vena will not hang

Southern 18/5/88 (103)
THE President of Transkei has signed an undertaking that the man allegedly responsible for three bomb blasts that crippled Umtata in June, 1985, will not be executed if found guilty of treason and terrorism.

The official written undertaking, recommended by the Transkei-an Military Council, was

handed in to the Wynberg Magistrate's Court yesterday during a formal application for extradition of Mr Mzwandile Vena (32) who is alleged to have been responsible for blowing up the Umtata fuel depot and the power and water supplies on June 25, 1985.

Mr Vena allegedly signed a statement admitting he was a member of a special military unit of the African National Congress and giving details of the bombings.

The statement was allegedly made three weeks after Mr Vena's arrest in Cape Town on September 16 last year.

Yesterday, after the undertaking was handed

in, the magistrate, Mr P D Theron, ordered Mr Vena be sent back to Transkei to stand trial for terrorism and treason — both of which normally carry the death penalty in Transkei.

In South Africa the maximum penalty for each is 20 years in jail.

Mr Theron also ordered the extradition be held over for 15 days to give Mr Vena a chance to appeal.

Mr C Vivier, for the State, said Mr Vena would be detained in the Ravenshead police cells after which he would be handed over to a Lieutenant Colonel Boo.

Mr Vena was represented by Mr L A Rose-Innes, instructed by Mr E Mohammed of E Moosa and associates.

Transkei students stage food demo

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Star 18/5/88
UMTATA — University of Transkei students dumped plates and trays of food in front of the main entrance of the administration block yesterday following a food boycott on the campus.

Students said they had often complained to the authorities about the quality of the food they were getting from a catering company.

There were no incidents as chanting students walked from the dining hall to the office block. — Sapa.

T'kei to seek extradition of Chief George

DID 18/5/88

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Daily Dispatch
Reporter

UMTATA — Transkei is to seek the extradition of the former prime minister, Chief George Matanzima, to face criminal charges.

This was confirmed here yesterday by a spokesman for the military government.

Chief George was seen at Port Elizabeth airport on Monday night after he had arrived on a flight from Johannesburg accompanied by a Port Elizabeth businessman, Mr. Leon du Pisanie.

Despite the fact that a warrant for his arrest had been issued in Transkei, he walked unhindered to a private car and left the airport.

The military government's liaison officer, Mr. Theophilus Betela, said yesterday the extradition would be handled by the Department of Justice.

He said an extradition agreement between Transkei and South Africa had been signed when Chief George was prime minister.

Asked to comment on the matter, the chairman of the military council, Major-General Bantu Holomisa, referred all inquiries to the Transkei police.

Mr. Betela said there was no possibility of Mr. du Pisanie having had business dealings in Transkei.

A spokesman for the SAP's department of public affairs in Pretoria told the Daily Dispatch's Port Elizabeth correspondent yesterday he was unaware of any extradition request, although "something may be in the pipeline".

He confirmed there was an extradition agreement between South Africa and Transkei, but said the SA Police would not just grab Chief Matanzima on sight, even if a warrant for his arrest had been issued in Transkei.

Captain Bill Dennis, police liaison officer for the Eastern Cape, said Chief Matanzima had not committed any crime in South Africa, and until a formal request for his extradition was received from Transkei, the SAP would not act against him.

He said a formal request from Transkei for Chief Matanzima's extradition would be a "lengthy matter".

The extradition papers would first have to be served on the South African Embassy and from there the matter would be referred to the Department of Foreign Affairs, which would request the warrant of arrest and all the facts relating to the charge.

The next step would be to submit the warrant of arrest, and all the relevant facts, to a local magistrate. Another warrant of arrest would then be issued by the magistrate. Only then could the police act.

Director denies tribesmen unhappy with casino

DVD 18/5/88

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Daily Dispatch Reporter
UMTATA — Claims that Eastern Pondoland tribesmen were unhappy with the presence of the Wild Coast Casino at Mzamba were denied yesterday by a director of both the Transkei Development Corporation (TDC) and Transun.

Testifying before the commission of inquiry into the Department of Works and Energy, which is also investigating the granting of gambling licences and rights, Mr Patrick Goss had been asked about a claim that the Pondos had expected something like a five per cent interest in the project in return for the land.

Mr Goss said he had

acted for the paramount chief and he knew there had been dissatisfaction about the fact that the land was expropriated without any form of compensation.

He said the general feeling among the Pondos was that they had fought for that land, protecting it against Shaka to maintain the geographical position of Transkei, and now they did not derive any benefit.

He told the commission that that had all changed as Sun International, with the blessings of Mr Sol Kerzner, was going to give R250 000 to the Qaukeni Foundation, of which

Paramount Chief Mpondombini Sigcau was chairman.

He said it would be unfair to say that they were still unhappy, as the foundation was formed to provide such needed amenities as children's wards and educational assistance for deserving cases.

Mr Goss was also asked if he thought that Transgames would benefit the country and he said it was a difficult question to reply to, but he believed that slot machines in a town would do a lot more damage than a hotel such as was contemplated by Transun in Umtata.

He said he could not comment on whether

gambling levies should have been imposed but the country had benefitted as the company had 3 500 Transkeian shareholders, the hotel in Mzamba employed 1 400 people, and there was a significant tax contribution to the state coffers.

He had always objected to the arrangement in the application for gambling licences that there should be a group of individuals, such as lawyers representing applicants, between the government and the grantee.

Commenting on the fact that the former managing director of the TDC, Mr Monty Ntloko, had received a R50 000 gift from the former prime minister, Chief George Matanzima, Mr Goss said he was disappointed that a man of Mr Ntloko's standing had been involved in this kind of thing.

He said Mr Ntloko had been a diligent hard-working top executive, and he did not know why he had taken the money.

Old Mutual
Umtata
Mutual
is tops 103

EAST LONDON — Old Mutual's sales force has attained the highest number of international quality awards (IQA) of all South African life insurers with 802 members of its sales force qualifying for this prestige American award.

Umtata branch, managed by Mr Viki Viki-lahle, produced 28, the most qualifiers in the country. Everett Mbe-lani's Butterworth branch had 17 qualifiers, the third highest in the country.

Eastern Cape representatives in the top ranks are Mr Peter Jacobsen, of Queens-town, who qualified for the 17th consecutive time, and Mr Herman Swart, of Port Elizabeth branch, who obtained a 100 per cent persistency — none of the policies he issued in the two qualifying years lapsed.

The IQA is awarded by the Life Insurance Marketing and Research Association (Limra) of America. The IQA encourages professionalism among our sales force by motivating representatives to sell quality business, said Mr Mike van Greunen, Old Mutual's general manager (individual life).

Commission hears of gambling exception Star 19/5/88 (103)

UMTATA — Five applications for gambling licences in Transkei lay unattended for three years because the former State President, Paramount Chief KD Matanzima, had ruled that no further licences should be approved.

This was evidence heard by the Transkei commission of inquiry yesterday into the Department of Works and Energy over the granting of gambling rights.

In a letter Paramount Chief Matanzima said he felt the use of gambling machines in Transkei was corruption of "a people taken advantage of by whites".

The former Minister for the Department of Justice and later Commerce, Industry and Tourism, Mr T T Letlaka, said his department (justice), abided by a policy not to grant further licences.

Under cross-examination by Mr S A Cilliers, SC, representing Sun International, on how one application for an outlet in Butterworth had been granted in 1984, Mr Letlaka said the former Prime Minister, Chief George Matanzima, had appealed to the president that it be made an exception.

Mr Cilliers asked what had motivated Chief George to take the unusual step of

intervening on behalf of the Butterworth licence and Mr Letlaka said he was told that because of persistence by Bloomberg and Co, representing Transgames, this would be a last exception.

He was asked if the fact that a close associate of the Matanzimas, Mr V Mbotoli, was a shareholder of Transgames could not have been used in getting the Butterworth licence to be treated as an exception.

He said he did not know that Mr Mbotoli had influence on the two brothers, but he was aware that Mr Mbotoli was known to both of them.

Two letters in the possession of the commission were shown to Mr Letlaka.

In the first letter Chief George said he had been told by the attorneys of Transgames, Bloomberg and Co, that Paramount Chief Matanzima had directed them to communicate with him and said: "In support of my recommendation, Mr V Mbotoli has intimated to me his personal interest and involvement in the operation of Tattersalls and Transgames.

"He has also informed me that he has lately canvassed with Bloomberg and Company the question of Transkei's participa-

tion in the sharing of the profits generated by Transgames in a shareholding capacity and he has been able to persuade the said attorneys to give a 10 percent shareholding to him.

"From a practical point of view, it is my considered opinion that a speedy resolution of the present impasse will be in the interests of all parties involved.

"I also appreciated the fact that they have been saddled with a complete set of expensive machinery which has been lying idle for a considerable period."

In his reply Paramount Chief Matanzima said: "I have decided to agree to your plea on condition that no other licences for gambling machines should be issued.

"To me this is a corruption of a people taken advantage of by whites."

Under cross-examination by Mr Harry Snitcher, SC, for Bloomberg and Co, Mr Letlaka said he knew that the demands by Bloomberg for the granting of licences were as a result of an agreement between Holiday Inn, Transkei Sporting and Tattersalls and the Transkei government.

The inquiry continues today. — Sapa.

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THURSDAY, 19 MAY 1988

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Howard

THURSDAY, 19 MAY 1988

1481

Howard

(a)	(b)	(c)	(d)
Name of Company	Location	Nature of Operation	RSA Contribution 1986/87 Rand
Oriental Metal Works	Babelegi	Metal Products & Paraffin Stoves	53 292
Osman's Knitwear	Garankuwa	Knitwear	1 746
Perfecto Steelworks	Garankuwa	Steelworks	9 369
Phillips Gate and Wire Ind	Babelegi	Steel Gates and Wire	2 574
Plastics Industr. Bophuthatswana	Bodirelo	Plastic Bags & Plastic Products	1 143
Powercomp	Babelegi	Electric Wire	25 628
Presta Workshops	Garankuwa	Harnesses	
Pride Africa Cabinet	Kudube	Wooden Crutches & Walking Sticks	19 545
Qualifurn	Babelegi	Kitchen Furniture & Antique Furniture	558
Ramalias Wear Enterprises	Tlhabane	Furniture	750
Roans Meubels	Babelegi	Ladies Clothing & Sporting Wear	1 825
Roberts Joinery	Garankuwa	Cape Dutch Furniture	19 526
Rolab	Garankuwa	Carpentry	1 192
Rooklan Furniture	Bodirelo	Pharmaceutical Products	23 901
S Motaung	Bodirelo	Furniture	1 049
Scruple Laboratories	Babelegi	Packaging	4 853
Seagull Knits	Mafikeng	Pharmaceutical Products	2 210
Seal Packaging	Babelegi	Tracksuits & Jerseys	7 213
Selosesha Curtain & Linen	Selosesha	Packaging	203 119
Sen Fon Enterprise	Garankuwa	Linen and Curtains	638
Sis Par's Fashions	Bodirelo	Food	93 715
Sloan Square	Mogwase	Clothing	3 320
Specifico	Mogwase	Overalls	37 515
Speedy Bag Manufacturers	Mafikeng	Carvas Rucksacks	532 364
Springbok Clothing	Babelegi	Suitcases	6 896
Steel Bophuthatswana	Babelegi	Menswear	91 855
Siemark Manufacturers	Babelegi	Steel Products	10 003
Siegn's Clothing	Babelegi	Overalls & Protective Clothing	535
Superior Class Furniture	Mmabatho	Ladies wear	450
SA Cotton Waste	Garankuwa	Furniture	12 735
SA Lighters	Babelegi	Cotton Wool	2 069
S M Plastics	Garankuwa	Lighters	37 894
T & J Products	Babelegi	Plastic Products	11 928
Taung Printers	Mafikeng	Fruit Juices	584
Tau Welding Works	Taung	Printers	6 824
Thaba Brickworks	Garankuwa	Welding Works (Gates)	149
Thaba Knitwear	Thaba N'Nchu	Brickworks	18 274
Thaba N'Nchu Concrete	Thaba N'Nchu	Knitwear	95 351
Thaba N'Nchu Electrical	Thaba N'Nchu	Cement Products	5 687
Thata Furnishers	Bodirelo	Electrical Appliances	8 832
		Furniture	5 954

HOUSE OF ASSEMBLY

(a)	(b)	(c)	(d)
Name of Company	Location	Nature of Operation	RSA Contribution 1986/87 Rand
Thomas Bande	Mogwase	Tyre Retreaders	81 526
Thomas Upholstery	Mogwase	Leather Products	894
Tiger PPC Alloy Wheels	Babelegi	Alloy Rims	25 900
Top Point Clothing	Selosesha	Ladies Clothing	7 387
Trans Africa Industries	Babelegi	Furniture	24 780
Tswana Clothing	Babelegi	Clothing	1 915
Tswana Craft Industries	Mogwase	Handcraft	3 854
Tswana Steel	Babelegi	Steel Products	77 555
Tswana Bophuthatswana	Babelegi	Asbestos Products	5 012
Tural Bophuthatswana	Garankuwa	Clothing	1 277
T M Mashaga Dressmaker	Mogwase	Marble Sanitary Ware	51 362
Venus Marble	Garankuwa	Boats and Yachts	9 136
V H V Marine Bophuthatswana	Bodirelo	Weaving of Rugs	39 147
Weaving Gallery	Selosesha	Car Windows	14 053
Wesglas	Garankuwa	Construction	28 791
Wessels Bou & Beton	Garankuwa	Lawnmowers & Garden Tools	1 044
Wolf Garden Machinery	Babelegi	Carpentry	11 995
Woodmaster	Mmabatho	Welding Works	1 788
707 Welding Works	Bodirelo		
Total			6 000 000

(2) (e) Subsidy Type Period Committed

Interest and rental 10 years
 Wages 7 years
 Housing 20 years
 Rallage No limit
 Training No limit
 Electricity No limit

(2) in respect of each such entrepreneur/company, (a) what is its name, (b) where is it located, (c) what is the nature of its operation, (d) what amount in aid did it receive in the 1986-87 financial year and (e) for how many years is the South African Government committed to subsidize it?

395. Mr R A F SWART asked the Minister of Foreign Affairs: The MINISTER OF FOREIGN AFFAIRS:

(1) Whether any entrepreneurs/companies have received subsidies from the South

TRANSKEI

(a)	(b)	(c)	(d)
Name of Company	Location	Nature of Operation	RSA Contribution 1986/87 Rand
Agricultural Produce Brokers	Butterworth	Wool & Hide Brokers	7 224
Albron Foundries (Pty) Ltd	Butterworth	Foundry	20 456
Amatola Concrete	Umtata	Cement Products	4 953
Bandag Tyres	Umtata	Tyres	25 256
Beier Industries (Transkei) (Pty) Ltd	Butterworth	Shoes	478 565
Beier Sharidor (Transkei)	Butterworth	Canvas Products	134 208

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HOUSE OF ASSEMBLY

Howard

103

(a)	(b)	(c)	(d)
Name of Company	Location	Nature of Operation	RSA Contribution 1986/87 Rand
Block Molasses Feeds	Ezibeleni	Stock Feeds	20 626
Border Mills (Pty) Ltd	Lusikisiki	Timber Saw Mills	124 187
Butterworth Metal Industry	Butterworth	Metal Pressers	72 482
Butterworth Municipality	Butterworth	Municipality	1 083 522
Butakem (Pty) Ltd	Butterworth	Chemical Products	358 852
Cane Furniture (Pty) Ltd	Butterworth	Cane Furniture	105 412
Chet Industries Butterworth	Butterworth	Chemicals	457 175
Clutch & Brake Supplies	Umtata	Brakes and Clutches	31 378
Crisburd Butterworth (Pty) Ltd	Butterworth	Rain Water Drains and Related Products	2 314
Curt. Make & Trim	Ezibeleni	Shoes	150 202
Eagle Golf Manufacturing (Pty) Ltd	Butterworth	Golf Equipment	81 232
Etwa Sawmills	Maclear	Timber Saw Mills	25 701
Eutem Clothing (Pty) Ltd	Umtata	Clothing	17 716
Ezibeleni Municipality	Ezibeleni	Municipality	29 588
Fancytex	Butterworth	Yarn	108 801
Filafrika (Transkei) Pty Ltd	Umtata	Spin and Weave	51 270
Flashman Sportswear (Pty) Ltd	Butterworth	Sportswear	84 753
Formosa Enterprises (Pty) Ltd	Ezibeleni	Clothing	218 200
Formosa Knitting	Ezibeleni	Knitting	27 462
Formula Seven Systems	Umtata	Prefabricated Houses	35 494
Franco Industrial Gloves	Butterworth	Industrial Gloves	66 925
Franco Safety Gloves	Butterworth	Plastic Chemical Gloves	216 416
Garden & Patio Furniture (Pty) Ltd	Butterworth	Aluminium Garden Furniture	95 903
Gibson Conjiwa Sawmills	Cala	Timber Saw Mills	35 661
Golden Company (Pty) Ltd	Butterworth	Cutlery	366 600
GRC Panels	Ezibeleni	Prefabricated Houses	10 336
Izipho (Pty) Ltd	Butterworth	Dried Flowers & Ornaments	13 951
Inglolex (Pty) Ltd	Butterworth	Clothing & Gloves	718 539
Intech (Pty) Ltd	Umtata	Radio Cassette Tapes	151 941
J & V General	Butterworth	Engineering	5 250
K Brown Engineering	Butterworth	Engineering	413 607
Kei Plastics	Umtata	Plastic Products	26 371
Labora Steelworks	Umtata	Steel Works	18 798
Lexim (Butterworths)	Butterworth	Biscuits	42 897
Louise Felaine Clothing	Umtata	Clothing	62 395
L M S Sawmills	Tabankulu	Timber Saw Mills	53 342
Malenge Sawmills (Pty) Ltd	Riverside	Timber Saw Mills	54 503
Merensky Forest	Umtata	Timber Saw Mills	43 168
Mfesane Printers	Umtata	Printers	3 958
Ohlssons' Cape Breweries	Butterworth	Breweries	124 816
Precio (Pty) Ltd	Butterworth	Plastic Handles	103 002
PM Furniture Industries Ltd	Ezibeleni	Furniture	155 300
Plascon Evans Umtata	Umtata	Paints	6 102
Pep Textile Industry	Butterworth	Textile	1 482 559
Pondoland Timbers	Lusikisiki	Timber Saw Mills	45 649

Howard

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(a)	(b)	(c)	(d)
Name of Company	Location	Nature of Operation	RSA Contribution 1986/87 Rand
Riverside Sawmills (Pty) Ltd	Mount Ayiff	Timber Saw Mills	89 927
SATS	RSA	Transport	1 355 312
Singisi Forest Products	Singisi	Timber Saw Mills	377 592
Sun Manufacturers	Umtata	Toys & Related Products	29 570
Sankei Speakers (Pty) Ltd	Umtata	Radio Speakers	138 508
Sunson Electronics (Umtata)	Umtata	Radio Speakers	108 341
Swift Clothing	Ezibeleni	Radios	59 984
Tanda Milling Company	Butterworth	Clothing	157 893
Taurus Products	Butterworth	Grain Milling	6 136
Tannery Protea (Pty) Ltd	Butterworth	Chemical Products	188 070
Tekwane Sawmills	Mount Frere	Tanning of hides and skins	21 389
Tramatex Group of Companies	Butterworth	Timber Saw Mills	1 153 033
Tally (Pty) Ltd	Butterworth	Weavers and Spinners	562 161
Transkei Freight Services	Umtata	Clothing	677 063
Transkei Wire Industries	Butterworth	Private Road Transport	14 535
Trico Enamelware	Butterworth	Wire Products	224 183
Triple H Fibre	Butterworth	Enamelware	16 713
Transkei Knitting Co (Pty) Ltd	Butterworth	Rope Manufacturer	242 804
Transkei Development Corporation	Butterworth	Jerseys and Knitwear	
Transkei Springs (Pty) Ltd	Umtata	Development Corporation	1 466 490
Tranquillity Rugs & Tapestries	Butterworth	Motor Springs	3 674
Tsao Manufacturing Co.	Butterworth	Carpets and Rugs	92 654
Umtata Municipality	Umtata	Chinese Clothing	28 083
Umgeni Products (Pty) Ltd	Umtata	Municipality	1 236 494
Universal Metal Manufacturers	Fort Donald	Seed Processing	42 471
The Lion Match Company Ltd	Butterworth	Paraffin Stoves	317 399
Wild Coast Diamonds	Butterworth	Matches	11 701
Xhosa Carpets	Umtata	Diamond Processing	31 268
Yohunzini Ceramics	Ezibeleni	Carpets	233 972
	Butterworth	Ceramic Products	37 562
Total			17 000 000

(2) (e) Subsidy type: Interest and rental; Period committed: 10 years; Wages: 7 years; Housing: 20 years; Rallage: No limit; Training: No limit; Electricity: No limit.

(1) Whether any entrepreneurs/companies have received subsidies from the South African Government to encourage them to establish industries in Ciskei; if so, in respect of each such entrepreneur/company, (a) what is its name, (b) where is it located, (c) what is the nature of its operation, (d) what amount in aid did it receive in the 1986-87 financial year and (e) for how many years is the South African Government committed to subsidize it?

Ciskei: subsidies for entrepreneurs/companies to establish industries

397. Mr R A F SWART asked the Minister of Foreign Affairs:

[Signature]

[Signature]

D 19/5/88 103

T'kei inquiry told how Kaiser stopped gambling licences

Daily Dispatch Reporter

UMTATA — The Transkei commission of inquiry investigating the granting of gambling rights yesterday heard that five applications for gambling licences lay unattended for three years because the former state president, Paramount Chief K. D. Matanzima had ruled that no further licences should be approved.

The former minister for the department of Justice, Mr T. T. Letlaka, continued his testimony and said his department had abided by a policy not to grant further licences.

In answer to a question by Mr S. A. Cilliers, who represented Sun International — how an application for a Butterworth outlet was granted in 1984 — Mr Letlaka said former Chief George Matanzima had appealed to the president to make it an exception.

In reply to a letter in which Chief George asked for the exception Chief Matanzima granted permission and added:

“To me this is a corruption of a people taken advantage of by whites. Make it clear to these chaps that no other application will be granted”.

Mr Letlaka told the commission that he could not say that Chief George was amenable to granting rights or any benefits in exchange for consideration and he was unable to say whether Chief George was corruptible.

He said he was aware of a tricky situation where one side there was an agreement from 1978 granting exclusive gambling rights to Transgames while on the other hand there was the policy of no further licences.

The commission continues today.

19/5/88

T'kei police working on extradition

103

UMTATA — The Transkei Police were working on the extradition of the former prime minister, Chief George Matanzima, "through diplomatic channels" the Transkei Police liaison officer, Colonel S. Mokoatle, said yesterday.

Chief Matanzima left the country after the signing of a warrant for his arrest two weeks ago. He was reported this week to be moving between Port Elizabeth and Johannesburg.

The Commissioner of the Transkei Police, General Leonard Kawe, said a group of policemen had been sent to Port Elizabeth to "look into the matter" of Chief George.

Captain Bill Dennis, police liaison officer for the Eastern Cape, said local police were not aware of any Transkeian policemen in the city.

He said these policemen had no power of arrest in South Africa.

Chief George's present whereabouts are unknown. — DDR-DDC

Former PM to be charged

UMTATA — Transkei's former Prime Minister, Chief George Matanzima is to be extradited to the homeland to face criminal charges as soon as his whereabouts are established, the military government said this week.

A spokesman said the matter would be handled by the Justice Department. — Sapa 103

1/2
1/2
1/2
1/2

103 w/Meul
20-26/588

Back in the dock: The accused who ran away - but got caught

TWO men appeared in a Transkei court this week, the latest chapter in one of the longest — and most bizarre cases in recent history.

The saga has been marked by courtroom disputes, the release and immediate re-detention of the accused, escapes — and even the arrest of a prosecutor.

This week, Dr Warren Nombe and Mhleli Madaka appeared in an Umtata court to face charges of terrorism.

Last year they were involved in a

By LOUISE FLANAGAN,
East London

massive trial along with 18 other accused. Six months after the trial started the prosecution was still unable to produce a formal indictment and in August the presiding magistrate ordered the case struck off the roll.

In a bizarre courtroom scene, the 20 accused leapt over the dock and attempted to flee the court after lawyers informed them they were free.

Police immediately redetained the eight they caught, as well as the prosecutor, and reinstated the case the following day. The prosecutor was released five days later; the 12 who got away have never been found.

The trials of the eight who were re-detained have been separated into at least four other cases; charges range from murder and terrorism to organising for the ANC.

Several of the accused are involved in more than one case, either as the accused or state witnesses. Others are involved in civil actions resulting from their detentions.

Spinoffs from the original case include:

- In the case against Nombe and Madaka, the state alleges Madaka underwent ANC military training in Angola and that Nombe harboured him.

When the two appeared in court on Monday, two magistrates recused themselves from the proceedings — one because of his personal knowledge of the accused and the second because he is also involved in a case where Nombe is to be called as a state witness.

Madaka has been in detention for over 33 months.

- Charges of organising for the ANC and promoting ANC views are being brought against Ernest Sotsu and Pasika Ntshobane.

Ntshobane is also facing charges of recruiting and harbouring. He has apparently been granted bail in this case but is still in detention.

- Charges of possession of arms and explosives have been laid against Ndibulele Ndzamela, Pumzile Mayaphi and Leonard Mdingi. One of the accused is also being charged with murder; the case relates to an explosion at the Wild Coast Sun.

- An application was brought by Manelisi Nyoka, first detained in October 1986, for his release from detention and an ending to assaults on him. Nyoka was being held as a state witness in the original trial of the 20. The application was granted, but Nyoka was redetained two minutes later and is still being held.

- One of the 20 who managed to escape from the courtroom, Tobile Ndlaku, is suing the minister of police for R15 000 because of alleged assaults while in detention. — el-news.

One year on, lawyer group splits over army service

20-26/588 w/Meul

THE first annual general meeting of the National Association of Democratic Lawyers (Nadel) — formed last year to unite all the country's anti-apartheid legal professionals — is to be held this weekend, but already one of the groups which originally made up the association has broken away.

Nadel was launched last May to bring together a number of lawyers' groups so that they could work under a single banner "for a just and democratic future in South Africa".

It was representative of over 700 members of the profession from organisations including the Democratic Lawyers' Association, Lawyers for Democracy and the Black Lawyers' Association.

In March this year members of the Black Lawyers' Association split off over dissatisfaction with Nadel's constitution, taking its estimated 120 members, about a fifth of the total Nadel membership.

However, it is understood that BLA had on its agenda a potentially explosive issue to sort out with Nadel before finalising its position in the larger body — that no one who had done military service or who was liable for service could be a member of Nadel.

Even before this issue was debated, however, the BLA came unstuck from Nadel over a constitutional question — the role of the AGM.

In terms of the constitution, each branch sends delegates to the AGM, the number of delegates depending on the size of the branch membership. The BLA, however, wanted all members who attended the AGM to be able to vote.

After BLA's breakaway over this

By CARMEL RICKARD,
Durban

issue, four members of Nadel's executive — who sympathised with the stand of the BLA but are not BLA members — resigned. This week they issued a statement explaining their position.

Lawyers Dumisa Ntsebeza, Donald Kali, Imrann Moosa and Justice Poswa said they did not want to continue in Nadel with "those who violate all democratic principles in order to build puny fiefdoms".

Responding to this statement yesterday, national secretary of Nadel, Ismail Ayob, said the BLA had tried to change the constitution but had not been able to get the required support.

The four executive members then left, as they found themselves without support and "unrepresentative of the views of Nadel's membership" but they chose to make their resignation known only some time after the event.

Other Durban Nadel lawyers said yesterday that although the four who resigned claimed they did so because Nadel was undemocratic, in fact "what was at issue was competing notions of democracy and competing forms of representation.

"What the BLA sought was to amend the constitution so that whoever happened to turn up at the AGM would be able to decide on policy.

"The Nadel membership resisted their attempt to undermine the democratic principles of the constitution adopted by the whole membership at the inaugural meeting."

Court rejects action against military rule

Daily Dispatch Reporter UMTATA — An application challenging the legality of the military council was dismissed with costs by the Supreme Court here yesterday.

The former State President, Paramount Chief Kaiser Matanzima, and the former commander of the Transkei Defence Force, Major-General Zondwa Mtshali, had applied for an order nullifying the first decree of the military council which dissolved parliament and established the council.

The application was dismissed without the merits of the case being argued as the Chief Justice, Mr Justice Beck, said no sufficient facts supporting the urgency of the matter had been given in the founding affidavits.

However, the applicants were given up to 10 days to serve papers in the proper manner in terms of the rules of the supreme court, on the respondent's counsel and to wait 21 days before a further court sitting.

The State President, Paramount Chief Tutor Ndumase, and the chairman of the military council, Major-General Bantu Holomisa, were cited as respondents.

Earlier, Mr David Gordon, SC, argued that the respondents had not been given sufficient time to prepare their replying affidavit as the papers had been served on May 11, giving them only two court days (taking into account the long weekend and Ascension Day) to reply.

He said the require-

ment of the rules of court had not been satisfied because there was no certificate of urgency attached to the application.

He submitted that the matter was not urgent and, if it were urgent, it was self-created.

He argued that section 5 of clause 9 of Decree No 1 of the military council provided that no court of law would be competent to inquire into or pronounce upon the validity of the decree.

Mr Gordon's argument was also based on a judgment of the Supreme Court earlier this year in a civil matter between Paramount Chief Kaiser Matanzima and Miss Stella Sigcau.

In his judgment, Mr Justice Mitchell had ruled in favour of lifting a banishment order signed by Miss Sigcau, when she was head of government, restricting Paramount Chief Matanzima to Western Transkei.

Mr Justice Mitchell said, among other things, that the Supreme Court recognised the de facto government of Transkei — the military government which was the President and the military council — so far as the legislative and executive powers of the state were concerned.

A victorious revolution had to be considered as a modification of the old order, not a new order, and that the government brought into permanent power by a revolution or coup d'état was, according to international law, the legitimate government of the state.

Commission told of overlapping rights

Daily Dispatch Reporter UMTATA — The commission of inquiry into the Department of Works and Energy was told yesterday about a tripartite agreement meant to cure an "administrative hiccup" which granted similar gambling rights to rival companies.

The former managing director of Holiday Inns, Mr Nigel Matthews, told the inquiry, which is investigating the granting of gambling rights, that the problem was between Holiday Inns and a firm of attorneys, Bloomberg and Co, acting for Mr Walter Reif, who had both been granted licences for slot machines with exclusive rights.

He said a meeting to resolve the matter was held in the office of the former prime minister, Chief George Matanzima, and was attended by the chairman of Holiday Inns, Mr Charles Fiddian-Green, Mr Abe Bloomberg, Mr David Bloomberg and himself.

Chief George, the only one who spoke at the meeting, broke the news of the overlapping licences, saying this was very embarrassing to the government.

Mr Matthews said he had felt shocked at the news, as he regarded this as something that would threaten the development of the Mzamba complex at a delicate stage.

As managing director he regarded himself responsible for the success of the Mzamba development and he felt the overlapping of licences could threaten his job.

He had become aggressive at another meeting called by Chief George shortly after-

wards, and he had expressed his shock and horror.

Chief George suggested that Mr Abe Bloomberg and Mr Fiddian-Green go and talk in another room, and as a result he was later told by his chairman that they had to accept what had happened, and that they had decided that a joint company be formed by the two parties.

The three-sided agreement had become necessary because Mr Reif's company, ESL, and Holiday Inns had both got their licences from the Transkei Government.

He was not sure if they had seen any document showing that the cabinet had granted the rights to Mr Reif. The prime minister had said so and there was no reason not to believe him, and the basis was that a licence had been granted administratively, whether rightly or wrongly.

According to the agreement ESL relinquished its rights in the slot machines inside the Mzamba casino, while Holiday Inns shared in the rights on the slot machines in other areas.

A new company, Transgames, was created as a joint venture of ESL and Holiday Inns. Mr Matthews said no money was involved in the deal, which was just a negotiated trade-off.

Asked by counsel for the commission about Mr V. Mbotoli's involvement in Transgames, Mr Matthews said it had been suggested it was necessary that they include local interests, and the man's name came from the ESL side.

He said they were constantly sniped at by

people who regarded them as foreigners, who had just come to rip off the local people, and then shared the profits among themselves.

However, the fact that they were in partnership with the Transkei Development Corporation made them feel comfortable.

The chairman of the commission, Mr Gerald Alexander, SC, said he found it surprising that they had accepted a relative stranger being introduced into their midst, who got out after a short while with a big profit. It seemed Mr Mbotoli was put in there for a particular purpose.

Mr Matthews agreed that there had been constant delays in the granting of licences for a number of outlets, and there had been strong opposition, generally, to slot machines in Transkei.

He said he could not say that Mr Mbotoli had been brought in on a "Mr Fix-it" basis on behalf of Transgames. He also did not know that Mr Mbotoli had not paid for his shares when he acquired them, but that he paid from dividends he received afterwards.

Mr Matthews was also asked by counsel for the commission about a five per cent interest sold to a Butterworth businessman, Mr Monde Sihele, for R10 000 and bought back three months later for R300 000.

He said he had heard that it had been proposed by the government that it would be necessary for some of the equity to be purchased by a Transkeian interest, and there had been mention of Pondo interests.

It had not surprised him that Mr Sihele had this interest as he was an important link for them with the ex-president, and seemed to be an ongoing link for the whole Mzamba development.

Mr Sihele bought the shares for a company called Qolora Development in January 1982, and in April a proposal was put to him to sell out as, Mr Matthews said, it would be a difficult relationship having a minority shareholder.

He had thought the shares in Mr Sihele's name had been the Pondo interest, though he knew that Qolora was somewhere in the south of Transkei but it had not occurred to him that it was a non-Pondo name. He had assumed that the largess received by Mr Sihele would be distributed among the Pondo chiefs.

He had also heard that the Pondos had a big influence in the government and that most of the labour for Holiday Inns would be drawn from them.

He said he had thought it was odd that Mr Sihele, who had just sold out to Mr T. Brereton in Mzamba, popped up as Qolora Development and then sold out again.

Mr Sihele had remained a friend and also had an interest in a petrol station at Mzamba.

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> 10.20/5/88

Action

over

(103)

estate

postponed

UMTATA — An application for a final order of sequestration of Chief Geroge Matanzima's assets was postponed in the Supreme Court after his counsel had said he had not had time to study the application.

Mr Charles Rosenthal also told Mr Justice Mitchell that he needed time to consult his client, although he did not know his whereabouts.

He was then given until May 31 to consult Chief George.

Earlier, Mr David Gordon opened the proceedings with an application for the granting of the final sequestration order.

He made the application on the grounds that Chief George was a fugitive from justice and, therefore, could not be granted an audience in court.

Chief George disappeared two weeks ago after a warrant for his arrest had been signed by the Chief Magistrate of Umtata, Mr J. de Beer.

Earlier this week he was seen in Port Elizabeth after flying from Johannesburg with a Port Elizabeth businessman, Mr Leon Du Pisan.

DDR

(103)

Chief George seeks R1,3m guarantee

DID²⁰/5/88

Daily Dispatch
Correspondent

JOHANNESBURG — The former Transkei prime minister, Chief George Matanzima, is negotiating with Volkskas Bank to provide a guarantee of R1,3 million to discharge claims against his provisionally sequestrated estate, according to his creditors.

A provisional trustee of Chief George's estate, Mr Liéb van Jaarsveld of Ernst and Whinney, Johannesburg, said earlier this week that Volkskas was considering making the R1,3 million available to Chief George, subject to certain conditions.

But this was denied by the managing director of Volkskas Bank, Mr J. L. J. van Vuuren, who said as far as he knew there were no negotiations taking place and there would be no guarantee.

He said Chief George had approached Volkskas about a month ago trying to secure a guarantee. His request had been refused point-blank.

Mr Van Jaarsveld reported yesterday say-

ing the provision of such a guarantee had been discussed at a meeting he had attended with Volkskas and Bank of Transkei representatives on Monday.

He knew of Chief George's earlier application being turned down, but said to the best of his knowledge the latest application to the bank had not been turned down.

Mr Van Vuuren could not be contacted for comment last night.

Volkskas is a major shareholder of the Bank of Transkei, which joined the Transkei Development Corporation and other creditors in a petition for the sequestration of Chief George's estate.

● The Daily Dispatch's Port Elizabeth correspondent reports that Mr Leon du Pisanie, a Port Elizabeth businessman and friend of Chief George, said yesterday Chief George "was not a fugitive from justice" and was "quite prepared" to return to Transkei for the hearing on May 31 of an application for the final sequestration of his estate.

Mr Du Pisanie said he had known Chief George for years and "other than minister" was behind his presence in Port Elizabeth despite the fact that a warrant for his arrest had been issued.

Chief George was consulting legal advisers in Port Elizabeth, he said.

Asked about their visit to Johannesburg earlier this week, he said Chief George had gone there for advice about the court case. He had accompanied Chief George as a friend.

Mr Du Pisanie said he did not know where Chief George was now.

Star 20/5/88
Court move

on Transkei is dismissed ¹⁰³

UMTATA — An application by the former State President, Paramount Chief Kaizer Matanzima, and a former commander of the Transkei Defence Force, Major-General Zondwa Mtirara, challenging the legality of the military council was dismissed with costs by the Supreme Court in Umtata yesterday.

The pair had applied for an order nullifying the first decree of the military council which dissolved parliament and established the council.

The application was dismissed without the merits of the case being argued as Mr Justice Beck said no sufficient facts supporting the urgency of the matter had been given in the founding affidavits.

Matanzima in talks ¹⁰³ to discharge claims

Own Correspondent

Cart Times 20/5/88

DURBAN. — Former Transkei Prime Minister Chief George Matanzima is negotiating with Volkskas Bank to provide a guarantee of R1.3 million to discharge claims against his provisionally sequestrated estate, according to his creditors.

A provisional trustee of Chief George's estate, Mr Lieb van Jaarsveld of Ernst and Whinney, Johannesburg, said earlier this week that Volkskas was considering making the money available to Chief George subject to certain conditions.

But this was denied by Volkskas MD Mr J L J van Vuuren, who said as far as he knew there were no negotiations taking place and there would be no guarantee.

He said Chief George had approached Volkskas about a month ago trying to secure a guarantee.

"We refused his request point-blank."

Volkskas is a major shareholder of the Bank of Transkei, which joined the Transkei Development Corporation and other creditors in a petition for the sequestration of Chief George's estate in respect of a claim of more than R1 million.

At the hearing in the Umtata Supreme Court this week for the final order of sequestration, Mr David Gordon, SC, opened proceedings with an application that the final order be confirmed on the grounds that Chief George was a fugitive from justice and, therefore, could not be granted an audience in court.

Star 20/7/58
103
103

Gambling rights in Transkei duplicated

UMTATA — The former managing director of Holiday Inns, Mr Nigel Matthews, told the commission of inquiry into the Transkei Department of Works and Energy yesterday about a tripartite agreement meant to cure an "administrative hiccup" which granted similar gambling rights to rival companies.

Mr Matthews told the inquiry, which is investigating the granting of gambling rights, that the problem was between Holiday Inns and a firm of attorneys, Bloomberg and Company, acting for Mr Walter Reif, who had both been granted licences for slot machines with exclusive rights.

He said a meeting to resolve the matter was held in the office of the former Prime Minister, Chief George Matanzima, and was attended by the chairman of Holiday Inns, Mr Charles Fiddian-Green, Mr Abe Bloomberg, Mr David Bloomberg and himself.

Chief George, the only one who spoke at the meeting, broke the news of the overlapping licences, saying this was very embarrassing to the government.

Mr Matthews said he felt shocked and terrified at the news as he regarded this as something that would threaten the development of the Mzamba complex at a delicate stage of its development.

As managing director he regarded himself responsible for the success of the Mzamba development and he felt the overlapping of licences could threaten his job.

He said he had become aggressive at another meeting called by Chief George shortly afterwards and he had expressed his shock and horror.

He said he was later told by his chairman that they had to accept what had happened and that they had decided that a joint company be formed by the two parties.

UMTATA — A call to al-

low the jailed ANC leader, Nelson Mandela, to resolve the Tembu paramounctey dispute has been made by a Tembu chief from Baziya near here. Chief Anderson Joyi

said that in the absence of senior people in the Tembu tribe to solve such problems, Mr. Mandela, who was a descendant in the birth chain of the tribe and an elder in the Ngunbengcuka house, was the most rel-

D 103 2115/88 Mandela to resolve Tembu issue?

evant person to solve the matter. The dispute, for the paramounctey is between the former commander of the Transkei Defence

Force, Major-General Zondwa Mitrara, and Mr Buyelekaya Dalindyebo. Gen Mitrara's father was the late Paramount Chief Bambilanga Mitrara who took over the paramounctey in 1980 following a Transkei Government decision to depose Mr Dalindyebo's father, Paramount Chief

Sabata Dalindyebo, who later died in exile in Lusaka in 1986. Mr Dalindyebo is still in Lusaka. Chief Joyi said tribal elders had failed to ease the tension. "What is happening

among the Tembus today has never happened before. Our forefathers, although not educated, had the ability and skill to rule our people and never boasted of living according to Western customs," he said. — DDR

Chief George's staff give evidence before inquiry

515 24/5785

chiefs sons (103)

UMTATA — The private secretary and the official driver of the former Transkei prime minister, Chief George Matanzima, both testified before the commission of inquiry into the Department of Works and Energy here yesterday.

The secretary, Mr Sabelo Tiyo, said Chief George had never told him where he had obtained the money to buy a farm at Ugie, and he had not been curious as Chief George already owned a number of farms.

Mr Tiyo said he had visited the farm once in the company of the

Asked who handled the prime minister's mail, he said it was monitored by the police who put it through a screening device.

He said he would handle the chief's salary and cash cheques for him or carry his briefcase during trips, as part of his duties as private secretary.

He told the commis-

sion that Mr V. Mbotoli was a close associate of Chief George and did not need to make an appointment to see the prime minister but popped in and out of the office as he wished.

Since Mr Mbotoli never made appointments to see the prime minister, Mr Tiyo said he did not have any record of his visits.

Among other visitors was Mr Sol Kerzner of

Sun International, who often came to the office.

Chief George's driver, Mr Palmer Jayiya, said he was associated with the Matanzimas through his sister's marriage to the former state president, Paramount Chief K. D. Matanzima.

He said he had often gone to the Ugie farm — about twice a week — with Chief George, and said he remembered an occasion when there

were also people who wanted gambling rights. Chief George did not mention where he had got the money from as he never discussed things with him on their trips, he said.

Mr Jayiya said Chief George would often fall asleep as soon as he got into the car and he would wake him up when they reached their destination.

He said he had never wondered how the prime minister had been able to buy a farm in white South Africa as he had never been told anything. — DDR

SA will not hand over Chief George

CP Correspondent

TRANSKEI police are trying to have former Prime Minister Chief George Matanzima extradited from Port Elizabeth, where he is believed to be lying low since he fled his home early this month.

Meanwhile, South African police have said no extradition agreement exists between the two countries and that Transkei would have to make representations for Matanzima's arrest.

Transkei's Col S Mokoale said the police were working on Matanzima's extradition through "diplomatic channels".

Matanzima fled Transkei following the issue of a warrant for his arrest - in connection with corruption allegations - on May 4.

This week Matanzima was reported to have been seen at Port Elizabeth's HF Verwoerd Airport accompanied by local businessman, Leon du Pisanie.

Attempts to take Matanzima's picture failed when he blocked photographers, shouting, "I will hit you. You need permission to do this."

The incident allegedly reached such proportions that Du Pisanie called a senior police officer, Col Eric Strydom, to intervene.

22/5/88
CIP/MS
Gen Bantu Holomisa, head of the ruling Military Council of Transkei, said if South Africa did not agree to the extradition, it would affect the relationship between the two countries, and would interfere with the process of law.

A senior SAP officer this week said no extradition agreement existed between the two countries and that Transkei would have to make representations.

Rhombus to mine heavy minerals on Wild Coast

By Teigue Payne

Rhombus Mining is to develop a R60 million heavy minerals deposit in Transkei, and expects to be in production by next year.

Chairman Mr Les Holmes says Rhombus, the unlisted parent of Sub Nigel and Rhoex, has been investigating this type of deposit for two years.

The development will be on three contiguous deposits which are separated by rivers, at Wavecrest on the southern Wild Coast. They stretch 10 kilometres down coast, and to a maximum of two kilometres inland.

Together, the deposits are highly viable, says Mr Holmes. They contain over 200 million tons of material grading 6 percent economic heavy minerals.

The R60 million capex required in the next 18 months, and a further R10 million for working capital, will be financed by Rhombus. Gearing finance has been arranged, some of it from overseas, and a partner is possible. Capex will largely be for a dredger, concentrator and mineral separator plant.

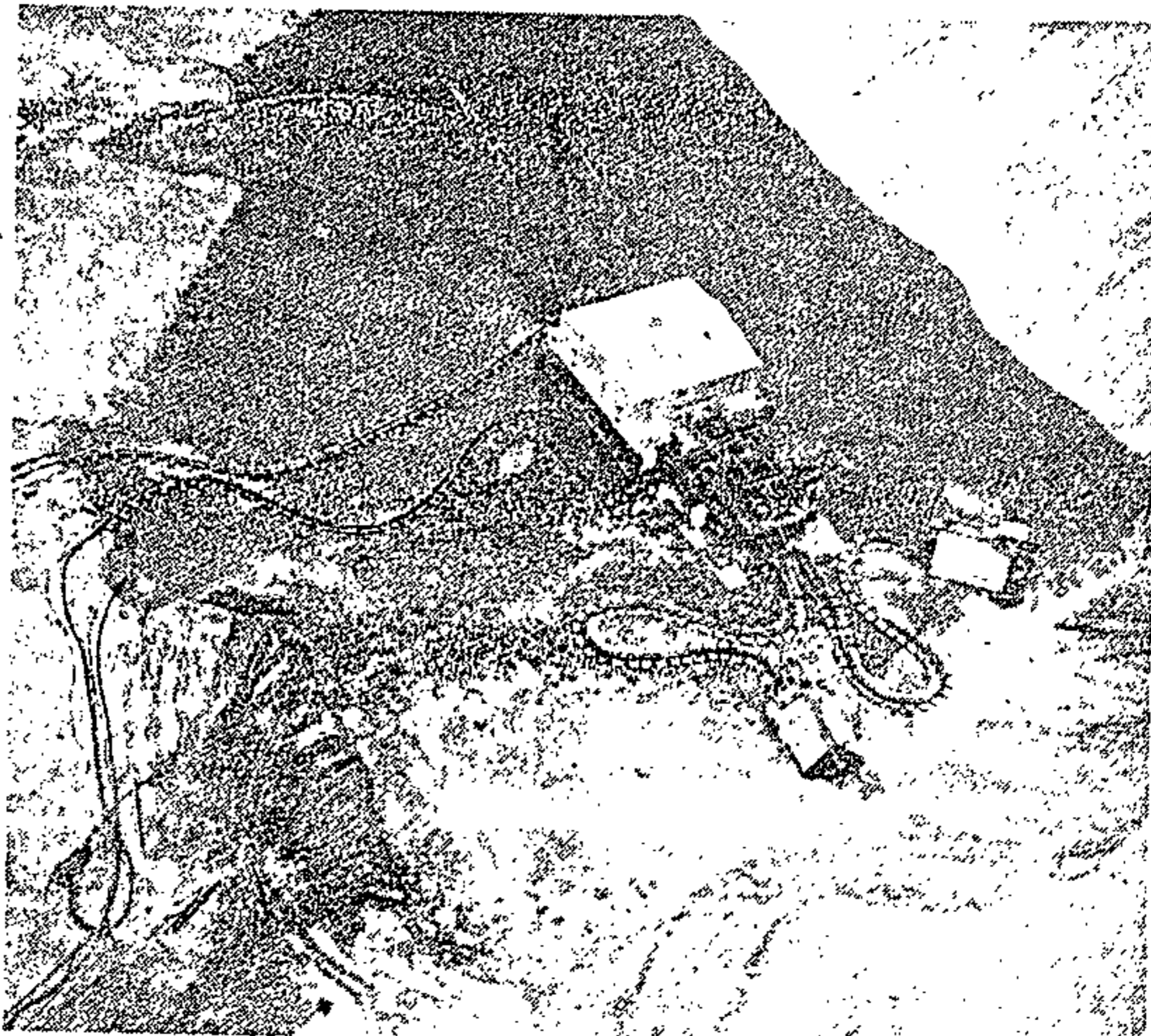
The capital will be virtually required up front, but profits will also begin almost immediately. Sale of first product should take place less than 12 months after turning the first sod, expected late this year.

Mr Holmes reckons on a payback period for capital and interest costs of three years or less. At current prices, revenue per ton of sand mined would conservatively be R9 and total working costs R5.

His plan is for sand throughput at a rate of 1 000 tons an hour, or seven million tons a year, making the project about a quarter of the size of the Richards Bay minerals project.

On this, annual production would be 360 000 tons of ilmenite, 25 000 tons of rutile and 30 000 tons of zircon. He says the demand for the three products is increasing steadily with industrialisation. Prices are rising, particularly for zircon.

Ilmenite and rutile are used primarily in the manufacture of titanium dioxide for the paint, plastics and paper industries. A small quan-



A beach sands mining project on Australia's east coast. The same method - floating dredgers followed by a gravity concentrator - will be used on the RhoSands project in Transkei.

ntity of titanium sponge is also produced for use in the aerospace, chemical, power generation and military industries.

Rutile is used in producing titanium metal. Zircon is used to produce zirconium and in the abrasives industry.

Mine life

He says indicated reserves of the RhoSand deposits are 250 million tons, which would give the mine a life of 28 years.

Once the project is running smoothly, Mr Holmes hopes to double production. When stock market conditions improve, a listing for the company, and for Rhombus Mining, is likely.

The mining method will be to establish on a pond a floating dredge with a suction head, followed by a gravity concentrator. The suction head will extract sand from the dunes, which will collapse.

The gravity concentrator will extract the 6 percent heavy minerals

fraction and the 94 percent tails will be used to rebuild the dunes.

Of the 6 percent fraction, ilmenite comprises 5,2 percent, zircon 0,5 percent and rutile 0,3 percent.

A mineral separator plant will separate out the minerals. Mr Holmes said he has not decided whether the plant should be located at the mine or in East London.

In any case, bulk material will have to be transported out to East London. Lack of infrastructure is the project's main problem, and the reason why the deposits have not been mined in the past.

Mr Holmes does not, for the present, plan to set up a smelter, but would export concentrate.

On restoration of the environment after mining, Mr Holmes says his preference is "to protect as much of the environment as possible and to rehabilitate the redeposited dunes to their previous state".

Mr Holmes says the Transkei government's attitude to the development has been "very positive".

D10 23157.58

Police question former ministers

(103)

UMTATA — A number of former Transkei cabinet ministers were briefly detained and questioned about a trip they undertook to Cape Town last week.

This was confirmed at the weekend by the chairman of the military council, Major-General Bantu Holomisa.

Some of the former ministers found police waiting for them at the K. D. Matanzima airport

when they landed on Friday, a Sapa correspondent reports.

The ministers were said to include the former prime minister, Miss Stella Sigcau, Chief Sandy Majeke, Chief Dumisani Gwadiso, Chief D. D. P. Ndamase and Mr Simon Burhali.

Gen Holomisa said statements were taken by police from the former ministers, except from Miss Sigcau. — Sapa.

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Star 23/5/88

Ex-Ministers questioned 103

UMTATA — The chairman of Transkei's Military Council, General Bantu Holomisa, confirmed at the weekend that an undisclosed number of former Transkei Cabinet Ministers, some of whom were forced to resign by the army, were detained briefly and questioned about a trip they undertook to Cape Town last week. — Sapa.

Bus disaster toll rises to 35

EAST LONDON — The Cathcart bus disaster toll has risen to 35 with the death of an unidentified woman in Frere hospital yesterday.

The medical superintendent of the hospital, Dr Peter Mitchell, said the woman, who had suffered head injuries, died in the intensive care unit. — Sapa,

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Police

chief

rejects

reports

UMTATA — The Commissioner of the Transkei Police, Major-General Leonard Kawe, yesterday dismissed reports that his men confronted cabinet ministers of the former Stella Sigcau government at K.D. Matanzima Airport.

Gen Kawe said the former ministers had merely been "interviewed".

He said those who were interviewed in Umtata were Chief Dumisani Gwadiso, Chief Sandi Majeke, Mr Simon Burhali, of Sterkspruit, and Chief Dywabasile Ndamase.

He said Miss Sigcau had not been interviewed because she was not available.

Gen Kawe said the ministers were asked about their recent visit to Cape Town.

Asked if their statements satisfied the police, he said: "I cannot say at this stage."

The statements were now with the Transkei authorities — DDR

- (b) Yes. It is estimated that in addition to the amount mentioned in paragraph (3) (a) a total amount of R447 352 000 (excluding Share in Customs Union Revenue Pool) will be paid over to Ciskei during the 1988/89 financial year. This amount consists of the following:

Budgetary assistance:	R360 702 000
Incentive scheme for Industries:	R 36 000 000
Income tax:	R 34 400 000
Share in Customs Union Revenue Pool:	Not available
Common Monetary Area:	R 4 200 000
Programme for creation of job opportunities:	R 10 800 000
Technical Aid:	R 1 250 000
TOTAL	R447 352 000

Transkei: amounts paid

427. Mr R A F SWART asked the Minister of Foreign Affairs:

- (1) (a) What total amount was paid by South Africa to Transkei in the 1987-88 financial year in terms of agreements between the two countries and (b) how was this amount made up;
- (2) whether any additional amounts have been paid to Transkei in the form of (a) loans or (b) grants; if so, (i) how many, and (ii) what was the amount of the loan or grant, in each case;
- (3) whether any further (a) loans or (b) grants are envisaged in the 1988-89 financial year; if so, what loans or grants?

The MINISTER OF FOREIGN AFFAIRS:

- (1) (a) An estimated amount of R1 063 402 000.
- (b) The estimated amounts fall into two main categories, namely:

A. DIRECT ASSISTANCE

- (i) An estimated amount for budgetary assistance under Programme 3: Foreign Aid and Development Co-operation of Vote 7: Foreign Affairs R517 722 000.

(ii) Technical assistance

South Africa is from time to time approached by other governments with requests for assistance in one way or another. Assistance may take the form of expert advice, visits, evaluation of projects, bursaries, etc. Each such application is considered on its merits. The estimated amount for 1987/88 is R700 000.

(iii) Loan Fund

Like other countries Transkei may apply for the financing of certain projects within the framework of the Economic Co-operation Promotion Loan Fund. Such applications are considered on merit according to fixed criteria and within the limits of available funds. This type of financing consists mainly of loans which are, naturally, repayable. The estimated amount for 1987/88 is R30 057 000.

(iv) Incentives for Industries

In accordance with jointly agreed arrangements between the SATBVC States, the RSA is obliged to refund the TBVC States on a rand-for-rand basis for actual expenditure incurred in these states in terms of the industrial incentive scheme, which took effect on 1 April 1982. The estimated amount for 1987/88 in respect of Transkei is R15 000 000.

B. TRANSFERS IN TERMS OF BILATERAL AGREEMENTS

Transfer payments which are regarded as own sources of income of the Transkei Government:

- (i) **Income tax:** The estimated amount for 1987/88 is R134 837 000.
- (ii) **Customs Union Revenue Pool:** The estimated amount is R350 516 000.
- (iii) **Common Monetary Area:** The

been paid to Bophuthatswana in the form of (a) loans or (b) grants; if so, (i) how many, and (ii) what was the amount of the loan or grant, in each case;

- (3) whether any further (a) loans or (b) grants are envisaged in the 1988-89 financial year; if so, what loans or grants?

The MINISTER OF FOREIGN AFFAIRS:

- (1) (a) An estimated amount of R854 097 000.
- (b) The estimated amounts year fall into two main categories, namely:

A. DIRECT ASSISTANCE

- (i) An amount for budgetary assistance under Programme 3: Foreign Aid and Development Co-operation of Vote 7: Foreign Affairs R336 000 000.
- (ii) Technical assistance
- South Africa is from time to time approached by other governments with requests for assistance in one way or another. Assistance may take the form of expert advice, visits, evaluation of projects, bursaries etc. Each such application is considered on its merits. The estimated amount for 1987/88 is R1 290 000.

(iii) Loan Fund

Like other countries Bophuthatswana may apply for the financing of certain projects within the framework of the Economic Co-operation Promotion Loan Fund. Such applications are considered on merit according to fixed criteria and within the limits of available funds. This type of financing consists mainly of loans which are, naturally, repayable. The estimated amount for 1987/88 is R33 730 000.

(iv) Incentives for Industries

In accordance with jointly agreed arrangements between the SATBVC States, the RSA is obliged to refund the TBVC States on a rand-for-rand basis for actual expenditure incurred in these states in terms of the industrial incentive scheme, which took effect on 1 April 1982. The estimated amount for

estimated amount is R14 570 000.

- (2) (a) No. Loans in terms of project aid agreements are included in the amount mentioned under (1) (a).

(i) and (ii) fall away.

(b) Yes.

- (i) One.
- (ii) Transfers in respect of the action programme for creation of job opportunities: estimated amount is R7 200 000.

- (3) (a) Yes. According to estimates an amount of R29 000 000 will be paid to Transkei during the 1988/89 financial year from the Economic Co-operation Loan Fund.

- (b) Yes. It is estimated that in addition to the amount mentioned in paragraph (3) (a) a total amount of R843 866 000 (excluding Share in Customs Union Revenue Pool) will be paid over to Transkei during the 1988/89 financial year. This amount consists of the following:

Budgetary assistance:	R635 746 000
Incentive scheme for Industries:	R 20 000 000
Income tax:	R163 200 000
Share in Customs Union Revenue Pool:	Not available
Common Monetary Area:	R 16 570 000
Programme for creation of job opportunities:	R 7 200 000
Technical Aid:	R 1 150 000
TOTAL	R843 866 000

Bophuthatswana: amounts paid

428. Mr R A F SWART asked the Minister of Foreign Affairs:

- (1) (a) What total amount was paid by South Africa to Bophuthatswana in the 1987-88 financial year in terms of agreements between the two countries and (b) how was this amount made up;

- (2) whether any additional amounts have

17645 24/5/88 (103)

Disgusted by Chief George, says adviser

UMTATA. — The former Transkeian Prime Minister's adviser, Mr Liston Ntshongwana, has told the commission of inquiry into the Transkeian Department of Works and Energy that he was disgusted by Chief George Matanzima's efforts to get money in exchange for gambling rights.

Mr Ntshongwana was questioned by the commissioner, Mr Gerald Alexander, SC, about his conviction in the Supreme Court on a charge of having approached an Umtata lawyer, Mr Arnold Immerman, with a proposition that Chief George could call off the deportation orders on the lawyer and two others in exchange for money.

Mr Immerman, Mr David Shaw and Mr Alastair Buchan, all members of the same firm of attorneys, were deported from the country in 1986 and were allowed to return pending the outcome of their appeals against the deportations.

Mr Ntshongwana explained that he merely told Mr Immerman, in disgust, that he knew the Prime Minister could be bribed. Mr Alexander asked him what made it distasteful to him that Chief George wanted money for a farm in exchange for gambling rights, as he himself had been convicted of corruption.

MORALITY "A WAY OF LIFE"

He said it was a show of morality and that this kind of morality had always been his way of life.

Asked if he had ever thought of telling the Prime Minister he was disgusted by the way Chief George was handling the matter, he said he could never say that to the chief. Asked by Mr Alexander how Mr Abe Bloomberg of Cape Town had come to know on November 10 that Mr Ntshongwana would be going there at the end of that month, he said he found it odd.

The inquiry continues. — Sapa.

Technical emphasis proposed

1/10
24/5/88
103

Daily Dispatch Reporter

UMTATA — The fact that 73 per cent of all students in Southern Africa involved in formal tertiary education were university students was "disturbing", the special assistant to the principal of the University of Transkei, Professor S. M. Miller, said here.

He told a meeting of the Transkei/Ciskei Research Society at the weekend, that each year applications for admission to Unitra exceeded the numbers of students that could be registered.

"This unfortunate situation is certainly not unique to the University of Transkei, but exists at each and every of the 20 universities which are members of the Committee of University Principals (CUP).

"The situation will definitely not improve and, in my view, is a reflection of the inappropriateness of our education system," he said.

He produced figures in support of his argument that the system was inappropriate, and referred to the report of the main committee of CUP in macro-aspects of the university within the context of tertiary education in South Africa.

"In Southern Africa 73 per cent of all students involved in formal tertiary education are university students," he said.

Fourteen per cent of such students were being technically educated while 12 per cent were in teacher training colleges.

In Australia the situation was almost exactly the opposite with 20 per cent of tertiary students at universities.

"This is extremely disturbing bearing in mind that Southern Africa is a developing region where the emphasis should be on technical training," he said.

Prof Miller said that from 1965 to 1985 the annual growth rate in student numbers was 6,7 per cent a year as opposed to an annual economic growth rate of 3,4 per cent and an annual population growth rate of 1,8 per cent.

Prof Miller said in addition to the disparity between university and technical education, there had been an ongoing decline within universities of students studying scientifically oriented courses.

He said students looked no further than university admission on obtaining matriculation exemption.

"Our primary and secondary school curricula are not sufficiently technical training-oriented.

"It is essential that urgent attention be paid to these problems," he said, adding that the imbalance between academic and theoretical tertiary training must be reversed and facilities must be created to accommodate the huge increase of school leavers.

Unitra, recognising the role that it had to play in a developing society, had taken positive steps in this regard.

"It has started a Technikon in Butterworth and has commissioned a feasibility study in distance education.

"It also recognises the extreme importance of research in this regard and does everything within its financial constraints to promote high quality research," he said.

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Alan Whitfield dies at 84

Daily Dispatch Reporter

EAST LONDON — An East London farmer, businessman and former chairman of the Divisional Council of Kaffraria, Mr Alan Whitfield, has



10-25/88

Inquiry told of rumours concerning gift to Ntloko

UMTATA — The former head of the development secretariat in the Transkei prime minister's department, Liston Ntshongwana, said yesterday he could not understand why the former managing director of the Transkei Development Corporation, Mr Monty Mbulelo Ntloko, received so many "sweets".

Ntshongwana, who was also the adviser to the former prime minister, Chief George Matanzima, was testifying before the commission of inquiry into the Department of Works and Energy.

He was asked by a member of the legal team for Bloomberg and Co., Mr J. J. Gauntlet, if he knew any reason for Chief George to be grateful to Mr Ntloko.

Mr Ntloko is one of a number of people who received amounts of R50 000 each from Chief George in De-

cember 1986.

(103)

Ntshongwana said he did not think it was proper for Mr Ntloko, as an officer of a parastatal body, just as in the case of civil servants, to have accepted the gift.

He said he had heard rumours on the local grapevine, "York Road Times", about the gifts of R50 000 each to Mr Ntloko, and three cabinet ministers, Mr T. T. Letlaka, Mr M. Lujabe and Miss Stella Sigcau.

● An appeal has been made to Chief Kaiser Matanzima, to make himself available to the commission of inquiry.

The chairman of the commission, Mr Gerald Alexander, appealed to Chief Matanzima to testify on matters arising from evidence heard.

The inquiry is expected to end next Tuesday. — Sapa-DDR

Cape Times

Monday, May 26, 1988

103

Matanzima appears at gambling inquiry

UMTATA. — The former Transkei state president, Chief Kaizer Matanzima, whose whereabouts were unknown, showed up at the commission of inquiry into gambling rights here yesterday.

He arrived during a short adjournment.

Chief Matanzima is expected to give evidence to the commission tomorrow.

The chairman of the commission, Mr Gerald Alexander, SC, said on Tuesday he had been visited by the chief, who had been annoyed by the fact that his name had been mentioned in the press and the radio in an appeal for him to come and testify.

On Monday, Mr Alexander had asked for the assistance of the media to announce that endeavours to serve a subpoena on Chief Matanzima had not been successful.

The chairman told the commission he had explained to the former president that his plea had been occasioned by information that his whereabouts were unknown. — Sapa

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Chief Kaizer Matanzima
at inquiry.

Star 26.5.188 (103)
**Matanzima at
Umtata probe
into gambling**

UMTATA — The former Transkei State President, Chief K D Matanzima, whose whereabouts were unknown, appeared at the commission of inquiry into gambling rights in Umtata yesterday.

When he arrived he walked up to his former police commissioner, Major-General Ngceba, and exchanged greetings.

Chief Matanzima is expected to give evidence to the commission tomorrow. — Sapa.

Deaths

Care Times
Police chief in court 26/5/88 (183)

UMTATA. — The former Transkei Commissioner of Police, Major General Martin Zwelebhunga Ngceba, 52, pleaded not guilty to two counts of theft when he appeared in the Umtata Supreme Court yesterday.

No ruling yet on Transkei inquiry

(103) Bidon

ROGER SMITH

26/5/88

THERE has not yet been a ruling on the question of extending the May 31 deadline for the Alexander inquiry into Transkei government corruption, and it appears likely the inquiry will terminate then.

If so, a number of questions raised by the evidence may be left unanswered, unless addressed in subsequent criminal proceedings.

Further prosecutions could follow, in addition to that against former Transkei Prime Minister Chief George Matanzima, believed to be overseas.

A warrant for his arrest has been issued in connection with alleged corruption in the Mbuque Park housing development project scandal.

Representations were made to the inquiry earlier this month on the issue of extending the deadline.

In the meantime, the inquiry is proceeding as usual. Former Transkei President Chief K D Matanzima was expected return to the inquiry to testify today.

27/5/88

2 Cape Times, Friday

103

Kaizer: Insult to my integrity

UMTATA. — Former Transkei State President, Chief Kaizer Matanzima, yesterday described allegations that he had accepted R50 000 from his brother to approve gambling rights in the country as an insult to his integrity.

Earlier, the commission of inquiry into gambling rights heard Chief George Matanzima say he gave his brother, Chief Kaizer, the money.

Chief Kaizer yesterday admitted receiving the R50 000, but said he had never asked where it came from or what it was for.

"We often give, not lend, each other money, so there was no need to ask him where he got the money from.

"Days after I received the money I met him and simply thanked him for it," he said.

When it was put to him that Chief George had given him the money so that he (Chief Kaizer) should agree to granting Sun International gambling rights, the former state president replied:

"That is an insult to my integrity."

Chief Kaizer stood by earlier evidence that Chief George had not told him where he got the R2 million with which he bought himself a farm near Ugie.

Allegations were previously made that Chief George had accepted R2,5 million from a Cape Town lawyer, allegedly acting on behalf of Sun International. — Sapa

Kaiser vs Holomisa. Round 1 to the general

TRANSKEI'S Supreme Court witnessed a strange sight last week when the former state president, Paramount Chief Kaiser Matanzima, challenged the legality of the coup earlier this year.

The urgent interdict is the latest in a series of confrontations between the once-powerful Matanzima brothers and the ruling military council.

The action was postponed in what is seen as a first-round victory for the military rulers.

The application was brought by Chief Kaiser and former head of the Transkei Defence Force, Major-General Zondwa Mtirara. Mtirara was deposed as defence chief early last year by the current chairman of the military council, Major-General Bantu Holomisa.

The applicants argued that the decree had no legal standing and that Holomisa, supported by the state president, unlawfully took over the government.

In response, David Gordon, SC, for the respondents argued that the decree specifically excluded the courts from overturning the decree. He also argued that the supreme court had already recognised the military rulers as the *de facto* government in a ruling in an earlier case — coincidentally a successful application brought by Chief Kaiser to have a banishment order set aside.

The respondents produced a letter allegedly written by Chief Kaiser to the military government. Chief Kaiser is believed to have written a letter of congratulations to the military council shortly after the takeover, at the same time asking for pardon for his own and his brother's involvement in corruption.

Watched by a smiling Holomisa, Mr Justice C Beck ruled that the application was not urgent, referred it to a full bench of the supreme court and granted the respondents costs.

The two parties are currently involved in another wrangle which jailed African National Congress

By LOUISE FLANAGAN,
East London

leader Nelson Mandela has been called on to intervene in.

At stake is the powerful position of paramount chief of Tembuland. The position is currently claimed by Mtirara, son of the late Paramount Chief Bambilanga Mtirara.

Chief Bambilanga succeeded to the position after his senior brother, opposition leader Paramount Chief Sabata Dalindyebo, was deposed by the Matanzimas. Chief Sabata died in exile in Lusaka two years ago.

Several chiefs in the area who supported Chief Sabata were banished for up to eight years by the Matanzimas, returning home last year when the prime minister at the time, Stella Sigcau, lifted the banishment orders.

Now supporters of Chief Sabata are demanding that his son, the youthful Buyelkhaya also in exile, be installed as paramount.

In an unusual twist to the dispute, Holomisa supported the dissidents in their attempts to have the regional authority — responsible for appointing the paramount — call a meeting to discuss the succession. A subsequent court action by Mtirara, supported by Chief Kaiser, temporarily prevented the regional authority from appointing another paramount.

A letter from Holomisa to Chief Kaiser, annexed to the court papers, stated that the military council "has the full background" around the deposition of Chief Sabata. When the application was first brought, Holomisa said he believed Chief Sabata was wrongly deposed.

In the latest attempt to resolve the dispute, recently unbanished Chief Anderson Joyi has called on Mandela, a relative of Chief Sabata, to intervene. Chief Joyi said that as tribal elders had failed to resolve the dispute, Mandela was the most appropriate person to do this. — Elnews

Star 2/15/78

Transkei corruption: all to be ¹⁰³ prosecuted

UMTATA — The State President of Transkei, Chief Tutor Ndamase, said yesterday that no one implicated by the report of the Commission of Inquiry into the Department of Works and Energy would escape prosecution.

Chief Ndamase was speaking at the official receipt of the commission's report in Umtata.

"The law is no respecter of persons, no matter how exalted the position they hold or held prior to the institution of these commissions of inquiry."

Previous reports are already in the hands of the Attorney-General.

Chief Ndamase said the commissions had exposed serious shortcomings, including the loss of many skilled artisans. Plant and equipment had also deteriorated alarmingly.

Also uncovered were massive swindles organised on a large scale by a management clique made possible by poor internal checks.

"What I cannot fathom is that this corruption was started by people occupying positions of trust such as the executive government," Chief Ndamase said. — Sapa

27/5/88

2 Cape Times, Friday

Kaizer: Insult to my integrity

103

UMTATA. — Former Transkei State President, Chief Kaizer Matanzima, yesterday described allegations that he had accepted R50 000 from his brother to approve gambling rights in the country as an insult to his integrity.

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"That is an insult to my integrity."

Chief Kaizer stood by earlier evidence that Chief George had not told him where he got the R2 million with which he bought himself a farm near Ugie.

Allegations were previously made that Chief George had accepted R2,5 million from a Cape Town lawyer, allegedly acting on behalf of Sun International. — Sapa

Matanzima said to have fled to Austria

UMTATA — Former Transkei Prime Minister George Matanzima, who faces corruption charges concerning more than R1m, is believed to have taken refuge in Austria.

Transkeian Attorney General Christo Nel said yesterday his office had received information that Matanzima left for Austria via London on a British Airways flight on Sunday.

In the light of this information Transkei was reviewing its pursuit of Matanzima.

Own Correspondent 27/5/88

zima. No extradition agreement existed between Austria and the Transkei.

Among other things, Matanzima is wanted for misappropriation of funds allocated to a housing project and for loans never repaid to government. He also faces claims against his provisionally sequestrated estate amounting to between R3,5m and R4m.

A warrant for his arrest was issued on May 3 this year. He fled to SA before allegedly departing on Sunday.

The Austrian Ambassador to SA, Alexander Christiani, expressed surprise that Matanzima had allegedly been admitted to Austria, as he was a fugitive from justice. He said no Austrian authorities in SA had issued him a visa, but said it was possible that one was granted at the Austrian border.

KEY MARKET

MAY 26

FUGITIVE CHIEF IS IN AUSTRIA

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30/5/88
103*



CHIEF George Matanzima . . . warrant issued.

FORMER Transkei Prime Minister Chief George Matanzima arrived in Vienna last week, sparking speculation that he had fled to Austria to escape prosecution for corruption in Umtata.

Austria's Ambassador to South Africa Dr Alexander Christiani, said in Cape Town that Chief George arrived in Austria on Monday, May 23, flying in on a British Airways flight.

He was travelling on a Transkei diplomatic passport and received an entry visa at the Vienna airport.

Dr Christiani said he did not know the reason for Chief George's journey to Austria. He did not know if he was still there, and had asked Vienna for information.

While Austria did not recognise the homelands, it had since 1979 issued entry visas to people holding homeland passports, the ambassador said.

Many people in Transkei believe

Chief George has gone to Austria to escape from his problems in Transkei.

He is wanted for misappropriation of state funds allocated to a housing project and for loans he never repaid to the government.

A supreme court hearing on the sequestration of his estate is due to be heard in Umtata tomorrow.

Also tomorrow, the commission of inquiry looking into the allocation of gambling rights in Transkei sits for the last time.

Evidence has been that Chief George instructed Ugie farmer Mr G J Gouws to divide R2 million — part of the selling price of a gambling company — to several of his cabinet ministers and top officials.

The commissioner, Mr Gerald Alexander, SC, has a month to prepare his report to be handed to the military ruler of Transkei, Major General Bantu Holomisa.

A warrant for Chief George's arrests was issued on May 3 in Umtata. He fled to South Africa before it could be served on him.

A small team of Transkei officials helped by two top investigators from the South African Government was given the go-ahead by the new military regime earlier this year to expose corruption in the two Matanzima governments. They are now quietly investigating if Chief George transferred money to Austria.

Dr Christiani said he could not say if Chief Matanzima had fled Transkei. "I do not know what his movements were. I was surprised to learn he went to Austria."

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B/day 31/5/88.
103

Transkei plan of shares for workers

MICK COLLINS

A PROMINENT Transkei Development Corporation (TDC) consultant is attempting to put forward the concept of employee share ownership schemes (Esops) as an antidote to trade unionism in the region.

The move is seen in industrial circles as a bid to lure wage-hampered Far East entrepreneurs to a depoliticised, trouble-free Transkei where trade unionism is outlawed.

Consultant Arthur O'Connor says trade unionism prompts an emotional reaction in Africa — even in Transkei — as unions are regarded as protection against exploitation.

"This emotion is understandable in SA where, denied other avenues of political expression, politicised black South Africans look to trade unions to articulate their political aims.

"But here we are in Transkei and our independence, while it may have been conceived for other reasons, is real: apartheid does not exist within our borders; we govern ourselves; our economic future is in our own hands; we are totally enfranchised."

There are increasing indications, O'Connor says, that trade unions — now illegal — may become a fact of the Transkei industrial scene.

O'Connor says alternatives to trade

unions — such as Esops — should be considered as they are having a dramatic effect on wealth redistribution.

"Esops has a simple and invincible logic: the worker is allocated bonus shares in his company on an individual assessment of his contribution towards annual profits and thus becomes an owner of the enterprise with a vested interest in the success of the company's corporate objectives."

Labour costs

O'Connor, who says an essential principle of Esops is that staff costs should be fixed to allow a company to be competitive, points to Taiwan's wealth, which he says is due to low labour costs.

Opponents of Esops should reflect on labour costs of \$2,37 an hour in a country such as Taiwan, which now has a \$75bn surplus, he says.

"Inordinately low by rich country standards, it is nevertheless too high for Taiwan to maintain its competitive edge and that is why they are now forced to farm out the labour intensive components of their industry to lower cost areas."

Sigcau speaks on gift

102
Star
1/6/88

UMTATA — The chairman of the commission of inquiry into the Department of Works and Energy, Mr Gerald Alexander, SC, assured the former prime minister, Miss Stella Sigcau, that a gift of R50 000 she had received was the only issue relating to her that the inquiry wished to investigate.

Miss Sigcau, who was recalled before the commission this week, told the commission about an invitation extended to Members of Parliament by her predecessor as prime minister, Chief George Matanzima.

She said the invitation had been part of Chief George's campaign "Operation Feed My People" and they had visited a number of farms in the Ugie-Elliot area viewing maize farming and cattle ranching.

She said she was not sure how Chief George had paid for the Ugie farm as she knew he already had a few other farms. She had believed he could afford a gift of R50 000. — Sapa.

Gambling probe in Transkei ends

Star 1/6/88
(103)
UMTATA — The commission of inquiry into the Department of Works and Energy, which was extended to investigate the granting of gambling rights in Transkei, ended yesterday with the tabling of submissions by legal representatives of the two major "protagonists", Bloomberg and Co and Sun International.

The chairman of the commission, Mr Gerald Alexander, SC, said that he and counsel presenting evidence had been given, through a special Government Gazette, up to the end of June to compile a report and recommendations.

The last day of the probe into areas affected by alleged widespread corruption maintained the energetic legal argument which was the general tenor of more than 100 days of testimony as Mr Fanie Cilliers, SC, for Sun International, and Mr Alexander engaged in the final exchanges.

Missing were other figures who had become household names in Transkei.

Most prominent were the leader of the Bloomberg team, Mr Harry Snitcher, QC, and the leader of the team representing Jalc Holdings, Dr Wilfred Cooper, SC.

Mr D van Zyl, representing the Bloomborgs, submitted a statement sent by a facsimile machine from Cape Town on behalf of Mr Abe Bloomborg, Mr David Bloomborg, and the company Etablissement Sports et Loisirs.

The statement said that, because of the limited time available, no final finding could be competent into delving into the precise circumstances surrounding the origin and rationale for the payment of R2 million to Chief George Matanzima.

It said the commission had not had the benefit of the evidence of many witnesses central to its inquiry.

The submission of Mr Cilliers was that it was inappropriate for the commission to enter into the field of economic viability on issues where it had not had the benefit of expert evidence. — Sapa.

2 appear Star 1/6/88 on murder charges 103

UMTATA — Two Transkeians, Mr Ndibulele Ndzamela (24) and Mr Pumzile Mayapi (31), appeared in the Supreme Court in Umtata yesterday on two counts of murder and one of terrorism, alternatively sabotage.

The two, who have been in detention for almost two years, are alleged to have killed Mr Thomas Anthony Hudson and a child, Bhékinkosi Moffat Ntaka, by causing an explosion at the Wild Coast Hotel at Mzamba on April 18 1986.

It is also alleged they underwent terrorist training in Angola, Zambia and East Germany between July 1980 and 1984. They are also alleged to have been found in possession of arms.

The hearing continues.
— Sapa.

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Kei gambling rights: Lawyers sift the evidence

ARGUS 1/6/88
103

UMTATA. — The commission of inquiry into the granting of gambling rights in Transkei has closed with the legal representatives of Bloomberg and Co and Sun International tabling submissions.

The chairman of the commission, Mr Gerald Alexander SC, said he and counsel presenting evidence had been given, through a special Government Gazette, until the end of this month to sift through the evidence and compile a report and recommendations.

Mr D van Zyl, representing the Bloombergs, submitted a statement on behalf of Mr Abe Bloomberg, Mr David Bloomberg and the company Etablissement Sports et Loisirs (ESL).

The statement said because of the limited time available no final finding could "competently delve into the precise circumstances surrounding the origin and rationale for the payment of R2-million to Chief George Matanzima".

HUNDREDS OF DOCUMENTS

It said the commission had not had the benefit of the evidence of many witnesses central to its inquiry.

"But it should be noted that our clients placed hundreds of documents before the commission, including forensic tests and expert evidence obtained at considerable cost, to assist it in its task.

"While interested parties other than our clients were represented before the commission, none could be said to have laid fuller evidence before the commission.

"Extensive oral evidence was given by Mr Bloomberg at an early stage and our clients have at all times co-operated with the commission to the best of their ability.

"Adverse publicity was accorded to earlier allegations against our clients.

SPECULATION, MISUNDERSTANDING

"Many of these allegations have been shown by subsequent evidence to have been derived from uncreditworthy sources.

"Others have been demonstrated by analysis to be based on either unfounded speculation or simple misunderstanding."

Mr Fanie Cilliers SC, for Sun International, said it was inappropriate for the commission to enter into the economic viability and implications on issues where it had not had expert evidence, where it might infringe on the legal rights and obligations of the contracting parties and where the interested parties had not been heard on the aspect at all. — Sapa.

APC-Trans 2/6/88

T'kei gambling inquiry ends 103

UMTATA. — The commission of inquiry into the Department of Works and Energy, which also investigated the granting of gambling rights in Transkei, came to a close yesterday, after the military government turned down requests for an extension.

Submissions made on behalf of the Sun International group by Mr S A Cilliers, SC, pointed out to the commissioner, Mr Gerald Alexander, SC, certain areas of evidence which should be treated with care when it came to making findings.

Mr Cilliers said the commissioner should guard against making any findings or suggesting any possible constructions which may be based on incomplete evidence.

He said the commission of inquiry's findings should not be made public and could be harmful to public companies, shareholders and individuals.

He added that because the sitting of the inquiry had not been extended, the only course open to the commissioner was to report that the commission had been unable to receive and test sufficient evidence to make any factual finding that any of the gaming rights acquired by Holiday Inns before 1981 were tainted by irregular practices. — Sapa

Priest dies in ^{Cpl.} ^{Turks} Transkei cells ^{2/6/88}

103

UMTATA. — Police confirmed yesterday that a 45-year-old priest, the Rev Madubula Mahabane, had died in the Butterworth police cells where he was being held for questioning in connection with a murder investigation.

The public relations officer of the Transkei Police, Lieutenant-Colonel S S Mokoatle, said Mr Mahabane, who is believed to have come from Johannesburg, was arrested on May 24 at the home of a faith-healer near Idutywa by members of the Murder and Robbery Squad.

He was found dead in the cells the next day. His body was examined by a Transkei state pathologist. The results were not made available to police. — Sapa

'Kei calls off commissions

By FRANZ KRÜGER

THE mammoth Transkei inquiry into corruption has been cut short — apparently because it was costing too much.

The inquiry held its last public hearing on Tuesday. An extraordinary Government Gazette published the same day ordered the commission to end at the end of May.

The commission chairperson, Gerald Alexander, SC, said the deadline had been known some time before, ever since his representations early last month for an extension had been turned down by the ruling military council.

No official reasons have been given, but the military ruler, Major General Bantu Holomisa, said in February the commissions would be wound down as they were too costly.

Their work would be taken over by the auditor general, who would be given the task of investigating further allegations of corruption. Although South Africa was sharing costs, the Transkei could not afford its portion.

103

W/raul

3-9/6/88

End Conscriptio

Transkei
Star 3/16/88
posts record
R1,95-bn
budget (103)

UMTATA — The Transkei military government has budgetted for a record R1,95 billion for the 1988/89 financial year, according to estimates of expenditure released by the Department of Finance yesterday.

The budget exceeds by 22 percent that of the R1,6 billion budget of the civilian government of Chief George Matanzima.

The budget was presented to the military council by the Minister of Finance, Mr J Matutu, at a brief joint sitting of the Military Council and the Council of Ministers.

The 30-minute session, chaired by the country's military ruler, Major-General Bantu Holomisa, was declared closed shortly after Mr Matutu presented the budget.

The largest share of the budget goes to the Department of Education, which will get R433 million, followed by the Department of Finance which gets R351 million.

The budget anticipates revenue of R1,6 billion, of which R936 million will come from internal revenue sources while budgetary assistance from South Africa will total R660 million, an increase of R210 million over last year. — Sapa.

Last is catching up with fugitive

Star 4/6/88

103

Despite there being a warrant out for his arrest, ousted Transkei Prime Minister Chief George Matanzima is safe for the immediate future as a fugitive in Austria. But he may have to move on soon.

Visas issued by the Austrian Embassy in South Africa are normally valid for three months, the Austrian Ambassador, Mr Alexander Christiani, said yesterday.

Chief Matanzima got his visa at the border and it was unlikely to have been granted for more than a few days or weeks at the most, Mr Christiani said.

Transkei does not have an extradition agreement with Austria and, short of Transkei asking South Africa to apply for his extradition, there is nothing the Transkei authorities can do to secure Chief Matanzima's return.

Transkei has not applied to South Africa to intercede on its behalf. "I am still reviewing the position," Transkei Attorney General Mr Chris Nel, told The Saturday Star.

South Africa has an extradition treaty with Austria, inherited from colonial times. The original agreement was signed in 1873 by Queen Victoria and Emperor Franz Joseph.

But even if Transkei does ask South Africa to act on its behalf, it does not necessarily follow that South Africa will oblige.

Chief Matanzima was a fugitive in South Africa before his flight to Austria and no attempt was made to deport him to Transkei.

Transkei officials are hoping that Chief Matanzima will be lured back to Transkei by the need to salvage his estate from sequestration.

His estate was due to be sequestered on Tuesday this week — coincidentally the last sitting of the Commission of Inquiry into gambling which helped to expose widespread corruption.

The inquiry was the immediate trigger to the issuing of the warrant for Chief Matanzima's arrest on allegations of corruption.

But following payment to one of the claimants on his estate, the Transkei Development Corporation, a rule nisi was granted until June 9, allowing Chief Ma-

PATRICK LAURENCE

Matanzima until then to either pay his creditors or show cause why his estate should not be sequestered.

According to Mr A J Troske, the lawyer representing the creditors, their claims amount to nearly R3 million. The five creditors are the Transkei Agricultural Corporation, the Bank of Transkei, the Department of Post and Telecommunications, the Receiver of Revenue and the Department of Prisons.

The last meeting of the commission of inquiry under Mr Gerald Alexander, SC, marked the end of a dramatic period for the Transkei.

It started soon after the retirement of Paramount Chief Kaiser Matanzima as Transkei President in February 1986.

In the months that followed, three separate commissions of inquiry — into the Department of Commerce and Industry, the Department of Works and the inquiry into gambling, unearthed evidence that, in the words of President Tutor Ndumase, "bribery and corruption were fast becoming the order of the day".

The Matanzima brothers, Kaiser and George, ruled Transkei as their virtual fiefdom for at least 12 years.

On receipt of the official report of the Inquiry into Works and Energy last week, President Ndumase said: "Nobody will escape prosecution if there is conclusive evidence of their complicity. The law is no respecter of persons no matter how exalted the position they hold."

Perhaps the most sensational allegation heard before Mr Alexander, who presided over the inquiries into works and energy and gambling, was evidence that R2 million was paid indirectly to Chief Matanzima shortly after the Transkei government granted a gambling monopoly to Wild Coast Sun, in which Transun, a subsidiary of Sun Hotels International, is a major shareholder.

The money was paid into the account of Mr G J Gouws, from whom Chief Matanzima bought a farm.

Mr David Blumberg, a Cape Town lawyer and a director of Transgames (which sold its gambling rights to Transun), told the commission that he paid the money into Mr Gouw's account on the instructions of Mr Sol Kerzner, managing director of Sun International.

Mr Kerzner denied ordering Mr Blumberg to do so.

Priest dies in Transkei cells

A 45-year-old priest has died in Transkei police custody.

Rev Madubula Mahabane, believed to be from Johannesburg, died in the Butterworth police cells this week, Umtata police said. Mahabane was being held in connection with a murder investigation, they said.

Transkei police spokesman, Col SS Mokoatle, said Mahabane was arrested on May 24 in the Magalakanqa area, near Idutywa.

He was found dead in the cells the next day.

His body was examined by a Transkei State pathologist, but the results were not yet available. —

Sapa

SP/18X
103
Chero

reached a deadlock when the two drew equal votes from fellow councillors, but Ndlazi eventually

fidence in the management committee. Another committee was elected, this time without Mokone," he

objected to that. Ndlazi told me why I should worry because it wasn't my own money," he said.

newspapers and issue pamphlets calling on the Indian sector to join the protest. Two former member un-

Accused forced to eat live cockroach - claim

CP Correspondent

AN alleged Transkei bomber told the Umtata Supreme Court this week he had been forced by Security Police to eat a live cockroach during an interrogation.

Ndibulele Ndamela, 24, who is charged with Pumile Mayapi, 32, with two counts of murder and one of terrorism, was testifying before Judge Mitchell in a trial-within-a-trial to decide on the admissibility of

a confession he allegedly made to a magistrate.

The two are alleged to have caused the death of Thomas Anthony Hudson and a child, Bhokinkosi Moffat Ntakane, by causing an explosion at the Wild Coast Hotel Sun on April 18, 1986.

Ndamela said he had been kicked by police when he was arrested on December 29, 1986.

His hands and feet were tied and he was slapped in the face. When

they arrived at the Security Police office, a policeman lifted him, using his handcuffs and placed him in an office where they continued assaulting him.

Asked if he could identify the policemen, Ndamela said he could name a few and he could identify others by sight.

He named Security Officers Njikitja and Dandala.

The case is proceeding.

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~~CP~~

CP/MS

5/6/88

Transkei corruption: SA people accused

TRANSKEI'S ruling military leader General Bantu Holomisa has supported comments by Transkei Finance Minister J F M Matutu that "the masterminds of corruption in Transkei are SA-based or are SA citizens".

Holomisa said at the weekend the "chief architects" of Transkei corruption were South Africans.

However, Matutu praised the SA government for being steadfast against "extreme pressure from ultra right-wingers who were canvassing for our strangulation". He said those right-wingers were pressurising for "the total neglect of stark revelations" that those behind the corruption were SA-based

or SA citizens.

He expressed the Transkei government's gratitude for the financing of commissions of inquiry into corruption by SA citizens.

Matutu also attacked SA right-wingers for criticising financial assistance to Transkei on the basis that it was wasting SA taxpayers' money.

"It is necessary to expose the fallacy in such mischievous talk. It must not be overlooked that many thousands of Transkeians in SA are making an enormous contribution to the revenue of that country," he said.

ROGER SMITH

6/6/88

03
day

Transkei ruler's claim

9/14/78
6/6/88

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Corruption masterminds 'are in SA'

Own Correspondent

JOHANNESBURG. — Transkei's ruling military leader General Bantu Holomisa has supported comments by the homeland's Minister of Finance, Mr J F M Matutu, that "the masterminds of corruption in Transkei are South African-based or are South African citizens".

General Holomisa said at the weekend the "chief architects" of Transkei corruption were South Africans. He did not elaborate, but referred to Mr Matutu's budget speech delivered to the ruling military council last week.

In it, Mr Matutu praised the South African government for being steadfast against "extreme pressure from ultra right-wingers who were canvass-

ing for our strangulation". He said these right-wingers were pressurizing for "the total neglect of stark revelations" that those behind the corruption were South Africa-based or South African citizens.

He expressed the Transkei government's gratitude for the financing of commissions of inquiry into corruption by South Africa.

Mr Matutu also attacked South African right-wingers for criticizing financial assistance to Transkei on the basis it was wasting the South African taxpayers' money.

"It is necessary to expose the fallacy in such mischievous talk. It must not be overlooked that many thousands of Transkeians in South Africa are making an enormous contribution to the revenue of that country."

would encourage people to vote. Sapa
Cape Times 9/6/88 (103)

Pik Botha, Holomisa meet in city

Political Correspondent

THE Minister of Foreign Affairs, Mr Pik Botha, and his deputy, Mr Kobus Meiring, had a two-hour meeting in Cape Town yesterday with Transkei's military leader, General Tutor Holomisa, and other members of the military council.

A spokesman for the minister said that financial, economic, security and other matters of common interest were discussed.

Matanzima sequestrated

Star
10/6/88
Own Correspondent

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DURBAN — The estate of Transkei's former Prime Minister, Chief George Matanzima, who has fled to Austria, was finally sequestrated yesterday to settle debts amounting to nearly R4 million.

The final order for sequestration, granted by the Umata Supreme Court, follows the failure of Chief George to pay back loans and settle

sureties he gave government departments and corporations while in office as Transkei's Prime Minister.

Among the creditors are:

- The Bank of Transkei who granted Chief Matanzima overdraft facilities amounting to R1,2 million.
- The Department of Prisons who are owed R32 000 in respect of a contract whereby prisoners were supplied to Mr Matanzima as labour.

10/6/89
Sequestered

Own Correspondent

DURBAN. — The estate of Transkei's former prime minister, Chief George Matanzima, who fled to Austria last month, was finally sequestered yesterday to settle debts amounting to nearly R4 million.

The final order for sequestration follows his failure to repay loans.

No Chief George, no money, Austria told ¹⁰³

UMTATA. — The Austrian government has been warned to deport former Transkei Prime Minister Chief George Matanzima if it wants its outstanding debt with Transkei settled.

The warning was made by the chairman of the Transkei Military Council, Major-General Bantu Holomisa when he delivered his first major policy speech in Umtata yesterday.

He said the Austrian government was harbouring a fugitive from justice.

"The Austrian and Transkeian governments are currently considering the payment of a debt incurred during the Matanzima regime.

"I wish to inform that government that all further negotiations will be suspended until it has taken steps to ensure that Chief George comes back to stand trial in Transkei," he said.

General Holomisa said his government was currently reviewing all legislation not conducive to economic and industrial development in Transkei.

He said the introduction of the Licences Control Act 1985 drew widespread criticism from Transkei's neighbours.

"After an intensive study of this Act by the military council my government has concluded that, although the notion behind the protection of citizens is sound, a different policy needs to be formulated if we are to overcome the problem of unemployment."

Granting of freehold title to non-citizens had received much comment in the past but nothing substantial had been done to address this problem, General Holomisa said.

He said Decree 15 had since been issued to amend certain stringent provisions. The new list of exemptions embraces banks, insurance companies, businesses, building societies and industries.

General Holomisa said apartheid was a policy of repression and unless it was foresaken human suffering would continue.

General Holomisa warned former Transkei Cabinet Ministers, including Paramount Chief Kaiser Matanzima, to pay their taxes during the current financial year before measures were taken against them. — Sapa.

Rebels could be booted out

Political Staff

THE Transkei government has hinted strongly that Ciskeian rebels who have been trying to overthrow the government of President Lennox Sebe will be kicked out of Transkei, in the interest of good relations between the two countries.

The rebels, all formerly senior members of the Ciskei cabinet and government, were granted refuge in Transkei by ex-President Kaiser Matanzima. They include Mr Charles Sebe, ex-head of Ciskei security forces; Mr Namba Sebe, former Minister of Transport; Mr Willie Xaba, former vice-president, and Chief Lent Magoma, a former senior member of the cabinet and one-time acting president of Ciskei.

Transkei bid to boost investment

Cape Times 17/6/88 103

By BARRY STREEK

THE military government in the Transkei announced steps yesterday to stimulate private sector investment in the homeland — and scrapped protectionist laws introduced when former president Chief Kaiser Matanzima and former prime minister Chief George Matanzima were in power.

The head of the new government, General Bantu Holomisa, committed Transkei to the free-enterprise system.

"Competition in business must henceforth be the watchword and the key to unlocking this country's potential," he said.

The new moves could pave the way for chain-stores to move into the Transkei for the first time and for large financial institutions from South Africa to buy land in the homeland.

They completely reverse the economic strategies of the Matanzimas, who aimed at keeping out competition from South African companies, particularly

THE military government in Transkei yesterday warned the Austrian government that it would cut off all negotiations to repay a debt unless steps were taken to return former prime minister Chief George Matanzima to Transkei.

The chairman of the Military Council in Transkei, General Bantu Holomisa, said he wanted to inform the world that the Austrian government was harbouring a fugitive from justice.

He said at a press conference in Umtata: "The Austrian and Transkeian governments are currently considering the repayment of a debt for which Chief George's government was responsible.

"I wish to inform the Austrian government that all further negotiations will be suspended until it has taken steps to ensure that Chief George comes back to stand trial in Transkei."

chain-stores, and protecting vested interests in the business sector of the homeland.

General Holomisa said: "It is the view of the government that protectionist policies lead to corruption.

"They also promote monopoly and oligopoly, which are detrimental to the country's economy."

He said a decree had been issued repealing the controversial Licences Control Act which, he admitted, "drew wide-spread criticism from our neighbours".

This law was designed to force the "Trans-

keianization" of businesses in the homeland by forcing South African investors to sell the majority of their shares to Transkeian citizens.

In future, only five percent of the interest in companies operating in the homeland will have to be held by Transkei citizens.

"We trust that the new legislation will bring these risky and undesirable practices to an end and that investors will free to do business in Transkei without resorting to schemes which may jeopardize Transkeians who are involved in such ventures."

Turfloop residences are closed

8/29

Sowetan 17/6/88

STUDENTS' residences at the University of the North were closed on Wednesday following three days of lecture boycotts, writes MATHATHA TSEDU.

The closure, which left the 6000 students without accommodation, came after students had ignored an ultimatum issued by the university administration to return to classes.

The university's public relations officer said inquiries about the disturban-

ces should be sent by telex. Students are demanding the establishment of a student representative council and the immediate removal of army personnel who have been on the university campus for over two years.

A circular issued by the university said the academic programme would continue despite the closure of the hostels. This is the second time this year that students' residences have been closed.

Holomisa warns Austrian Govt

THE Austrian Government has been warned to deport the former Transkei Prime Minister, Chief George Matanzima, if it wanted its outstanding debt with Transkei settled.

This warning was made by the chairman of the Transkei Military Council, Major-General Bantu Holomisa when he delivered his first major policy speech in Umtata yesterday.

He said the Austrian Government, in whose country Chief George had sought refuge, was harbouring a fugitive from justice.

"The Austrian and Transkeian governments are currently



Major-General Holomisa.

considering the payment of a debt incurred during the Matanzima regime.

"I wish to inform that government that all further negotiations will be suspended until it has taken steps to ensure that Chief George comes back to stand trial in Transkei," said Major General Holomisa. — Sapa.

8/29/88

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18/11/88

New move 'should attract business'

Transkei puts out welcoming mat

SWEEPING legislative changes to open the Transkei to greater private investment from outside the territory were announced yesterday by Transkei's ruling military council chief Bantu Holomisa.

The council has passed two decrees — Decree 15, which amends the Acquisition of Immovable Property Control Act, and Decree 17, which replaces the Transkei's Licences Control Act.

Holomisa said the effect of Decree 15 would be to alter the prohibition on acquisition of fixed property in Transkei by non-citizens to allow banks, insurance companies, businesses, building societies and industries to do so.

He said: "This is not only designed to give the economy of the country a boost, but will promote development generally and will, to a large extent, help in solving the unemployment problem.

"The measure will attract, we hope, large companies from outside which are involved in the commercial and industrial sector."

Holomisa said Decree 17 would still offer protection to local small businessmen, but would provide greater flexibility in granting licences.

Certain businesses could be exempted from citizenship provisions in applying for certificates of registration.

ROGER SMITH

17/6/88
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8/day

He said: "Government, with its limited resources, has done all it can to alleviate human suffering but the worsening unemployment situation has compelled my government to grant citizens and non-citizens an equal opportunity to tap the unlimited natural resources which this country is endowed with."

He blamed delay in possible exploitation of coal, titanium and marble in the territory partly on "conflicting claims made by corrupt individuals who wanted to line their pockets". Mining rights would be granted on merit.

Holomisa attacked sanctions, as Transkei was "also feeling the pinch", but blamed the continuance of SA's apartheid policies for the situation in which they had come about.

He said the time had come for the leaders of the region to assess the economic damage inflicted by apartheid, and called for a round-table conference, without preconditions, to discuss the future of the region.

"Our attempts to improve the economy of our country depend largely on the efforts taken by the SA government to abolish racist legislation like the Group Areas Act and the Population Registration Act."

Hansard

HOUSE OF ASSEMBLY

†Indicates translated version.

For written reply:

General Affairs:

Transkei: projects financed by RSA

392. Mr R A F SWART asked the Minister of Foreign Affairs: (1) Whether his Department has approved

(1) Whether his Department has approved

(2) (a) (i) Yes (a) (ii) 1987/88 Financial Year

Name of Project	Nature of Project	Where Situated	Estimated Total Capital Cost	Contribution Rand
Special Employment Programme	Relief of cyclical unemployment through the creation of temporary job opportunities under several programmes, eg.	Transkei	R14 698 000	R7 200 000

- (a) Recovery of soil under Soil Erosion Combat Programme.
- (b) Building of dams and construction of pipelines.
- (c) Maintenance of Infrastructure e.g. Hospitals and Clinics.
- (d) Training Programmes.

TBVC countries: size in hectares

396. Mr R A F SWART asked the Minister of Foreign Affairs:

(1) What was the size in hectares of each of the four independent Black states as at the latest specified date for which figures are available;

(2) whether any land was added to any of these states in 1987; if so, how many hectares were added to each such state?

The MINISTER OF FOREIGN AFFAIRS:
On 31 December 1987 the size in hectares of each of the four independent Black states was as follows:

- (1) Transkei 4 287 000 hectare
- Bophuthatswana 4 187 813 hectare

any projects in Transkei which are to be financed in part or in whole with moneys appropriated by Parliament; if so,

(2) in respect of 1987, (a) what is the (i) name and (ii) nature of the project, (b) where is it situated, (c) what is the estimated total capital cost of the project, and (d) how much of this cost is to be borne by the South African Government, in each case?

The MINISTER OF FOREIGN AFFAIRS:

Name of Project	Nature of Project	Where Situated	Estimated Total Capital Cost	Contribution Rand
Special Employment Programme	Relief of cyclical unemployment through the creation of temporary job opportunities under several programmes, eg.	Transkei	R14 698 000	R7 200 000

- (a) Recovery of soil under Soil Erosion Combat Programme.
- (b) Building of dams and construction of pipelines.
- (c) Maintenance of Infrastructure e.g. Hospitals and Clinics.
- (d) Training Programmes.

TBVC countries: size in hectares

398. Mr R A F SWART asked the Minister of Foreign Affairs:

(1) Whether his Department has approved any projects in Ciskei which are to be financed in part or in whole with moneys appropriated by Parliament; if so,

(2) in respect of 1987, (a) what is the (i) name and (ii) nature of the project, (b) where is it situated, (c) what is the estimated total capital cost of the project, and (d) how much of this cost is to be borne by the South African Government, in each case?

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On 31 December 1987 the size in hectares of each of the four independent Black states was as follows:

- (1) Transkei 4 287 000 hectare
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HOUSE OF ASSEMBLY

capital cost of the project, and (d) how much of this cost is to be borne by the South African Government, in each case?

(1) Yes (a) (ii) 1987/88 Financial Year

Name of Project	Nature of Project	Where Situated	Estimated Total Capital Cost	Contribution Rand
School Facilities Phase III	Construction and Upgrading of schools and classrooms.	Ciskei	R16 800 000	R14 300 000*
Special Employment Programme	Relief of cyclical unemployment through the creation of temporary job opportunities under several programmes, eg.	Ciskei	R10 230 000	R10 203 000

- (a) Recovery of soil under Soil Erosion Combat Programme.
- (b) Building of dams and construction of pipelines.
- (c) Maintenance of Infrastructure e.g. Hospitals and Clinics.
- (d) Training Programmes.

*The RSA contribution is reflected in the year when the agreement was signed while the expenditure is stretched over a number of years.

Foreign Affairs: role interpreters

1031. Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs:†

(1) (a) What are the duties of the person holding the post of role interpreter in his Department, (b) (i) how many persons have been appointed to this post and (ii) for what period are they appointed and (c) what qualifications are required for the post;

(2) whether role interpreters receive any fringe benefits; if so, in what respects do such fringe benefits differ from those of their colleagues in his Department?

The MINISTER OF FOREIGN AFFAIRS:

(1) (a) Role interpreters perform duties of an auxiliary nature in the fields of information and representation at a number of overseas missions. Professionally qualified and experienced persons are appointed in these posts.

(2) Role interpreters receive the same fringe benefits as other officials of equivalent rank who serve in South African missions abroad.

Nuclear Non-Proliferation Treaty

1077. Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs:

(1) What are the (a) advantages and (b) disadvantages of the Treaty?

Transkei citizenship appeal

Cmt Times 20/6/88

Own Correspondent 103

PORT ELIZABETH. — The Transkei military government is to request South African citizenship for all Transkeians, to enable them to seek work where they like.

While Transkeians living and working in South Africa are free to have dual citizenship, the Transkei Minister of Foreign Affairs and Information, Brigadier E R G Keswa, said his country wanted this to apply also to Transkeians at home.

Mags 21/6/88 (103)

Matanzima wins chieftaincy battle

The Argus Correspondent
EAST LONDON. — The Transkei Supreme Court has ruled in favour of former President Kaiser Matanzima in the dispute over the succession to the paramount chieftaincy of the Tembus.

The court yesterday granted a final order against the ruling military council preventing a meeting to reopen the question of the succession.

The powerful chieftaincy was formerly held by Chief Sabata Dalindyebo, who fled the country to join the African National Congress after he was deposed by Chief Matanzima. He was replaced by Bambilanga Mtirara.

Both men have since died, and their sons are vying for the position. Major-General Zondwa Mtirara, the former head of the Transkei Defence Force who was ousted by Major General Bantu Holomisa

during last year's political upheaval and who has the backing of Mr. Matanzima, was appointed last year.

Since then there have been attempts to reopen the question and have Mr Buyelekhaya Dalindyebo appointed instead. Mr Dalindyebo is widely believed to have the backing of the ruling military council.

Last month, Mr Matanzima was granted an interim interdict preventing the council from holding a meeting to discuss the question, and yesterday's ruling made the order final.

The court accepted Mr Matanzima's argument that Mr Mtirara was properly appointed.

Transkei lifts church ban

CAPL T.M.K. 23/6/88

103
Own Correspondent

PORT ELIZABETH. — A 10-year rift between the Methodist Churches in Transkei and South Africa has been healed following Transkei's lifting of a ban on the church

The ban was lifted by the ruling Military Council.

In 1978 the Methodist Church in Southern Africa was declared "undesirable" in Transkei. As a result, two break-away Methodist churches were formed there.

office of Dr K K Mgojo, the president of the Methodist Church in Southern Africa, said an agreement had been reached that all the former members of the Methodist Church in the Transkei would be united again.

Crime dockets in Kei corruption

Cape Times 23/6/83
Own Correspondent

103

JOHANNESBURG. — Criminal proceedings against certain individuals implicated in government corruption allegations in Transkei may be brought in South Africa as well as in the Transkei, it emerged yesterday.

The deputy attorney-general of the Cape, Mr Frank Kahn, who was seconded to the Alexander inquiry into Transkei government corruption earlier this year, yesterday confirmed

three criminal dockets had been opened relating to individuals implicated in the corruption allegations.

He would not confirm whether any actions would definitely be brought in both countries, but he said they could be expected to "co-operate and respond vigorously" to the corruption allegations.

The dockets which have been opened are for fraud, corruption and exchange control contraventions.

Mauritius may soon raise custom tariffs on some SA imports

Star 23/6/85



Prime Minister
Jugnauth

The Star's Africa
News Service

PORT LOUIS — Mauritius is studying the possibility of increasing custom tariffs on South African imports.

The moves follow an outcry at the last summit of the Organisation of African Unity over Mauritian links with South Africa.

The spokesman said, however, that if any change was announced it would not affect basic commodities which had no customs duties. It would also not affect raw materials for the export processing zone.

Prime Minister Sir Anerood Jugnauth told the legislative assembly yesterday that Mauritius should "symbolically do certain things" to show his country's sympathy with South Africa's blacks.

He said that for South Africa the volume of trade it had with Mauritius was insignificant.

"South Africa won't be hurt even if Mauritius severed its trade links," he said.

Crashes dip, deaths rise

Road traffic collisions in April this year (32 645) were down 12 percent compared with the previous month (37 095), according to the latest figures by the Central Statistical Services.

However, the CSS points out that the number of casualties during April (10 417) increased by 0,9 per cent over the March figure (10 108).

In April 898 people were killed — a 4,4 percent increase over the 860 deaths in March, due to the larger occurrence of fatal collisions in which two or more people died. — Sapa.

No help for hotel without a phone

Star 23/6/85

EAST LONDON — A popular Transkei Wild Coast holiday resort has been without a telephone for eight months because technicians are unable to get there to repair it.

Pleas for help to the post office have gone unanswered and the Hole-in-the-Wall hotel has now opened an office in Umtata to take bookings.

The hotel management said it appeared that there were no technicians at Mqanduli, where the exchange for the area is

situated, and technicians in Umtata had no vehicles available to undertake repairs in the country areas.

A spokesman from the hotel's Umtata office said today countless letters to the post office in Mqanduli, the Umtata Post Office and the Postmaster had all gone unanswered.

Further representations to the Postmaster-General and to the Minister of Telecommunications had brought no results. — Sapa.

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Shots fired to disperse unruly fans

UMTATA — Shots were fired when police were called to control an unruly crowd after an NSL Castle League soccer match between Umtata Bucks and Fairway Stars at the Independence Stadium in Umtata yesterday.

The teams drew 0-0 in a trouble-torn, lacklustre match.

The trouble started after referee Mr Stan Camphare sent off a Bucks defender. The player apparently swore at the referee after he was involved in a scuffle with a Fairway Stars player.

This angered the Bucks supporters, who then tried to invade the pitch.

The supporters were prevented from moving on to the pitch by Bucks officials.

After the match, Mr Camphare and his linesmen were pelted with stones by the fans. Policemen fired shots to disperse the crowd. — Sapa.

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Star. 23/6/88

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Kei scandal: police probe widens to SA

23/6/88 B/day
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CRIMINAL proceedings against certain individuals implicated in corruption allegations in Transkei might be brought in SA as well as Transkei, it emerged yesterday.

Cape Deputy Attorney-General Frank Kahn, who was seconded to the Alexander inquiry into Transkei government corruption earlier this year, yesterday confirmed three criminal dockets had been opened relating to individuals implicated in corruption allegations made to the inquiry.

He would not confirm whether any actions would be brought in both countries, but he said they were committed to a clean administration and could be expected to "co-operate and respond

ROGER SMITH
and PAM SYKES

vigorously" to the corruption allegations.

The dockets which have been opened are for fraud, corruption and exchange-control contraventions, as result of police investigations arising from evidence given to the inquiry.

Transkei's ruling military leader Bantu Holomisa said he could not comment as the matter was now in the hands of the police and the attorney-general, but added he aimed to ensure that "justice was dispensed to all".

The report of the inquiry, which terminated on May 31, is being finalised and is expected to be handed over to Holomisa next month.

UK lifts interest rates again

LONDON — Britain raised interest rates yesterday for the third time this month in the government's continuing campaign to damp

rises this month, also by half a percentage point each time, occurred on June 2 and 6.

"We will not take risks with in-

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Unbanned

Sowetan 24/6/88

THE controversial ban which was imposed on the Methodist Church in South Africa by the Transkei Government in 1978, has been lifted — to the relief of many church members and priests.

The ban was imposed during Chief Kaizer Matanzima's reign after the Methodist Church in Southern Africa made anti-Transkei independence statements.

The banning of the church resulted in a Methodist church for the Transkei.

The break-away United Methodist

Church was formed and it was independent of the Methodist Church in Southern Africa. This caused further divisions among church members and the detentions of some Methodist priests in Transkei.

"The situation has improved ever since the ban was lifted," the Reverend Don Dabula, said this week.

Reverend Dabula told the *Sowetan* that attempts were made to unite the United Methodist Church, (which was formed in Transkei after the banning), and the Methodist Church in Southern Africa. He said the church bodies agreed

to merge at a meeting which was held on March 25.

An 8-member steering committee was formed which consisted of 4 members from each group, and will function until October this year, when the Methodist Church in Southern Africa hold its annual conference.

Also, preparations are being made in Transkei for a joint service by the two church bodies at the Independence Stadium on July 30.

"This is an attempt to bring Christians together again," Reverend Dabula said.

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Offer to students ⁽¹⁰³⁾

Sowetan 24/6/78
STUDENTS of the University of Transkei who were expelled from residence earlier this month have been given until July 7 for readmission to the residence.

The students were expelled in the wake of disturbances at the university that resulted in damage to property and disruption of academic programmes.

The principal, Prof Wiseman Nkuhlu, yesterday threatened to close the residence for the rest of the year if disturbances continued.

Measure

He said effective measures were to be introduced to restore discipline in the residences.

Prof Nkuhlu said the academic year would not be extended and it had been decided "to make it your responsibility to work hard in order to be ready for the end-of-the-year exams in October."—Sapa.

DRIVING QUICKER THAN TELEPHONE

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Sowetan 24/6/54

IT'S quicker to drive from Lady Frere to Queenstown than trying to telephone — that's the claim of frustrated Transkei residents who say the country's postal system is collapsing.

The postal administration is drawing up a

response to the allegations and a spokesman for the administration said the postmaster-general, Mr B K Madabane, would soon release the response.

Complaints from the public include allegations of delays in making telephone calls, processing telephone accounts

and delivering mail and telegrams.

A Lady Frere businessman, Mr E Sigenu, said the public complained about delays in the telegraphing of money by relatives working in South Africa.

Mr Sigenu said it took hours for telephone calls to get through to towns

in Transkei and even longer to get through to South Africa.

Ever since the Umtata post office had been made the exchange centre for mail and telegrams, the whole country had experienced delays in all telephone services.

Mr Sigenu said it was

quicker to drive from Lady Frere to Queenstown then telephoning or telegraphing Queenstown.

A Port St Johns hotelier, Mr Hilton Tarr, said the "terrible" communication problems had a bad effect on tourism as visitors found it difficult to make hotel bookings by telephone. — Sapa.

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TRANSKEI'S military rulers plan to ask Pretoria to give all Transkeians in South Africa their South African citizenship back.

Military Council chairman, Major-General Bantu Holomisa, said the request would be made on behalf of those already in South Africa. It was intended to help work-seekers but should eventually apply to everyone.

The move is part of a new economic policy which acknowledges Transkei's economic dependence on South Africa.

The citizenship request, which slipped almost unnoticed past the media, was announced in a recent policy speech made by Holomisa and confirmed at a public meeting by Minister of Foreign Affairs and Information Brigadier Eleazor Rodney Keswa.

Both Holomisa and Keswa have described the policy as realistic and pragmatic, while denying it is a move towards political reintegration with South Africa.

Citizens of the four "independent" TBVC states — Ciskei, Transkei,

'Kei plans to ask Pretoria: Give back our SA passports

By LOUISE FLANAGAN, East London

Bophuthatswana and Venda — currently living and working in South Africa are entitled to dual citizenship, but Keswa said the Transkei military council wanted this to apply to all Transkei citizens.

The citizenship issue was a cornerstone of old-style apartheid, which sought through the creation of "independent homelands" to create a situation where there were no black South Africans.

Government planners several years ago realised the futility of this dream, and the South African citizenship of some blacks was recognised. But people living in the TBVC states are still regarded as foreigners, and official South African statistics and pronouncements reflect this.

South African Minister of Foreign Affairs Pik Botha has referred to an estimated 1.5-million "foreign workers" whose jobs would be at stake if sanctions increased, a figure which includes migrants from the TBVC territories.

Transkeians can be deported or refused jobs as "foreign workers". Although such measures have not really been used against the "homelands", yet, with such an overwhelming dependence on South Africa, the possibility of migrants being refused jobs outside the "homeland" is alarming. The military government's new economic policy includes several important acknowledgements of the interdependence of "homeland" and South African economies and incorporates a strong free enterprise move.

Apart from the citizenship call, which would increase the mobility of Transkeians, Holomisa has also taken steps to increase foreign investment in the "homeland", allow the ownership of fixed property by foreigners and South Africans and called for increased South African aid for education and training of the work force.

"We cannot manage without South Africa," said Holomisa. "We are concerned with bread and butter in this present government. If that's the only way of creating job opportunities it's

hard luck for the politicians." "We feel dual citizenship is perhaps the answer to problems our people experience in South Africa — problems around seeking jobs," said Keswa. "The military government doesn't believe in political ideologies — these don't fill the people's stomachs. We want bread and butter, and that's in South Africa."

A source in the Department of Foreign Affairs said he believed negotiations on the citizenship issue were already underway between Transkei and South Africa, but no official comment could be obtained.

A representative of the South African Department of Home Affairs said he could not comment until a formal request had been received from Transkei.

There are believed to be about 600 000 Transkeians working in South Africa, the majority as migrants on the mines, out of a total of about 760 000 Transkeians employed in formal jobs. Of those employed inside Transkei, half are civil servants.

STW 25/6/88.
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**'Investors in
Transkei will
be protected'**

UMTATA — Investors in the Transkei would be protected by the government, the chairman of the Transkei Military Council, Major-General Bantu Holomisa, said at the weekend.

Addressing the 15th annual general meeting of the Transkei Chamber of Commerce, he added that a number of companies in the Transkei had "gone under" because directors paid themselves dividends before their businesses made profits.

General Homolisa said developers had stressed that the problem of developing countries was not the poverty of natural resources, but the underdevelopment of human resources.

He said people in the Transkei lacked business training. — Sapa.

Matanzima seen in Mauritius

Sowetan

11/8/88

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PORT LOUIS — Fugitive former Transkei Prime Minister George Matanzima has been found hiding out in a luxurious Mauritian hotel accompanied by a mysterious white man with whom he spends his days on the beaches of the resort island.

Officials of the Mauritius immigration office said the former Transkei president arrived on the island almost two weeks ago, but since then he has changed hotels three times.

Last Thursday he booked out of the luxurious Blue Lagoon hotel on the south of the island and into the Merville Hotel in the

north of the island. He registered under the name of George Mzimvubu and described himself as a "self-employed farmer", and his address as Mtshanyane-Cofimvaba.

He gave his nationality as "Xhosa".

The Mzimvubu is the name of the river that runs from Umtata to the sea at Port St Johns, while Mtshanyane-Cofimvaba is the name of a place near the Xhosa royal kraal.

After receiving an international phone call on Saturday, the fugitive booked out of the Merville and into the La Chaland Hotel near the international airport. — *Sowetan Africa News Service.*

Sick Chief George may be at home

2/8/88 By Lloyd Coultts *star* (105)

Former Transkeian Prime Minister Chief George Matanzima is believed to be back in the Transkei, where he is wanted on charges of corruption.

It is understood Chief Matanzima is very ill and Transkei authorities say he may not necessarily be arrested.

Unconfirmed reports in Umtata said a bankrupt Mr Matanzima had returned to Transkei at the weekend.

Last night a chief who requested not to be named claimed that Chief George was at his Mtshanyana Great Place.

However, the person who answered the telephone at Mr Matanzima's tribal home said he was not there and referred inquiries to his brother, Mr K D Matanzima, who could not be reached last night.

Minister of State Mr T M Mbambisa

said Mr Matanzima would not necessarily be arrested if he returned to the Transkei.

Mr Mbambisa said Mr Matanzima's sons were looking for him and wanted to take him home.

Mr Matanzima fled Transkei three months ago prior to the issuing of a warrant for his arrest. He reportedly first went to Austria and then to Mauritius.

But Major-General Bantu Holomisa, head of the Transkei Military Council and effective ruler of that country, said yesterday Mr Matanzima would be arrested.

The Star's Africa News Service reported from Port Louis that the fugitive former Prime Minister had left the Mauritius international airport at about 7 pm South African time on Sunday night.

CHIEF GEORGE BACK



CHIEF George Matanzima.

THE deposed prime minister of the Transkei, Chief George Matanzima, arrived back in South Africa on Sunday night and has been admitted to a Port Elizabeth clinic for medical treatment, said a high-ranking government official from Umtata yesterday.

At the time of going to Press, the general manager of Poly-Clinic

was not available to confirm whether Chief George had indeed been admitted.

But Major-General Bantu Holomisa, head of the Transkei Military Council, yesterday welcomed Chief George's return to South Africa, which he understood to be a fair accompli.

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Chief George

• From page 1

"We will be able to carry out the warrant for his arrest on criminal charges, because an extradition treaty exists between Transkei and South Africa," said General Holomisa.

"While he was in Austria, Chief George was out of our reach because we do not have such a treaty with the Austrian government, which does not recognise Transkei."

The Umtata's Africa News Service reported yesterday from Port Louis that the fugitive former prime minister had left the Mauritius International Airport at about 7pm South African time on Sunday night.

Officials of the Mauritius immigration office said at the weekend that Chief George landed on the resort island about two weeks ago.

Investigations revealed he had changed hotels three times, registering in one under the pseudonym "George Mzimvubu", describing himself as a farmer from Mtshabanyane - Cofimvaba and giving his

nationality as "Xhosa."

He had been regularly seen walking the beaches with an unidentified white man.

After receiving an international phone call on Saturday, Chief George booked out of the Merville Hotel, situated at the north end of the island, and transferred to the La Chaland Hotel near the airport.

He had originally fled to Vienna, but about a fortnight ago his visa expired and he did not apply to have it renewed. Austrian officials said they did not know his whereabouts.

While he was in the Austrian capital, he was visited in his single room by Port Elizabeth businessman, Mr Leon du Pisani, who described the former premier as "sick and destitute."

Several meetings were held in Tembuland to raise money to aid the ailing former leader and General Holomisa confirmed he was visited on Monday last week by Chief Mfundo Matanzima, who informed the military head that he was flying to Mauritius to fetch his father.

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Send Chief George back Transkei

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17/6/85 3/8/85

The Argus Correspondent

JURBAN. — The Attorney-General of the Eastern Cape has been asked by the Transkei authorities to arrest the former Transkeian Prime Minister, Chief George Matanzima, and hand him over so that he can face charges of corruption.

Chief George, who fled to Austria and was then reported to be in Mauritius, is back in South Africa.

He is in a Port Elizabeth hospital, apparently being treated for a blood condition.

But the chairman of the Military Council running Transkei, General Bantu Holomisa, said today that, according to reports, Chief George was not so ill that he could not be extradited.

"We have already asked the Attorney-General of the Eastern Cape to arrest Chief George and hand him over to us so that he can be tried on charges of corruption," General Holomisa said.

He also said that the Ministers' Council was due to meet tomorrow to decide whether to accept or reject the findings of



Chief George Matanzima

the Alexander Commission, which investigated allegations of corruption and maladministration in the Department of Public Works.

General Holomisa said that no matter what decision the Ministers' Council took, Chief George would be charged.

One of the allegations against him would concern the acceptance of a R1-million cash payment in return for the granting of certain business deals.

Transkei moves for Mantanzima's arrest

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3/8/88
Star

By Dan Side

The Transkei Attorney-General's office has requested its counterpart in the eastern Cape to place Chief George Matanzima under provisional arrest, pending extradition proceedings.

Chief George, sought on several corruption charges, is being treated for high blood pressure at private clinic in Port Elizabeth.

Transkei Attorney-General Mr Christo Nel said today that the action was being carried out in terms of an extradition agreement.

"We told the appropriate attorney-general's office yesterday at about 4.30 pm that we considered this a matter of the utmost urgency," he said.

The next step was for the eastern Cape attorney-general's office to request police to place Chief George under immediate arrest.

"Under the terms of the extradition agreement," said Mr Nel, "we have this

direct means of getting him back and a second channel of diplomatic means if it becomes necessary."

Chief George faces charges of corruption in connection with housing contracts.

The Alexander commission of inquiry, which investigated irregularities in the issuing of gambling licences, has referred his case to the Transkei Attorney-General.

Chief George fled to Austria last May after a warrant for his arrest had been issued. After his tourist visa had expired, the ailing Chief George flew to Mauritius, from where he was escorted to Port Elizabeth by his son.

The chairman of the Transkei Military Council, Major-General Bantu Holomisa, said that Chief George was not so ill that he could not be extradited.

One of the allegations against him, said General Holomisa, would concern alleged acceptance of a R1 million cash payment.

103 **Pik told Transkei not to pay debt** *4/18/85*

JOHANNESBURG. — The Minister of Foreign Affairs, Mr Pik Botha, instructed South Africa's ambassador in Transkei, Mr Gert Terreblanche, to tell the Transkei government not to pay its outstanding debt to JALC construction company until the results of the Transkei commission of inquiry into corruption were known.

This was disclosed by Mr Botha in an interview this week. Mr Botha said he had given this instruction when he heard the commission might hand down negative findings about JALC.

Before this he had been told by two Eastern Cape Nat MPs that Transkei

leader General Bantu Holomisa refused to pay JALC R11 million for alleged defective work the company had done, Mr Botha said. He had also received representations on this matter on behalf of JALC.

On approaching General Holomisa about this allegation, he had accepted his explanation that the work was unsatisfactory and there would be no payment unless it was properly done.

Mr Botha said he had told General Holomisa he would communicate this information to JALC.

He said he had never personally had dealings with any JALC projects.

Transkei expects tough police action

4/8/88

Own Correspondent

DURBAN — A major police crackdown against Transkei leaders is expected to follow yesterday's arrest of the former Prime Minister, Chief George Mantanzima, in a Port Elizabeth hospital.

Chief George was arrested after the Transkei Attorney-General, Mr Chris Nel, had asked his eastern Cape counterpart to move against the former homeland leader, who slipped back into the country after spending time in Austria and Mauritius.

Head of the Transkei military council, Major-Gen-

eral Bantu Holomisa, said today that more arrests would follow and that the matter now rested with Mr Nel to act against anyone implicated by the Alexander Commission in acts of alleged corruption and maladministration.

"The Attorney-General will decide whom to arrest and what charges are to be brought against them."

He said that a request for Chief George's extradition had been lodged with the South African Government.

Chief George is under police guard in hospital.

George Matanzima under arrest

PORT ELIZABETH — Transkei former prime minister Chief George Matanzima has been arrested while in hospital.

A guard is standing outside the private ward where he is having treatment for high blood pressure.

A magistrate issued a warrant on the application of the Eastern Cape Attorney-General's office, which was acting in response to a request from his Transkei counterpart.

A spokesman for the Eastern Cape attorney-general said Chief George would be held in custody pending receipt of a formal application for extradition.

Our correspondent in Port Elizabeth reports that the warrant was served on Chief George in the Greenacres Hospital.

Eastern Cape assistant attorney-

general M Hodgen said a telegram requesting the provisional arrest of Chief George (pending the submission of a request for his extradition) was received on Tuesday from Transkei attorney-general Chris Nel.

"The request has been complied with in terms of an extradition agreement between South Africa and the Transkei.

"The Minister of Justice, Mr Kobie Coetzee, has made it his concern that the agreement be carried out immediately," Hodgen said.

Attempts to contact a Port Elizabeth businessman and friend of Chief George, Leon du Pisani, proved fruitless. Du Pisani said last month Chief George had told him he would return to Transkei only in a coffin.

The movements of Chief George since his recent departure from Aus-

tria are still not clear.

Within four days last week he was reported to have been in Austria, Mauritius, the Seychelles, Transkei and SA.

A warrant for his arrest was issued in the Transkei on May 4 in connection with charges of corruption arising from the Alexander Inquiry into the Transkei Department of Works and Energy.

Chief George fled to Austria, where he arrived on May 23, and allegedly lived like a pauper in a small room in a private house. He was also said to be desperately ill.

Shortly before his departure for Austria Chief George was seen in Port Elizabeth and Johannesburg where he reportedly sought a backing of R1,3m to dislodge claims against his provisionally sequestered estate.

4/10/88 B/Devy (103)

Chief George⁰³ under guard

Argus Bureau

PORT ELIZABETH. — Chief George Matanzima is under police guard at a private hospital here.

Dr. Jan d'Oliveira, Attorney-General of the Eastern Cape, said an arrest warrant had been served on the chief at the hospital, where he is being treated for high blood pressure.

A major police crackdown against Transkeian leaders is expected to follow the arrest of Chief George.

He was arrested after the Transkeian Attorney-General, Mr Chris Nel, had asked Dr d'Oliveira to move against the former homeland leader, who slipped back into the country from Austria and Mauritius.

Ambassador told Transkei not to pay 103

SA ambassador Gert Terreblanche in Umtata had been told to tell the Transkei government not to pay its outstanding debt to Jalc construction company until the results of the Transkei commission of inquiry into corruption were known, Foreign Minister Pik Botha said.



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EDYTH BULBRING

Botha said, in the Financial Mail this week, he had given that instruction when he heard the commission might hand down negative findings about Jalc.

Prior to that he had been told by two eastern Cape NP MPs that Transkei leader Bantu Holomisa had refused to pay Jalc R11m for alleged defective work the company had done. He had also received representations on the matter on behalf of Jalc.

On approaching Holomisa about the allegation, Botha had

accepted his explanation that the work was unsatisfactory and there would be no payment unless the work was done properly.

He then told Holomisa he would communicate that information to Jalc.

Botha said he had never personally dealt with any projects planned or undertaken by Jalc and no project in which his department was involved had been allocated to Jalc.

Other than one occasion in 1983 when he dealt personally with Jalc chairman Chris van Rensburg, he had only had con-

acted with Jalc directors on social occasions.

On that occasion, in 1983, it had been drawn to his attention that Van Rensburg had allegedly used his name to obtain an entry to Transkei ministers.

After he expressed his disapproval to him, Van Rensburg had written to him denying the allegation.

Botha said that as a result of persistent rumours in the Transkei, he had persuaded the Transkei government to appoint the Van Reenen and Alexander commissions.

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Pik tells it like it is

Speaking exclusively to the *FM*, Foreign Minister Pik Botha has clarified his role in the affairs of the Matanzimas' Transkei. The moment he heard that the Transkei Commission of Inquiry into corruption might hand down negative findings about the involvement of Jalc (see next article), he instructed South African Ambassador Gert Terreblanche in Umtata to tell the Transkei government not to pay its outstanding debt to the construction company until the results of the commission were known. This was after he had asked Transkei strongman Bantu Holomisa to investigate Jalc's claim for R11m.

In a lengthy interview with the *FM* in his Union Buildings office, Botha this week spoke about his intervention in the matter between Jalc and the Transkei government — and his so-called friendship with Jalc director Chris van Rensburg.

"It is a basic belief of mine and that of my department that investments by the South African private sector in independent states should be welcomed. It was within this framework that a conversation took place with Jalc — as sometimes happens with a number of companies.

"At no time did I personally deal with any projects which were planned or undertaken by Jalc. No project in which my department was involved in the independent states was allocated to Jalc," the minister maintains. He adds that he has met the directors of Jalc at social occasions — "as is the case with hundreds of other companies."

Botha went on: "There was indeed one occasion in 1983 when it was brought to my notice that Chris van Rensburg allegedly used my name in order to obtain an entrée with ministers of the Transkei. I immediately informed him that such a rumour was brought to my attention and, if true, I would take great exception to it. I also indicated to him that, if true, it would no longer be possible for me to attend any function where he would be present."

Botha says Van Rensburg wrote a letter to him saying that these allegations were completely untrue, reaffirming his company's intention to assist in the development of Transkei. "I cannot recall that I have spoken to Van Rensburg again during the past two years. Neither I nor my department have anything to do with their projects in the Transkei," Botha strongly asserts.

"There are many companies in SA that approach my department for assistance in the same manner. That is part of my department's work."

As a result of persistent rumours of corruption in the Transkei, Botha persuaded the

government there to appoint the Van Reenen commission. "Subsequently, I also succeeded in getting the present commission (under the chairmanship of advocate Gerald Alexander SC) appointed. When they (the Transkei government) told me that they had no funds to pay for the commission, we made arrangements for that to be done."

Botha says he was told by Eastern Cape Nationalist MPs Callie Badenhorst and Jan-



Botha ... never dealt with Jalc

nie van de Vyver that Holomisa refuses to pay for work which Jalc has done. Botha says he asked Holomisa what the position was, and that he had received representations on behalf of Jalc. "I also received a letter from a former member of the Transkei government in which SA was requested not to give any funds to the Transkei until Jalc had been paid.

"Once I told Holomisa about the allegations of non-payment, I accepted his reaction that some of the houses had cracks in their walls and that there would be no payment unless the work was properly done," Botha says. "I told Holomisa that I would explain this to Jalc."

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Friends at the top

Jalc, the company involved in the investigations into years of alleged corruption in Transkei (*Current Affairs* July 29), once tried to buy a 25% stake in the Wild Coast

Sun for R50 000 by using its close relationship with former Prime Minister George Matanzima as leverage.

The "offer" came in a letter from Jalc director Vulindlela Mbotoli to Transkei Development Corporation (TDC) MD Sonny Tarr early in 1984. The TDC's 25% share in the hotel and casino was then yielding dividends of R3m a year. The remaining 75% was owned by Sun International (SI).

Tarr was "rather surprised" by the offer and, quite understandably, resisted it. He went to SI chief executive Sol Kerzner who made a counter-offer of between R12m and R15m for the shares. Jalc backed down and asked for only half the TDC shares — for which it offered R25 000.

Tarr, who was subsequently dismissed from his post, told the Alexander Commission of Inquiry into the granting of gambling concessions, that the letter from Mbotoli "called on the corporation to hand over its 25% shareholding at par value." Jalc's motivation, he said, was that it was doing development work in Transkei and would use the profits from the hotel and casino shares to continue the work.

To back his "offer" to the TDC, Mbotoli used a letter signed by Matanzima effectively appointing Temba Construction (Pty) Ltd (a Jalc affiliate of which Mbotoli was MD) as "consultants" to promote Transkei's interests over a wide field. However, the commission heard, the company used the letter as a passport to promote its own interests.

The extraordinary history of both Jalc and Temba and their close relationship to Matanzima and his brother and former president, Kaiser, were detailed in a report published last month by former Transkei chief justice Tom van Reenen, after an inquiry into the granting of housing contracts to Temba.

Temba came on the scene after Longtill Construction Ltd (LCL) collapsed in 1980. LCL was already in financial trouble when it concluded a multi-million rand contract with the Transkei government to build houses at Butterworth (it did not tell the government of its financial problems). Two LCL directors, Laurie Painting and John Strong, had planned for the inevitable collapse of LCL and moved quickly to take over the Butterworth contract by acquiring the dormant Temba with the help of East London businessman Chris van Rensburg and Mbotoli, a former Butterworth dairy owner. Jalc was the holding company.

George Matanzima (a close friend of Van Rensburg) then "directed" that the LCL contract be cancelled and awarded to Temba. Temba asked its attorneys, Munro

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5/18/88 M (103)

McMarry, to "convey the legal position to the Prime Minister together with drafts of letters giving effect to the PM's directive."

Van Reenen found this action extraordinary. Matanzima was being "advised" by Temba's attorneys and not the State Attorney, as should have been the case, and Temba, through Painting and Strong, was drafting documents which had to emanate from the PM's office and other government offices.

Spoilt child

"This confirms what was long suspected, namely that the directives given by the Prime Minister (and, I believe, the State President) were inspired and drafted by Jalc and/or Temba," Van Reenen concluded.

Temba relied heavily on its hold over the Matanzimas to win "numerous" disputes with government officials that arose due to its poor track record in executing its contracts.

According to Van Reenen, "...whenever Temba could not get what it wanted, it ran, like a spoilt child, to the Prime Minister or the State President and a soothing directive was issued, compelling the departmental officials and consultants to comply with Temba's demands."

□ Last month certain documents were taken from Jalc's offices in Johannesburg by police investigators. ■

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Pik tells it like it is

Speaking exclusively to the *FM*, Foreign Minister Pik Botha has clarified his role in the affairs of the Matanzimas' Transkei. The moment he heard that the Transkei Commission of Inquiry into corruption might hand down negative findings about the involvement of Jalc (see next article), he instructed South African Ambassador Gert Terblanche in Umtata to tell the Transkei government not to pay its outstanding debt to the construction company until the results of the commission were known. This was after he had asked Transkei strongman Bantu Holomisa to investigate Jalc's claim for R11m.

In a lengthy interview with the *FM* in his Union Buildings office, Botha this week spoke about his intervention in the matter between Jalc and the Transkei government — and his so-called friendship with Jalc director Chris van Rensburg.

"It is a basic belief of mine and that of my department that investments by the South African private sector in independent states should be welcomed. It was within this framework that a conversation took place with Jalc — as sometimes happens with a number of companies.

"At no time did I personally deal with any projects which were planned or undertaken by Jalc. No project in which my department was involved in the independent states was allocated to Jalc," the minister maintains. He adds that he has met the directors of Jalc at social occasions — "as is the case with hundreds of other companies."

Botha went on: "There was indeed one occasion in 1983 when it was brought to my notice that Chris van Rensburg allegedly used my name in order to obtain an entrée with ministers of the Transkei. I immediately informed him that such a rumour was brought to my attention and, if true, I would take great exception to it. I also indicated to him that, if true, it would no longer be possible for me to attend any function where he would be present."

Botha says Van Rensburg wrote a letter to him saying that these allegations were completely untrue, reaffirming his company's intention to assist in the development of Transkei. "I cannot recall that I have spoken to Van Rensburg again during the past two years. Neither I nor my department have anything to do with their projects in the Transkei," Botha strongly asserts.

"There are many companies in SA that approach my department for assistance in the same manner. That is part of my department's work."

As a result of persistent rumours of corruption in the Transkei, Botha persuaded the

government there to appoint the Van Reenen commission. "Subsequently, I also succeeded in getting the present commission (under the chairmanship of advocate Gerald Alexander SC) appointed. When they (the Transkei government) told me that they had no funds to pay for the commission, we made arrangements for that to be done."

Botha says he was told by Eastern Cape Nationalist MPs Callie Badenhorst and Jan-



Botha ... never dealt with Jalc

nie van de Vyver that Holomisa refuses to pay for work which Jalc has done. Botha says he asked Holomisa what the position was, and that he had received representations on behalf of Jalc. "I also received a letter from a former member of the Transkei government in which SA was requested not to give any funds to the Transkei until Jalc had been paid.

"Once I told Holomisa about the allegations of non-payment, I accepted his reaction that some of the houses had cracks in their walls and that there would be no payment unless the work was properly done," Botha says. "I told Holomisa that I would explain this to Jalc."

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Friends at the top

... the company involved in the investigation into years of alleged corruption in Transkei (*Current Affairs* July 29), once ... to buy a 25% stake in the Wild Coast

Sun for R50 000 by using its close relationship with former Prime Minister George Matanzima as leverage.

The "offer" came in a letter from Jalc director Vulindlela Mbotoli to Transkei Development Corporation (TDC) MD Sonny Tarr early in 1984. The TDC's 25% share in the hotel and casino was then yielding dividends of R3m a year. The remaining 75% was owned by Sun International (SI).

Tarr was "rather surprised" by the offer and, quite understandably, resisted it. He went to SI chief executive Sol Kerzner who made a counter-offer of between R12m and R15m for the shares. Jalc backed down and asked for only half the TDC shares — for which it offered R25 000.

Tarr, who was subsequently dismissed from his post, told the Alexander Commission of Inquiry into the granting of gambling concessions, that the letter from Mbotoli "called on the corporation to hand over its 25% shareholding at par value." Jalc's motivation, he said, was that it was doing development work in Transkei and would use the profits from the hotel and casino shares to continue the work.

To back his "offer" to the TDC, Mbotoli used a letter signed by Matanzima effectively appointing Temba Construction (Pty) Ltd (a Jalc affiliate of which Mbotoli was MD) as "consultants" to promote Transkei's interests over a wide field. However, the commission heard, the company used the letter as a passport to promote its own interests.

The extraordinary history of both Jalc and Temba and their close relationship to Matanzima and his brother and former president, Kaiser, were detailed in a report published last month by former Transkei chief justice Tom van Reenen, after an inquiry into the granting of housing contracts to Temba.

Temba came on the scene after Longtill Construction Ltd (LCL) collapsed in 1980. LCL was already in financial trouble when it concluded a multi-million rand contract with the Transkei government to build houses at Butterworth (it did not tell the government of its financial problems). Two LCL directors, Laurie Painting and John Strong, had planned for the inevitable collapse of LCL and moved quickly to take over the Butterworth contract by acquiring the dormant Temba with the help of East London businessman Chris van Rensburg and Mbotoli, a former Butterworth dairy owner. Jalc was the holding company.

George Matanzima (a close friend of Van Rensburg) then "directed" that the LCL contract be cancelled and awarded to Temba. Temba asked its attorneys, Munro

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McMarry, to "convey the legal position to the Prime Minister together with drafts of letters giving effect to the PM's directive."

Van Reenen found this action extraordinary. Matanzima was being "advised" by Temba's attorneys and not the State Attorney, as should have been the case, and Temba, through Painting and Strong, was drafting documents which had to emanate from the PM's office and other government offices.

Spoilt child

"This confirms what was long suspected, namely that the directives given by the Prime Minister (and, I believe, the State President) were inspired and drafted by Jalc and/or Temba," Van Reenen concluded.

Temba relied heavily on its hold over the Matanzimas to win "numerous" disputes with government officials that arose due to its poor track record in executing its contracts.

According to Van Reenen, "...whenever Temba could not get what it wanted, it ran, like a spoilt child, to the Prime Minister or the State President and a soothing directive was issued, compelling the departmental officials and consultants to comply with Temba's demands."

□ Last month certain documents were taken from Jalc's offices in Johannesburg by police investigators.



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Cape Times
5/8/88

Chief George in court

Own Correspondent

PORT ELIZABETH. — Chief George Matanzima, former premier of Transkei, was remanded until August 18 at his appearance before a Port Elizabeth magistrate yesterday.

After the hearing he was returned to the Greenacres Hospital, where he is being treated under police guard for high blood pressure.

The assistant attorney-general of the Eastern Cape, Mr Mike Hodgen, said in terms of the extradition agreement between South Africa and Transkei, Chief Matanzima could be held only for 18 days from the date of the provisional arrest served on him in hospital on Wednesday.

"We are confident that the extradition request will reach us before then. If not, we will have to release Chief George," Mr Hodgen said.

Mr Chris Nel, attorney-general of the Transkei, said yesterday his office was preparing the extradition request, which will be sent to Grahamstown as soon as possible.

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Kei states all set to screen Cry Freedom

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

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

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

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

It is believed the eMpolweni, the

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

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

CP Correspondent

THE Transkei Regional Court in Umtata has turned down an application to declare the arrest of a Transkei government minister's son invalid.

Lungisa Livingstone Matutu, facing charges of terrorism, accused South Africa of illegally handing him over to the homeland.

Accused of joining the military wing of the ANC, Umkhonto we Sizwe, and undergoing training in several Frontline states and East Germany, he has pleaded not guilty.

Transkei government minister's son faces charges of terrorism

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When he appeared in court this week, defence lawyers argued that Matutu, the son of Transkei's Finance Minister, FJ Matutu, was arrested in Bophuthatwana last September and handed over to South African police. They said that in March

he was taken into Transkei without any travel documents. The lawyers said he was then immediately arrested in the homeland - a move described by his lawyer as by-passing the legal requirements for extradition. The defence described

Matutu as being passed "like a rugby ball" between the security police in the territories and claimed he had been assaulted by both Bophuthatwana and Transkei police.

Lawyers earlier alleged that the homeland had attempted to hold Matutu's trial in secret.

He appeared in Moanduli Court and lawyers claimed they found out about the trial "by accident".

Matutu's case is continuing.

Chief George in Cape clinic

THE former Prime Minister of Transkei, Chief George Matanzima, was in Port Elizabeth where he was being treated for high blood pressure at a private hospital, according to Transkei Attorney-General Chris Nel.

A report quoted Nel as saying there was a chance Chief George would be returning to Transkei voluntarily. Nel hoped to have clarity on this soon.

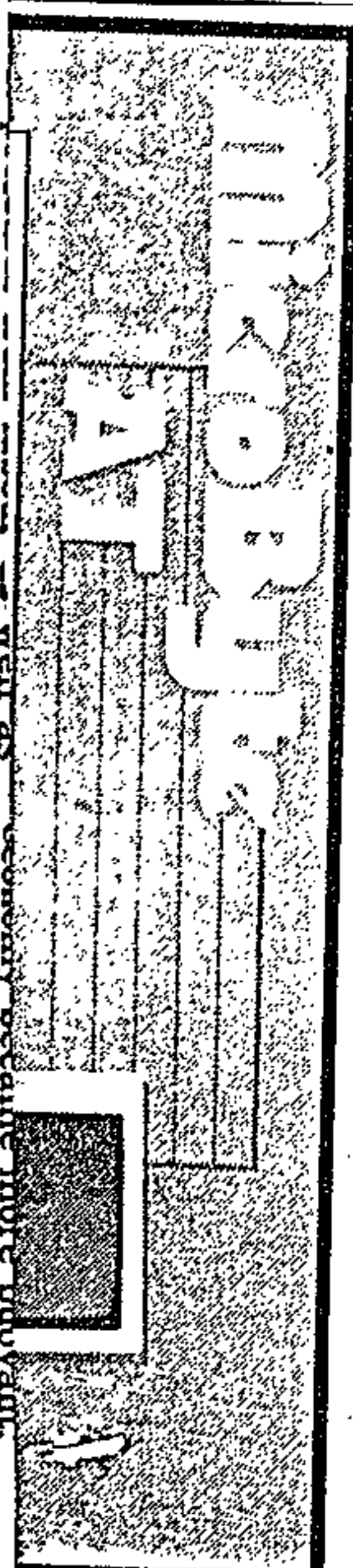
In the meantime, the Transkei Attorney-General's office would hold back extradition proceedings.

Chief George faces several charges of corruption. He left the Transkei in May this year after a warrant for his arrest had been issued.

Subsequent reports said he had been seen in Austria. Sapa

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Corruption commissions a witch-hunt — Matanzima

UMTATA — The Transkei commissions of inquiry into corruption were political toys to assassinate the characters of the Matanzimas, Chief Kaizer Matanzima said yesterday.

"The two commissions appointed by Chief George's (Matanzima) cabinet were intentionally and deliberately converted into a... witch-hunt to... assassinate the character of the said Matanzimas to enable the British jingoes to re-colonise Transkei in the wake of communist infiltration," he said in a statement.

The Matanzimas were being made sacrificial lambs in the political battle between English and Afrikaners, he said.

"Both of us have done nothing to warrant such wild pronouncements which intend to incite the aborigines of Transkei in order to enable a scramble over riches of our country."

"The story that I have been guilty of corruption was a wild accusation by irresponsible media of no consequence."

He added he would never surrender Transkei to British imperialists and dismissed the military council as being illegitimate. — Sapa.

all times 9/8/88
Kaizer:

'We were sacrificial lambs' ¹⁰³

UMTATA. — The recent Transkei commissions of inquiry into corruption were political toys to assassinate the characters of the Matanzimas and further British imperialism, Chief Kaizer Matanzima claimed here yesterday.

"The two commissions appointed by the resolution of Chief George's cabinet were intentionally and deliberately converted into a political toy, a witch-hunt on how to destroy the reputation and assassinate the character of the said Matanzimas to enable the British jingoes to re-colonize Transkei in the wake of communist infiltration therein," he said in a statement.

He said the Matanzimas, the "two pillars of Transkei and undisputed architects of the Transkei government", had been the subject of vilification.

The Matanzimas were being made sacrificial lambs in the political battle between English and Afrikaners.

"Both of us have done nothing to warrant such wild pronouncements, which intend to incite the aborigines of Transkei in order to enable a scramble over the riches of our country.

"The story that I have been guilty of corruption was a wild accusation of no consequence by irresponsible media," he added.

Judgment of his leadership would be given by Transkei and not by "hostile expatriates whose objectives are to get into the heart of Transkei's economy", Chief Kaizer said.

Chief George, meanwhile, is still in Greenacres Hospital in Port Elizabeth, where he is receiving treatment for high blood pressure.

Authorities in the Eastern Cape confirmed that they were expecting a request for the extradition of the former Transkei premier today. —

Sapa



Two hotels owned by Matanzima brothers are attached by court

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The Argus Correspondent

EAST LONDON. — A provisional court order has been granted in Umtata for the repossession of two Coffee Bay hotels owned by the Matanzima brothers.

An application to repossess the Lagoon Hotel and the Ocean View Hotel was sought by the Transkei Development Corporation (TDC), in an attempt to recover debts of almost R385 000.

The hotels, in a popular resort on the Transkei Wild Coast, are owned by Coffee Bay Hotels (Pty) Ltd whose sole shareholders and directors are former Transkei President Paramount Chief Kaiser Matanzima and his brother,

ousted Prime Minister Chief George Matanzima.

Chief George Matanzima has been declared bankrupt and is under arrest in Port Elizabeth awaiting extradition proceedings to the Transkei on corruption charges.

Final order

This week in the Umtata Supreme Court, Mr Justice Lombard ordered the sheriff to take possession of the hotels, including all books, records and movable assets.

The firm was given until 10am today to show cause why a final order handing the hotels back to the TDC should not be made.

TDC secretary and senior legal adviser Mr Peter Barrable said Coffee Bay Hotels acquired the hotels from the corporation in August 1984. An agreement was signed in terms of which the TDC would assist the company financially.

Loans of R128 798 and R120 234 were made, for which security was provided by two general notarial bonds registered over the movable assets of the firm.

Further loans totalling R100 000 were advanced to the company in June 1986 without any security. Recently, sales in execution had been advertised, in which furniture and stock in trade would be sold for two creditors.

REPUBLIEK
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No. 11471

OPDRAG

van die

Staatspresident van die Republiek van Suid-Afrika

Aan:

SY EDELE REGTER LOUIS THEODOR CHRISTIAN
HARMS

Saluut!

Aangesien ek dit dienstig ag om 'n kommissie te benoem om ondersoek in te stel na en verslag te doen oor die aangeleenthede hieronder vermeld en groot vertroue het in u kennis en bekwaamheid, magtig ek u en stel ek u aan as Voor-sitter en enigste lid van 'n kommissie, met die volgende opdrag:

Om ondersoek in te stel na en verslag te doen oor—

- (a) die betrokkenheid van persone, organisasies of instellings in, vanuit of deur die Republiek van Suid-Afrika by beweerde ongerymdhede wat na vore gekom het in die verslae van die Transkeise kommissies van ondersoek bekend as die Van Reenen-kommissie en die Alexander-kommissie en wat vanweë jurisdiksionele en ander beperkings op daardie Kommissies nie volledig deur hulle opgeklar is nie;
- (b) die betrokkenheid van diesulkes en ander persone, organisasies of instellings by handeling wat dui op ongerymdhede in transaksies met Transkeise of Ciskeise belange;
- (c) die vraag of die betrokkenheid vermeld in paragraaf (a) of (b) misdrywe ingevolge die Suid-Afrikaanse reg daargestel het of ten nadele van Suid-Afrikaanse belange strek of gestrek het, en indien laasgenoemde van toepassing is, welke remediërende of voorkomende stappe om 'n herhaling te voorkom aangewese is—ook met spesiale verwysing na die stappe aanbeveel deur veral die Alexander-kommissie; en

COMMISSION

by the

State President of the Republic of South Africa

To:

THE HONOURABLE MR JUSTICE LOUIS THEO-
DOR CHRISTIAN HARMS

Greetings!

Whereas I deem it expedient to appoint a commission to inquire into and report on the matters mentioned hereinafter and by reason of the great trust I repose in your knowledge and ability, I hereby authorise and appoint you to be the Chairman and sole member of a commission, with the following terms of reference:

To inquire into and to report on—

- (a) the involvement of persons, organisations or institutions in, from or through the Republic of South Africa in alleged irregularities which came to the fore in the reports of the Transkeian Commissions of Inquiry known as the Van Reenen Commission and the Alexander Commission and which because of jurisdictional and other limitations on those Commissions, were not fully cleared up by them;
- (b) the involvement of those and other persons, organisations or institutions in acts indicating irregularities in transactions with Transkeian or Ciskeian interests;
- (c) the question whether the involvement mentioned in paragraph (a) or (b) constituted offences under South African law or detrimentally affects or affected South African interests, and, if the latter is applicable, what remedial or preventative steps are indicated to prevent a repetition—also with special reference to the steps recommended in particular by the Alexander Commission; and

Power-tussle at the top among Transkei Tembus

by LOUISE FLANAGAN
Weekend Argus Correspondent
EAST LONDON.— Uncertainty surrounds the powerful paramount chieftaincy of the Tembus in the Transkei after the formal installation ceremony of the Matanzima-backed incumbent was halted by a last-minute ban last week.

There were indications that Zondwa Mtirara would try to circumvent the ban by holding a secret ceremony, but he subsequently admitted that he had not done so.

So far the wrangle has involved the once-powerful Matanzima brothers, the Military Council and even Nelson Mandela.

The rivals are Mtirara, backed by the Matanzimas, and

Buyelekhaya Dalindyebo, backed by the Military Council.

At stake is the position previously held by Sabata Dalindyebo, the arch-rival of Kaiser Matanzima, who was deposed and fled into exile to join the ANC. He died in 1986.

The Matanzimas installed Bambilanga Mtirara, who died last year, in his place, opening the way for the sons of the two men to lay rival claims to the succession.

Matanzima piloted the claim of Zondwa Mtirara, who had earlier been ousted as head of the Defence Force by Major General Bantu Holomisa, now the territory's ruler. In a meeting hastily convened by Matanzima last year the regional authority nominated Mtirara as his father's successor.

Dalindyebo, his position bolstered by the withdrawal of banishment orders against several prominent supporters of

his fathers, launched a rival claim.

One of the now unbanished chiefs recently made a call for jailed ANC leader Mandela to be brought in to resolve the dispute. Mandela is distantly related to the Dalindyebo and Matanzima families.

Wrangling

After wrangling Matanzima obtained a court order restraining the Military Council from holding a second meeting to discuss the issue.

Now Buyelekhaya has launched an application to review Sabata's deposition and the designation of both Mtiraras as his successors. Papers in the application are still being prepared.

In response to a letter from Buyelekhaya's lawyers Holomisa agreed to the installation being postponed.

Court order on Matanzima hotels

CP Correspondent

A PROVISIONAL court order has been granted in Umtata against two Coffee Bay hotels owned by the Matanzima brothers.

An application for the repossession of the Lagoon Hotel and the Ocean View Hotel was sought by the Transkei Development Corporation, in an attempt to recover debts of almost R385 000.

The hotels - in a popular resort on the Transkei Wild Coast - are owned by Coffee Bay Hotels (Pty) Ltd., whose sole shareholders and directors are former Transkei State President, Paramount Chief Kaiser Matanzima, and his brother, ousted Prime Minister, Chief George Matanzima.

Chief George has been declared bankrupt and is currently under arrest in Port Elizabeth awaiting extradition proceedings to the Transkei on corruption charges.

This week, Judge Lombard in the Umtata Supreme Court ordered the sheriff to take full possession of Coffee Bay Hotels, including all books and records and movable and immovable assets, pending a final order to hand back the hotels.

The corporation's secretary and senior legal adviser, Peter Barrable, said Coffee Bay Hotels acquired the hotels from the corporation in August 1984.

Meanwhile, the Attorney General of the Eastern Cape has received a formal request for the extradition of Chief George from his counterpart in the Transkei.

It will take a day or two to set the process in motion.

Chief George is currently undergoing treatment for high blood pressure at a private clinic in Port Elizabeth, where he is under police guard. - Enews

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D-Day for Chief George

By BILL KRIGE

TOMORROW Chief George Matanzima will know if he is to return as a free man or under arrest to the Transkei he once ruled.

The request for a dignified voluntary return home for the former prime minister was made on his behalf at a short extradition hearing presided over by Port Elizabeth's acting chief magistrate, Mr D Smith.

Transkei's military government of General Bantu Holomisa wants his formal extradition but former president Kaiser Matanzima favours his younger brother returning voluntarily.

Chief George flew back to SA this month after a short and apparently penniless exile in Austria. He is being treated for high blood pressure in a Port Elizabeth hospital where he is under provisional arrest.

The fortunes of the once all-powerful Matanzima clan dipped to a new low this week with the provisional repossession by the Transkei Development Corporation (TDC) of two Coffee Bay hotels owned by the two brothers. The TDC claims it is owed R384 763.

Paramount Chief Kaiser and Chief George are the sole shareholders and directors of Coffee Bay Hotels (Pty) Ltd, which has in its stable the Lagoon Hotel and the Ocean View Hotel, both situated at the Wild Coast resort.

Chief George's estate, comprising five farms, several other properties, herds of animals, furniture and an assortment of vehicles, has already been sequestered and much of it auctioned off.

14/12/81

J.P. 103

Spectrum

Transkei leader walks tall in Umtata

Argus Correspondent in Durban

MAJOR-GENERAL Bantu Holomisa walks the streets of Umtata alone — without bodyguards, without fears and without doubts about where his military government is taking the people of Transkei.

He walks alone, feeling safe in the belief that he has the full support of a Transkeian people who had grown thoroughly weary of the corruption of previous governments.

He laughs at suggestions that his forays alone into the streets of the capital might be dangerous: "There'd be no point in killing me," he says. "Another Holomisa would just take my place."

He explains that he is a mere figurehead and it is the military that is in control of Transkei.

"It was a decision of the military to take over the gov-

ernment and I just did what was expected of me."

He speaks of the government being a "family affair", referring to the kinship of his military staff.

General Holomisa holds a weekly meeting with his senior staff — whose average age is 29 or 30 — and decisions of state are taken by consensus: "Anybody is free to speak and to criticise and they advise me on the feelings of the people. We are very concerned about the feelings of the man in the street."

General Holomisa is every bit a military man, but one who has found himself with a political role to play. It was a role he accepted with some reluctance, but in a two-hour interview last week it became clear that he did not intend to relinquish power soon.

He spoke of the corruption that had "forced" the military to take power in Transkei.

"It is not possible to rid any country of corruption com-

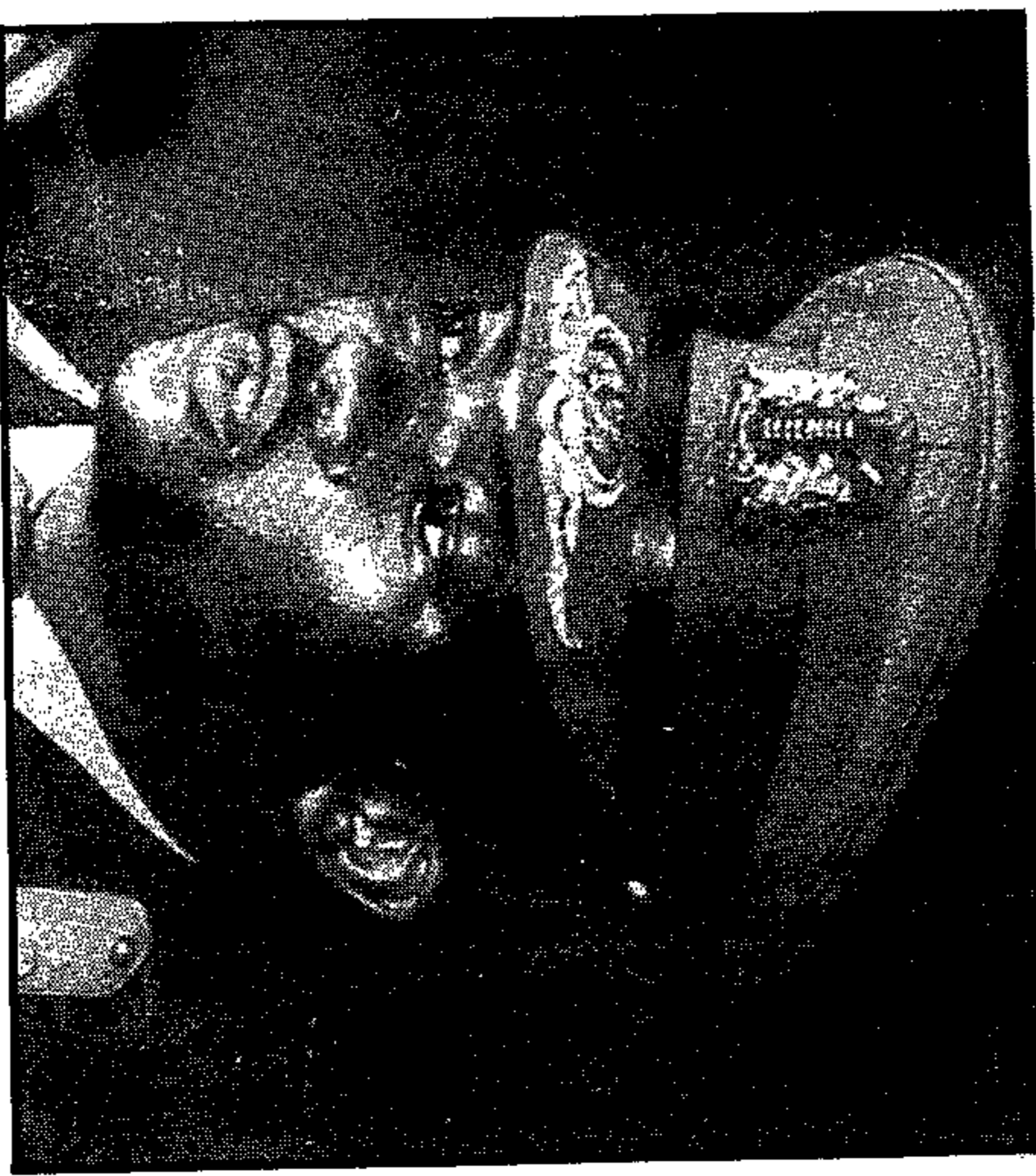
pletely," he said, "But in Transkei, corruption had become so open that there was a danger of revolution. It had become a security risk and we were forced to act."

This corruption would have to be rooted out completely and he could not say when Transkei was likely to be handed back to civilian rule.

"Every now and then we still unearth a lot of things," he said, referring to more corruption.

General Holomisa said a handover of power would come only when a new civilian government had "a straight road to follow" and "structures" had been established to ensure there would be no such corruption in future.

General Holomisa is a champion of the underdog, the Transkeian masses whom he believes have been exploited in the past. He clearly wants a more equitable distribution of opportunity and wealth in Transkei, but he is



General Bantu Holomisa

also eager to attract white businessmen back into the country.

Transkeians, he said, had experienced few of the benefits of capitalism as it had

been practised in the country under previous administrations.

That form of capitalism — riddled with corruption — had left the wealth of the nation concentrated in very few hands.

General Holomisa said whites who wanted to invest in the country had often been forced to work through a black middleman and this invited corruption. Many whites had, in such circumstances, decided against investing in Transkei.

Now he invited white businessmen to invest openly and without payments made under the table. He was particularly keen for South Africa's large supermarkets to establish themselves in Transkei.

Supermarkets in South Africa offered prices so attractive that Transkeians of means were travelling out of the country to do their shopping. But the poor were un-

able to do this and often had to pay exorbitant prices charged by some Transkeian businessmen.

Transkeian shoppers were spending R60-million a year outside the country, he said: "If we allow the supermarkets in here we will have another R60-million circulating within the country. And the supermarkets will provide job opportunities and training for our people."

Jobs, food, training and education are keys to the view General Holomisa has of the Transkei of the future. He wants a fair deal for everybody with no favours being bought.

General Holomisa describes himself as a nationalist.

"I am a proud Transkeian," he said. "But some who have gone before me have brought disgrace to the nation — disgrace to the Xhosas. There will be no going back to that. We will not allow it. The people will not allow it."

Call Tork
16/8/88 (103)

Appeal against extradition dismissed

Supreme Court Reporter

A MAN alleged to have been a member of an ANC military unit responsible for the bomb blasts which crippled Umtata nearly three years ago had his appeal against extradition to the Transkei dismissed in the Supreme Court yesterday.

Mr Mxwandile Vena, 32, faces charges in the Transkei of terrorism or sabotage in connection with three bomb blasts in Umtata on June 25 and 16, 1985.

Yesterday he appealed against an extradition order granted by Wynberg magistrate Mr P D Theron on May 16.

Evidence in the Magistrate's Court was that Mr Vena had signed a statement admitting that he was a senior member of a special military unit of the ANC and that he and two others blew up the Umtata fuel depot.

The Judge-President, Mr Justice GGA Munnik and Mr Justice LA Rose-Innes presided. Mr J G Garber, appeared for the State.

Bloomberg to testify at new probe?

Cape Times 16/8/88
By CHRIS STEYN



Mr Kerzner



Mr Bloomberg

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

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

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

The JALC company featured prominently in the Transkei inquiry.

The Minister of Justice, Mr Kobie Coetsee, announced yesterday that the commission would inquire into the involvement of people, organi-

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

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

Leading evidence

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

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

border Irregularities, Private Bag X81, Pretoria, 0001.

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

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

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

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

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

● Ciskei 'surprised' at SA probe —
Page 3

Extradition hearing ^{CAL Tink 10/1/88 103}

PORT ELIZABETH. — An application for a two-week postponement of the hearing of a request to extradite Chief George Matanzima to Transkei was refused by the PE Magistrate's Court yesterday.

Mr D F M Smith, the deputy Chief Magistrate of Port Elizabeth, said he was prepared to grant Chief George a postponement only until Friday.

Mr de Waal Lubbe, for Chief George, said the defence team needed enough time to reply to the allegations against Chief George.

He said the allegations were contained in the documents made available to the defence team 30 minutes before the hearing resumed last Thursday.

Mr Lubbe said it was still Chief George's wish to return to Transkei voluntarily.

ranskei at risk

18/11/88 BTDays 103
 Holomisa said the issue would be examined by a special committee that is to be appointed further to examine evidence placed before the Alexander Inquiry.

It would "delve deeper on some pertinent issues which, on account of the time constraints imposed on the commission, may have been overlooked".

The committee is to look into any flaws in the relevant legislation and make recommendations to the government for necessary amendments.

AUG 17

Furt close DM/\$	LON close R/£	3 months BA	Johannesburg Stock Exchange		
			All Gold BD Index	Indust BD Index	ISE Ov'l Index
1,8982	4,1447	13,05	1026,9	1947,1	1761,0
↑	↑	↓	↓	↓	↓
1,8672	4,1446	13,00	1015,9	1945,4	1750,0

FM 19/8/88

KEI CORRUPTION PROBE (103)

Enter Judge Harms

Pretoria's Justice Louis Harms has been given a wide-ranging brief to further investigate irregularities which came to light in the Van Reenen and Alexander Commission reports published last month in Transkei. Important new leads involving SA citizens have been uncovered — and a number of well-known business and political figures may soon be implicated.

The Harms Commission, appointed at the weekend by President P W Botha, will sit in SA (possibly Cape Town) and is expected to start hearing evidence within weeks. The need for a SA-based commission was obvious after numerous loose ends were left hanging by the two Transkei-based commissions (*Current Affairs* July 29 and August 5). The speed with which it was appointed and the scope of its brief reflects an urgent political need on government's part to clear the air.

Significantly, the terms of reference of the Harms Commission include an inquiry into alleged irregularities in Transkei and Ciskei. (Neither the Van Reenen nor Alexander reports mentioned allegations involving deals in Ciskei.) This would seem to indicate that police have established links between the type of activities revealed by the commissions in Transkei and similar deals in Ciskei.

Apart from looking further into the activities of South Africans mentioned in the Van Reenen and Alexander reports (and their possible links and those of other people with "irregularities" in Ciskei), Judge Harms can inquire into "any other matter" which he believes should be investigated in order to "meaningfully" complete his investigation. In effect, this means the Harms Commission can look into any suspect deal done in Transkei or Ciskei since independence.

The judge has also been asked to look at whether the involvement of people in the allegedly irregular deals in Transkei or Ciskei constituted offences under SA law, or detrimentally affected SA interests and, if so, what remedial or preventative steps could be taken to prevent a repetition.

Evidence will be led by Cape Deputy Attorney-General Frank Kahn, who led evidence at the Alexander Commission hearings and was subsequently appointed by Justice Minister Kobie Coetsee to co-ordinate the probe into issues which surfaced in the Van Reenen and Alexander reports. He will be assisted by Petrus Marais, also of the Cape Attorney-General's office.

Both the Van Reenen and Alexander commissions were hamstrung by the unavailability of key witnesses. Jalc's Chris van Rensburg declined to appear before the commissions and Sun International's chief Sol Kerzner and Cape Town attorney David Bloomberg both gave some evidence, but did not return to continue.

A spokesman for Kerzner said this week he did not wish to comment on the appointment of the new commission. Bloomberg also declined to comment. Van Rensburg, however, welcomed the appointment of the commission and says he will gladly give evidence. "I'll use the opportunity to state my side of the story and to clear the air."

Van Rensburg says he is very disappointed with the manner in which the Transkei commissions were handled and feels he got a raw deal. He was willing to give evidence to the Alexander commission, but says it was clear that the lack of time for the hearings would not have allowed him to adequately state his case and cross-examine other witnesses.

A Ciskei government spokesman expressed surprise at the appointment of the new commission and said he could not understand why the SA government had not used diplomatic channels to contact his government if there were suggestions of irregularities involving SA citizens or other people working through SA. ■

Transkei prisoners' petition held up

CP Correspondent

AN urgent application by five prisoners detailing horrifying conditions in Umntata's Wellington prison in the Transkei is being held up by the failure of the respondents to file replying affidavits.

The application includes allegations of overcrowding of as much as 300 percent and refusal of any exercise for six months.

The respondents are named as the Minister of Justice and Prisons and the Commissioner of Prisons.

The respondents were originally due to file answering affidavits by July 19. They asked for an extension, which was given until early last week.

One of the applicants, Shadrack Nongoma, serving 19 years for armed robbery and escaping from prison, said he was being held in a 4m by 5m cell with about 120 others. Nongoma sleeps in the toilet with eight others.

Nongoma also claimed that "arguments and physical fights between prisoners are commonplace, as are incidents of sodomy and indecent assault."

The prisoners are calling for the court to rule that overcrowding, inadequate toilet facilities, sharing of bedding, and withholding of work and exercise are illegal. They are demanding mattresses, sheets, better food, study rights, protection from assaults, religious recognition and for certain prisoners to be classified as "political prisoners". — E! news

CP/Pres

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ALL SMILES ... Kaiser Matanzima arrives at George's extradition hearing

TRAFFIC WARDEN GIVES KAISER PARKING TICKET

THE ill-fortune dogging Transkei's Matanzima clan continued this week when Paramount Chief Kaiser's car was ticketed for a parking offence while he attended the extradition hearing of his brother George.

Dapper in his Fort Hare University blazer, the former president was in Port Elizabeth to give moral support to the former prime minister, wanted back home to face charges of corruption.

Chief Kaiser, accompanied by a phalanx of bodyguards, fans and hangers-on, parked his Mercedes at an expired meter near the court. A traffic warden did her duty.

Errant Chief George may blow whistle

By RUTH GOLEMBO

BOMBSHELL facts linking top officials and businessmen to Transkei corruption allegations could be disclosed in the testimony of Chief George Matanzima.

But the questions remain — when and whether the errant former prime minister, who fled the country in a flurry of scandal and allegations of bribery and corruption, will return to his country.

The second extradition hearing for the return of Chief George to face corruption charges involving government housing projects was postponed this week at the Port Elizabeth Magistrate's Court to September 5.

Meanwhile, Chief George will remain in hospital there under police guard.

Transkei military leader Major-General Bantu Holomisa said this week he was "determined to stamp out corruption" in the country.

"One thing is sure. We are not prepared to back down. He knows exactly what was going on here — he was the big boss and must face the rap," he said.

Masterminds

Meanwhile, criminal investigations at the highest level are drawing to a close and, according to legal sources, spectacular evidence about "masterminds" could be revealed.

An independent South African inquiry is to be held at the end of September. Sun International boss Sol Kerzner, Cape Town attorney and businessman David Bloomberg and Jalc Construction chairman Chris van Rensburg are among those who will be called to testify.

THE chairman of the Military Council in Transkei, Major-General Bantu Holomisa, has challenged the South African Government to publicly reveal the identity of a former member of the Transkei government who had urged it not to give Transkei any financial assistance until it had paid JALC Investments a sum of R11 million.

Addressing the local branch of the South African Institute of International Affairs, he said the Minister of Foreign Affairs, Mr Pik Botha, has disclosed in an interview with a Johannesburg weekly that such an appeal had been



MAJOR General Holomisa

made to him in a letter. He said the South African Government should reveal the name of "this selfish saboteur" so that Transkei may know whose interests the person represented.

He said the South African authorities must know that, if they were considering to "back this saboteur who is mediat-

strongly against it would Transkeians.

General Holomisa also issued a warning to JALC, saying that the present government in Transkei would not entertain "any back door negotiations or political pressures from whatever quarter".

"Proper channels must be observed," he said. Transkei was not interested in companies who sought to exploit it and drain its economy.

"The urgency of economic development in Transkei and the accompanying drive for foreign investment is watched by our vigilance against companies who seek to plunder our resources and pursue activities which prejudice our national interest."

"The investor's profits should not be ill-gotten. The market forces of free enterprise, we agree, must be allowed to operate, but this should not be abused to promote unbridled and unconventional profiteering and graft."

'SELFISH SABOTEUR' NAME IS SOUGHT

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TUESDAY, 30 AUGUST 1988

†The CHAIRMAN OF THE HOUSE: Order! No, I request the hon member to answer my question, please.

†Mr C J DERBY-LEWIS: I did not intend a reflection on the Chair, Mr Chairman.

Transkei Government/JALC Holdings: R11 million dispute

*12. Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs:

- (1) Whether he has at any time raised with General Bantu Holomisa the matter of the R11 million dispute which allegedly exists between the Transkei Government and a South African-based company, the name of which has been furnished to the Minister's Department for the purpose of his reply; if so, (a) when, (b) why and (c) what is the name of the company in question;
- (2) whether his Department has committed the South African Government in any way with regard to this transaction or any other transactions concerning this company; if so, what are the relevant details?

†The MINISTER OF FOREIGN AFFAIRS:

(1) Yes. On 8 June 1988 Gen Bantu Holomisa accompanied by Brig T T Matanzima, Acting Commander of the Transkei Defence Force, and Col C Duly, Member of the Military Council of Transkei, held discussions in Cape Town *inter alia* with me, the Deputy Minister of Foreign Affairs, the South African Ambassador in Transkei and members of the Department of Foreign Affairs concerning a number of matter of bilateral interest as well as the security situation in Southern Africa. I was at that time aware of allegations to the effect that JALC Holdings (Pty) Ltd had been refused payment for the construction of a housing project in Ezebeleni and that the Company was faced with insolvency unless payment was effected. Representations had even been made to the SA Government for the Government to suspend further budgetary assistance to the Transkei Government until such time as JALC Holdings had been compensated for the work which they had completed. Although the Department of Foreign Affairs was not involved in this project, we were concerned about the possibility that

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the project would not be completed and that the Transkei Government would eventually be left holding the baby. The creditors of JALC Holdings could probably have instituted a claim against JALC Holdings and eventually funds would have had to be found by the Transkei Government to repair faulty work and possibly to round off uncompleted work. This in turn could have created an irksome budgetary problem for the Transkei because there would simply not have been funds available for this and my Department could also not have accepted responsibility for it. I therefore asked Gen Holomisa whether he could inform me of the circumstances surrounding this matter. He explained that some of the houses had sustained cracks and that his Government did not intend to pay JALC before the work had been satisfactorily completed. Gen Holomisa also referred to the enquiry of the Alexander Commission and indicated that his Government were waiting for its findings *inter alia* in as far as it concerned JALC. I agreed entirely with Gen Holomisa that no money should be paid for uncompleted work and also not for defective work. I further stated that the Transkei Government could possibly consider whether it would not be desirable for the legal representatives of the respective parties to discuss the matter in order to obviate the Transkei Government's eventually being saddled with all these financial woes. When I learned a few days later that rumours were spreading to the effect that I had persuaded Gen Holomisa to favour JALC, I telephoned the South African Ambassador in Umtata personally and asked him to inform Gen Holomisa that my advice to him was under no circumstances to pay a cent until there was clarity on the implications of the various possible developments.

I may add that my Department and I were already concerned some years ago about the allegations of corruption and misapplication of state funds in Transkei. I and my Department made several attempts to have the allegations investigated by the Transkei Government. It was not an easy task because the Transkei is an independent sovereign state. Nevertheless on

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more than one occasion I put it to members of the Transkei Government that allegations about corruption and misapplication of state funds in the Transkei were increasing and that it was in the interest of the Transkei to have a proper investigation instituted. In the end the Transkei Government agreed with me and themselves appointed the Commission of which Judge T H van Reenen was the Chairman. This Commission was appointed on 26 February 1986 by the State President of Transkei to investigate the actions of the Department of Commerce, Industry and Tourism. Thereafter I and my Department played an active role in getting the Alexander Commission appointed on 21 August 1986 and in making the funding of the Commission's costs possible. This Commission was appointed to investigate the activities of the Transkei Department of Works and Energy. On 11 January 1988 the Commission's mandate was expanded to investigate gambling rights and related matters.

(2) No. There was, however, a case concerning an affiliated company, Temba Construction, details of which I furnish gladly.

The Transkei Government approached the RSA for financial assistance to the value of R8,3 million for the construction of 231 housing units for the Transkei police, and in 1987 an agreement was concluded with Transkei in terms of which 231 housing units would be constructed at a cost of approximately R12 million for the Transkei police in Umtata. Transkei's contribution to the project was to have been approximately R3,7 million.

While the negotiations for the loan were still in progress, Transkei, without liaising with the RSA and contrary to agreed procedures, awarded a tender for the construction of the housing units to Temba Construction (Pty) Ltd, an affiliated company of JALC Holdings. In addition it was learnt that the number of housing units had been reduced in the tender to 134 but that the costs were to be the same as for 231 units. As a result of this the Department of Foreign Affairs informed the Transkei Government that it was not prepared to proceed with the loan agreement.

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RSA citizens detained in neighbouring states
*13. Mr R R HULLEY asked the Minister of Foreign Affairs:

(a) How many South African citizens are currently being detained in neighbouring states, (b) what are their names, (c) on what dates were they detained, (d) where are they currently being held, (e) what are the reasons given for their detention and (f) what steps are being taken by the South African Government in this regard?

The MINISTER OF FOREIGN AFFAIRS:

It would not be in the public interest to publish this information, but the Department of Foreign Affairs will be pleased to furnish available information to the hon member on a confidential basis. I can, however, assure the hon member that the South African Government at all times takes all steps available to it to look after the interests of those concerned.

Mr R R HULLEY: Mr Chairman, arising out of the hon the Minister's reply, is the hon the Minister prepared to put a figure to the number of South Africans being held?

The MINISTER: Mr Chairman, I thought I had made it clear to the hon member that should he personally be interested, we will furnish him with information, but I consider it to be neither in the person's nor South Africa's interest to divulge this information in public. Should he, however, personally be interested — I do not doubt his personal interest — he can obtain the information.

Nuclear Non-proliferation Treaty

*14. Mr R R HULLEY asked the Minister of Foreign Affairs:

Whether South Africa has indicated that it intends to sign the Nuclear Non-proliferation Treaty; if not, why not; if so, what are the relevant details?

The MINISTER OF FOREIGN AFFAIRS:

The position of the South African Government on this matter is contained in a statement of the hon the State President dated 21 September 1987.

Cairo: attendance of talks

*15. Mr P G SOAL asked the Minister of Inform-

Expelled students asked to re-apply

CP Correspondent

ALL 400 University of the Transkei residence students expelled from the campus following a series of violent disturbances have been asked to re-apply by July 14 in order to return to residence.

But the call by the principal, Prof Wiseman Nkuhlu, has received a thumbs-down from the students' council. It said Nkuhlu did not address the "nitty gritty" of the reasons for the expulsions.

In a behind-the-scenes confrontation with university authorities two weeks ago, students were alleged to have torn papers belonging to students preparing to sit for their winter exams. According to Nkuhlu, some staff members were harassed. One of the great hall doors was broken, refuse bins were used to smash furniture and three security guards received medical treatment while a fourth was hospitalised.

In a statement released this week, Nkuhlu asked whether the incidents referred to were

part of the progressive struggle for freedom and justice in South Africa.

"I have my doubts whether methods applied were not completely inappropriate and misdirected. The fact that some students and staff members do not approve of class boycotts doesn't in any way imply that they support the oppression," he said.

Although he said young people should be concerned about socio-political issues, Nkuhlu added: "We get disappointed when it becomes apparent that some of the students were prepared to be tyrants and bullies to those who do not agree with their methods."

He urged students wishing to return to residence next semester to re-apply.

"Applications will be scrutinised to ensure that only those students who wish to study are allowed to return to the hostels.

"Squatting will be dealt with by searching the rooms from time to time and students found accommodating squatters will also be

required to leave residence."

He warned that should there be a repeat of the recent incidents, the residence would be closed for the rest of the year. "If some students find these conditions unacceptable, they should not return to the residence."

A spokesman for the students' council said it would challenge the university's policy of negotiation, which was seen by the administration as an instrument to resolve problems on campus.

He said that despite the scarcity of accommodation in Umtata, students were being thrown out on the streets.

"Some students, especially females, are exposed to sexual harassment and exploitation."

The council called on the authorities to re-admit students, with no strings attached.

Members of the students' council were, at the time of going to press, due to make another representation to the university authorities to urge them to extend the deadline for re-application for admission.

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C/Press

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TDC responds to revelations of incentives' abuse

Star 4/7/88

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By Claire Robertson
Pretoria Bureau

The Transkei Development Corporation has defended its industrial development incentive packages as thoroughly audited and controlled following revelations of alleged abuses by foreign firms.

Mr Arthur O'Connor, marketing consultant for the TDC, has taken strong exception to an article in *The Star* in which Unisa academic Mr Richard Haines stated that in one case a Taiwanese firm made a profit after the first year, without having sold a product — after receiving R120 000 in training incentives.

Mr O'Connor said this figure was untrue, and represented "grossly irresponsible reporting".

When approached for comment Mr Haines said the figures used in his paper were gleaned from official data during a survey commissioned by the Transkei government itself.

The survey was undertaken by the Institute for Management

Development Studies at the University of the Transkei.

Mr Chris Tapscott, who was director of the institute from 1981 to 1986, is now a doctoral student at the London School of Economics. Contacted in London Mr Tapscott confirmed that the information about the firm was revealed during the survey on which Transkei's 1984 national accounts were based.

"That data is absolutely correct," said Mr Tapscott, adding that he had heard from Transkei government officials of other instances of development funds being abused by companies.

FIGURES DIFFER

Mr O'Connor provided figures relating to the firm's operating record which differ from Mr Tapscott's information. Mr O'Connor's figures indicate that the firm made no profit in the first year of operation.

He said the more recently-released figures were audited, and that "all companies in receipt of such incentives are obliged to have their books audited by a reputable firm of chartered accountants of a standard of professionalism acceptable to the

TDC".

He could find no reference to the firm in the survey to which Mr Tapscott referred, he said.

"Any imputation of fraud or irregularity against their clients would of course be a reflection on their professional competence," said Mr O'Connor.

"The auditing of decentralisation claims and surprise spot checks on labour and training are such that companies in receipt of such benefits would inevitably be exposed very quickly if they were operating in the fraudulent manner suggested by Mr Haines," he said.

Mr Tapscott pointed out that the publication of the Taiwanese firm's case in 1984 met with no outcry from the TDC. He explained the recent objections to *The Star's* article as the TDC "trying to clean up its image".

He said the case referred to was "quite a minor case used to illustrate the abuse of decentralisation packages — there are far worse cases on record."

He had studied the relevant data when he worked in the Transkei but no longer had the figures to hand, he said.

Report on corruption 'disease'

UMTATA. ^{CH 7/1/38 5/7/38 (103)} Two volumes of the 568-page final report of the commission of inquiry into the gambling rights in Transkei were officially handed over to Transkei's President Tutor Ndamase by the commission's chairman, Mr Gerald Alexander, SC, yesterday.

Mr Ndamase said he identified or diagnosed "the disease" during the first phase and the two volumes contained the "prescription".

It was now for the courts to decide on what course of action to follow.

He said it was clear to everybody that corruption was fast permeating all systems and all sectors.

"It is a matter of extreme regret that actions detrimental to the interests of Transkei were embarked upon and perpetrated by people occupying positions of trust in the government," he said. — Sapa

Stern action needed in Transkei, say probe chief

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UMTATA. — The chairman of the commission of inquiry into the granting of gambling rights in Transkei, which ended on May 31, Mr Gerald Alexander, SC, said the probe into malpractices in the country was continuing.

Mr Alexander, who presented the commission's report to the State President, Paramount Chief Tutor Ndamase, at the presidential palace, said yesterday activities that called for stern action were uncovered.

"Transkei will still have the active co-operation of the South African Government if it became necessary to follow up on witnesses needed to complete their testimony," he said.

"A number of important decisions and conclusions have been arrived at in spite of criticism that no just decision could be reached when the hearing of certain evidence had not been completed.

"I want to dispel that notion because although it was not possible for the commission to act beyond the borders of Transkei we would not be where we are if it had not been for the assistance given by the Minister of Justice there, Mr Kobie Coetsee."

Vital evidence was recovered through help from members of the South African Police, he said.

He said the commission dealt with gambling activities covering 12 years and had 6 000 pages of evidence in over 1 000 documents.

He said he wished his commission would be instrumental, even if in some small measure, in removing the blight of corruption, as far-reaching malpractices were uncovered.

He said there was an assurance that no more corruption would be tolerated by the present government, and that dire consequences awaited those who had offended and those who might do so in future. — Sapa.

Rhombus ponders R100-m titanium mine for Transkei

ster 6/7/88

By Sven Forssman

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Rhombus Exploration subsidiary Sub Nigel is considering setting up a R100 million titanium mine in the Wavecrest area of the Transkei, the Transkei Development Corporation (TDC) announced yesterday.

TDC marketing consultant Arthur O'Connor told Sapa yesterday valuable deposits of heavy mineral sands containing titanium had been found.

He said initial feasibility studies indicated that the mine

may have an annual turnover of approximately R70 million and that deposits are estimated to be in the region of 200 million tons — considered a material find but much smaller than those discovered at Richards Bay.

"They are nevertheless an exciting find for Transkei which has recently announced the opening of its first coal mine at Gabu Hook near Indwe on the Lady Frere border of Transkei and South Africa where there are 100 million tons of low sulphur anthracitic coal."

News of the find was confirmed by Rhombus chairman Les Holmes.

"But, whether we mine in the area is all speculation at this stage," he said.

"We've have applied for a mining lease and we're holding discussions with the Transkei, but nothing has been finalised.

"There are still many things to be done, if and when we get the mining lease — confirming

the titanium reserves is just one of them."

Mr Holmes said the possibility existed — if the mine became a reality — that the mineral separation plant could be located in East London.

"The mineral concentrations would be pumped down the coast via a hydraulic pipeline."

Elements

Mr O'Connor said Rhombus would be looking for rutile, zircon, ilmenite and monazite in the deposits, all elements of titanium and zirconium.

He said 95 percent of titanium dioxide goes into paints and plastics, but the residual minerals are used to make the high heat resistant skins of space rockets and the interiors of steel furnaces and are particularly valuable because of their low co-efficient of expansion.

"It's anticipated the mine will be in full production by January 1990."

Mr O'Connor added the mine would initially employ 300 people.

'Kei inquiry over 103

IT will take the Transkei Military Council about two weeks to decide whether legal action should be taken against former government officials, including cabinet ministers, on charges of corruption, according to Transkei strongman Brigadier General Bantu Holomisa.

He was speaking yesterday after completion of the Alexander Commission of Inquiry into alleged corruption and maladministration: the report was handed to Transkei President Tutor Ndamase on Tuesday.

General Holomisa said copies of the report



BRIGADIER Holomisa

would be distributed to the council of ministers who would discuss it at length before submitting their recommendations to the military council, which he heads.

"We will then take

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about two weeks to decide which matters will be submitted to the Attorney-General for prosecution and other issues which could be solved administratively," said General Holomisa.

He also said that his government had had no word about Chief George Matanzima, the former prime minister, who is wanted in connection with investigation into certain charges.

"We are given to understand that he is in Austria and efforts are being made to bring him back," said General Holomisa.

More 'Kei vs 'Kei tensions

THE continued presence of Charles Sebe and two other Ciskei dissidents in Transkei could cause trouble for some Transkeians.

Ciskei this week threatened to revive its policy of punishing Transkeians because their territory still gave refuge to the three.

At the height of the "Kei wars" in January and February last year, Ciskei began mass repatriations of people with Transkei citizenship. Operations reminiscent of 1960s-style pass raids were carried out in townships like Mdantsane and Zwelitsha, and people found with Transkei ID documents were summarily trucked to the

border and dumped there.

Road blocks were set up which turned back any car with Transkei registration, and Ciskei began refusing medical treatment to Transkeians.

Despite these reprisals, the population of the region remains firmly integrated. For most, citizenship of either Transkei or Ciskei is little more than a technical distinction.

But this week, Ciskei threatened to introduce "drastic measures whereby our generosity to Transkeians will be reviewed if not cut to nil" because of the continued presence in Transkei of the Ciskei dissidents.

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8-14/7/88

TITANIUM FIND

Transkei is poised to become a titanium exporter after a valuable find in the Wavereest area. The metal is used by industries ranging from paint to space aeronautics.

The estimated 200 Mt deposit was found by Rhombus Mining, which anticipates that the mine will be in production by January 1990. It will initially employ 300 people and estimated turnover is expected to be more than R86m.

Rhombus also hopes to find other minerals usually found alongside titanium — such as rutile, zircon, limenite and monazite.

Rhombus has still to decide how to exploit its find. A spokesman says: "There are logistical difficulties in getting the ore from the site because of a lack of roads. One option being considered is to pipe it to an offshore vessel, which will transport the ore to Europe."

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'Drastic action' threat to Transkeians in Ciskei

The Argus Correspondent

EAST LONDON — In a belligerently worded statement, the Ciskei Government has threatened "drastic action" against Transkeians over the continued presence in Transkei of three Ciskei dissident leaders.

Asked to expand on the statement, Ciskei Government spokesman Mr Headman Somtunzi confirmed Ciskei was considering reimposing harsh strictures on Transkeians in the Ciskei.

These could include demanding residence permits, restricting movement into the country, refusing hospital treatment and perhaps even deportations, Mr Somtunzi said.

Similar measures were imposed at the height of tensions between the two homelands in January and February last year. Many Transkeians live in the Ciskei.

But Transkei's military ruler, Major General Bantu Holomisa, today reiterated his government's position that it would not respond to Press statements, and was still waiting for the matter to be raised through official channels.

The Ciskei statement came after calls were made in the Ciskei National Assembly for the three dissident leaders to be returned.

They are Charles Sebe, former Commander-General of State Security and brother of Ciskei President Lennox Sebe, a second brother, Namba, formerly Ciskei Minister of Transport, and Chief Lent Maqoma, the leader of the Ciskei People's Rights Protection Party.

Today's statement from Ciskei said this failure to respond was "viewed in a very serious light and analysed as arrogant".

8-14-78 Court told of black hole of 'Kei

By CARMEL RICKARD,

W. Durban 103
FIVE Transkei prisoners say they have been kept in grossly overcrowded cells, 24 hours a day for more than five months, and have asked that the supreme court order the practice to stop.

The urgent application is being made by the five against Transkei's minister of justice and prisons and commissioner of prisons. They ask the court to declare a number of alleged irregularities at Umtata's Wellington Prison are illegal.

One of the group, Shadrack Themba Nongoma, said in court papers that the cell in which he is confined measures about four by five metres. He estimates it could house a maximum of 40 prisoners, but that almost 120 are kept in the cell.

He claims he and eight other prisoners sleep on the floor of the toilet because there is no other space, and that arguments, physical fights, sexual abuse and indecent assault are common in the cell.

Nongoma says he believes there are similar conditions in other parts of the prison and that the overcrowding violates prison regulations.

He claims that on January 28 two prisoners died after assaults by warders and "prefect" prisoners.

According to Nongoma, a prisoner asked for a second helping of food and was subsequently assaulted by a

warder. This led to a fight in which 60 warders and policemen "armed with iron bars, pipes, rods, hunting sticks, brooms, table legs and sjamboks launched a full scale attack on the prisoners".

He complains there is only one toilet in each cell and that a dozen toilet rolls shared between all the inmates in the cell are expected to last the whole month.

Nongoma claims prisoners are not supplied with handkerchiefs, and they have to use their shirts to wipe their faces and blow their noses.

"We are supplied only with a shirt,

a pair of trousers and a jacket on admission ... we are not supplied with any underwear, pyjamas, overcoats, socks, jerseys or spare clothes. Whenever clothing is washed that part of the body which it covers has to remain bare."

He and the other applicants further complain that since January 28 this year they have been locked in their cells for 24 hours a day. "We are allowed neither sunshine, fresh air nor exercise.

"There can be few greater hardships than for active human beings to be locked in congested cells day and night, week after week and month after month in enforced idleness."

Nongoma and several other applicants say they need special diets for medical reasons, but that they are refused the correct food.

Summing up the situation in the jail, Nongoma says, "People are sent to prison as punishment, and not for punishment."

The application was launched last month but was postponed last Thursday (July 1) to allow for answering papers to be filed. It is expected the case will come before the court for argument on September 1.

Xhosa cold war developing again — Ciskei warning

W/KRGUS 9/7/88
BISHO. — A "cold war" is developing again between the two Xhosa independencies, Ciskei and Transkei.

This was one of the major points of the session of the Ciskei National Assembly, which is due to end on Monday, and is not the first time that the territories have been at loggerheads.

The conflict started when the former head of the defunct Ciskei Central Intelligence Services commander, General Charles Sebe, was "sprung" from Ciskei's maximum-security prison at Middledrift three years ago.

During this session of the National Assembly the Minister of Foreign Affairs, Mr W B Blie, said Ciskeian dissidents had renewed hostility.

Transkei was again being used as a

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launching pad by "perpetrators of evil".

This week the Ciskei warned that "drastic measures" would be taken if General Sebe and others were not returned from Transkei.

Ciskei also warned that its generosity to Transkeians in their territory would be reviewed or "cut to nil".

Transkei's military government under Major-General Bantubonke Holomisa has replied by saying it was adamant it would not heed Ciskei's warning of a "cold war state of relations".

General Holomisa said his government's attitude towards Ciskei was clearly spelt out in a Press statement in which he pledged its aim to further good relations with Ciskei. — Sapa.

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Times
10/2/88

Ex-PM George out of money — out of luck in Austria

By BILL KRIGE

GEORGE MATANZIMA is broke, his ill-gotten southern African fortune sequestered and the funds he took into exile in Austria squandered on women.

The one-time premier, who fled anticipating an extradition order to Transkei where he faces corruption charges, has no money stashed in Austrian banks, the Sunday Times has learned.

But the bald, 70-year-old womaniser is a powerful bargaining chip in the hands of Transkei's Military Council which has vowed not to pay an Austrian debt approaching R10-million unless he is handed over to face justice.

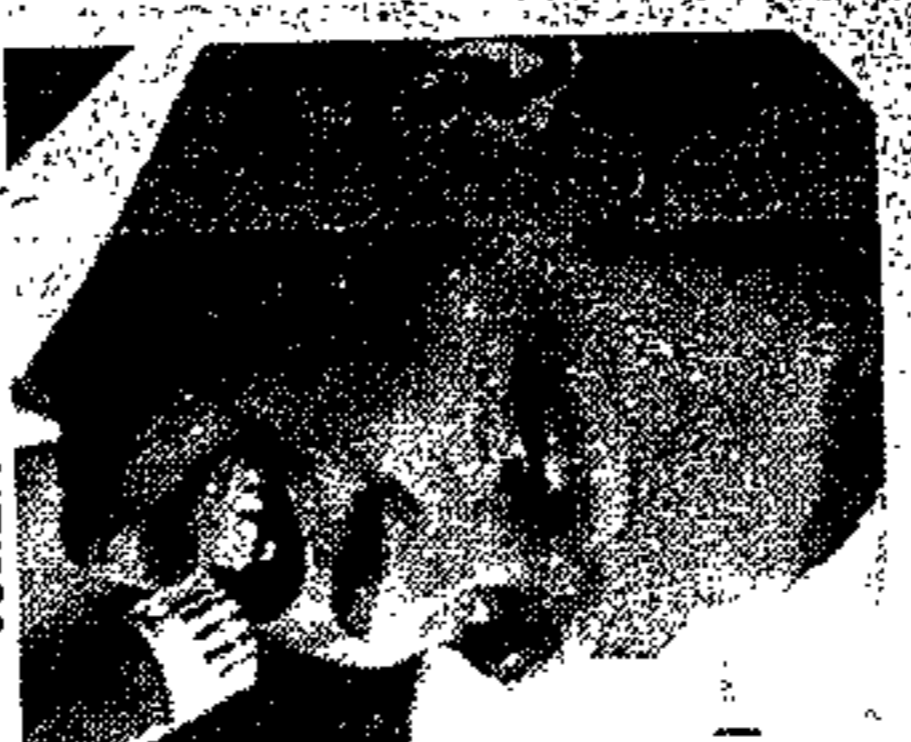
The debt is for 1 850 tractors delivered during three years from 1979 while Chief George was premier. Scores went missing, either misappropriated or given away.

Amid rumblings in Umtata that his brother, former President Kaiser Matanzima, is planning a political comeback, the odds of Chief George returning have shortened.

The Matanzimas face immense criti-



GEORGE MATANZIMA... squandered money



KAISER MATANZIMA... severely criticised

alism with the revelations of two commissions of inquiry, one of which said a "grotesque pattern of corruption in high places stands revealed".

Referring to Paramount Chief Kaiser, Mr Gerald Alexander said he was "an extremely bad witness" whose testimony was "characterised by patent evasions and an inexplicable inability to comment on or explain the monies which were proved to have been paid to his credit".

That included R50 000 from his brother, Chief George, and about R250 000 from two companies. One transaction involved the former Holiday Inn group selling five percent of its shares in Golora Development for R10 000 and repurchasing them for R300 000. Of that amount, R129 000 was paid to Chief Kaiser.

Mr Alexander said: "I have a grave suspicion the monies he received were for favours improperly rendered by him."

He recommended the relevant Attorney-General in SA investigate the hotel group and the Attorney-General of Transkei be given the relevant informa-

tion about Chief Kaiser.

Referring to Chief George's claim that an anonymous benefactor had given him R2-million for the sterling services he rendered Transkei, Mr Alexander said this account was "so improbable" it lacked the hallmarks of honesty.

In fact, the money originated either with Mr Sol Kerzner's Sun International gambling empire or with former Cape Town mayor Mr David Bloomberg.

Mr Alexander's probe into gambling rights in Transkei provided no comfort to Sun International which persuaded Chief George to award it exclusive gambling rights after his cabinet had voted against that step.

The commissioner said he had "grave doubts" about the validity of documents supporting the exclusivity claim and saw no reason why they should not be tested in court. If a court found against the hotel group (whose planned multi-million rand hotel and casino complex in Umtata has been stalled pending clarity on the issue), the project could be put out to tender.

It was doubtful in common law if

money received corruptly by an official could be recovered by the state but it was "unthinkable that recipients of such money or other benefits should be allowed to be protected. They should be made to disgorge their ill-gotten gains".

Of the minor actors, Mr Alexander thought former Premier Stella Sigcau had been "misguided" in accepting a R50 000 gift from Chief George, the origin being illicit. But he did not believe there was any need for more investigation against her or her cabinet colleagues, Mr Tsopo Letlakia and Mr Mntseleli Lujabe, who also got R50 000 gifts.

A crushing indictment of the Matanzima brothers and two firms they promoted, which have cost Transkei millions, has also been made by a corruption probe.

Two major housing contracts tackled by Temba Construction and Jalc Construction have left the homeland with "huge debts it will take many years to repay".

That is a finding of Mr Justice T H van Reenen, whose report — to be presented to Transkei's President Turot Ndamase tomorrow — is the homeland's second

corruption bombshell in a week.

The judge reveals that a R17-million Jalc housing project (the firm shares directors and an address with Temba) eventually cost R54-million — with many of the homes so badly built as to be uninhabitable.

The cost of individual houses at Umtata and Ezibeleni, near Queenstown, had doubled and many were unusable. What was originally a viable project had "become a liability which will burden the resources of this country for many years to come".

The judge detailed an extraordinary tale of graft, cynicism, manipulation and an outright disregard for the law by Temba and Jalc and the two most powerful men in government.

At times, dealings were at the level of "farce". The signing of the contract was so riddled with illegality that it "would make a worthy theme for a Gilbert and Sullivan opera".

Chief George and his elder brother could be "held liable for any loss suffered by the state" as a result of their directives.

Umtata prisoners seek order on jail conditions

CP Correspondent

FIVE prisoners in a Transkei jail have made horrific claims of gross overcrowding and sexual abuse.

In an application to the Umtata Supreme Court the five said they were kept in a grossly overcrowded cell for more than five months without proper clothing or adequate food.

They have asked for a Supreme Court order to stop the alleged irregularities.

Their urgent application concerning Umtata's Wellington Prison is against Transkei's Minister of Justice and Prisons and the Commissioner of Prisons.

According to Shadrack Nongoma - who is serving a 17-year sentence for armed robbery - his cell measures about four by five metres and often houses 120 prisoners.

He and eight prisoners sleep on the floor of the toilet. Arguments, physical fights, sexual abuse and indecent assault were common in the cell, he said.

He said that on January 28 two prisoners died after assaults by warders and other prisoners. The fight began after a

prisoner asked for a second helping of food.

He complained there was only one toilet in each cell and that a dozen toilet rolls shared between all the inmates in the cell were expected to last the whole month.

Nongoma claims prisoners were not supplied with handkerchiefs, and they had to use their shirts to blow their noses.

"We are supplied only with a shirt, a pair of trousers and a jacket on admission.

"We are not supplied with any underwear, pyjamas, overcoats, socks, jerseys, or spare clothes.

"Whenever clothing is washed, the part of the body which it covers remains bare."

Nongoma and several other applicants said they needed special diet for medical reasons, but had been refused the correct food.

Another prisoner, Victor Cassim Mdluli, in jail for car theft, said he was a practising Muslim, but that warders had refused to allow him a copy of the Koran or a visit by a Muslim holy man.

The case will be heard on September 1.

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C/Pres
10/7/88

Ciskei Minister fails to account for R7,3-million

10/7/88
C. Peters

THE policy speech of the Ciskei Minister of Tourism and Aviation has been rejected by the National Assembly and only estimates of the department were considered by the house.

In a surprising rebuff this week, the chief whip, NG Stengile, told the house LM Yako's speech did not reflect what the department had achieved and was not worth debating.

Stengile said the department had been allocated R7,3-million during the previous financial year and the policy speech had not indicated what had been done and how the money had been spent.

Stengile said nothing had been reported about the activities of Bulembo Airport, which had opened in July last year.

Ciskeians had not been told about flight programs, the airline's fare structure, or whether the service was operating fully.

"The withholding of such vital information does not augur well for the department," Stengile said.

The motion that the speech not be discussed was seconded by the deputy whip, Chief AM Mqalo, and accepted by the house.

Meanwhile, Stengile has accused staff members of the Department of Aviation and Tourism of unbecoming conduct.

The remark was apparently directed at officials who were chewing bubble gum while the house was in session. According to parliamentary regulations nobody is allowed to eat in Parliament. - Sapa

'INHUMAN MAN JAIL'

Sowetan 11/7/85 103

JAIL

5 prisoners claim in Supreme Court action

FIVE prisoners, including a 64-year-old man, who are serving terms ranging between three and 20 years, have alleged in affidavits that conditions inside the Wellington Prison in Umtata, Transkei, were inhuman.

In papers lodged with the Transkei Supreme Court last week the men sought the improvement of the conditions inside the prison, that prison officials refrain from assaulting them, that they be allowed reading material and study facilities, given proper food and that they be allowed to participate in sporting activities.

Jail

The matter has been set for hearing on September 1.

The applicants are Shadrack Nongoma (44), Victor Cassim Mdluli (35), Joseph Jongile (34), James "Castro" Kati (66) and Marelane Kopman (39).

Kati was sentenced to 13 years' jail on October 6, 1982 for furthering the aims of the African National Congress and terrorism. The sentence was reduced to seven years after an appeal.

He said in his affidavit that he was not afforded political prisoner status and despite several letters to the Prisons Board since 1985 he was still graded "B", meaning he was a common prisoner.

Kati said he had also not been allowed study



ORLANDO Pirates' striker Lawrence Maake in a mid-air battle for the ball with Farook Nkuna of Magic Curi Celtic. This was in their thrilling Castle League match played at Orlando Stadium yesterday. The game ended in a goalless draw.

Pic: JOE MOLEFE

MANDELA CONCERT NOW IN BALANCE

THE staging of the Mandela Concert for Peace hung in the balance at the weekend following the detention in Cape Town of activists connected with the venture.

Weekend reports linked the nine detainees with the concert being planned as a birthday party for jailed African National Congress (ANC) leader, Nelson Mandela. The nine, who include a journalist, a teacher, a photo journalist and various office bearers of the restricted United Democratic Front, were detained on Friday.

Relatives were quoted as saying the nine were being held under emergency regulations.

Their detention, which came after the

release last week of other UDF leaders, was widely seen as a prelude to the banning of the concert. Release Mandela Committee spokesman, Mr Aubrey Mokoena, said at the launch of the concert that he did not "think" that the Government would ban the concert.

The nine detainees are Mr Jonathan Shapiro, a cartoonist; Mr Bulelani Ngcuka, a lawyer; journalist Rehana Rossouw; Mrs Veronica Simmers; Mr Omar Badsha, a photo journalist; Mr Saleem Mowzer, a high school teacher; Mr Zolile Malindi, UDF Western Cape president; Mr Nabs Wessels, of the Dependants Conference and Monde Belfour of the KTC peace committee.

The mild cigarette that satisfies

Rothmans King Size Soft

Made in South Africa. Also in Great Britain, Canada, Holland, ...

Matanzima speaks

UMTATA — The former Transkeian prime minister, Chief George Matanzima, will return to Transkei to answer any charges against him as soon as "policies of Hitlerism" ended, his brother, Paramount Kaiser Matanzima said at the weekend.

Chief Matanzima said the recent Press conference called by Transkei's ruler, Major-General Bantu Holomisa, was staged to rebuke and blatantly attack the Matanzima brothers.— Sapa.

Source: 11/7/88

SA ESCORTS
South Africa is not a party to the protocols, and is unlikely to ever adopt them. The United States has decided not to ratify Protocol 1.

Transkei 'Hitlerism'

UMTATA — The former Transkeian Prime Minister, Chief George Matanzima, will return to Transkei to answer any charges against him as soon as "policies of Hitlerism" have come to an end, his brother, Paramount Chief Kaiser Matanzima, said at the weekend.

(103) STEV 11/7/88
Chief Matanzima said the recent press conference called by the chairman of the Military Council, Major-General Bantu Holomisa, was staged with the sole purpose of rebuking the Matanzima brothers.

He asked for how long this sort of behaviour would be tolerated in Transkei. — Sapa.

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Ciskei bars and deports Transkeians

UMTATA — Transkeians are once again being either barred from entering Ciskei, or being deported following their government's refusal to extradite three Ciskeians.

Three daughters of Transkei's Ambassador to South Africa were escorted out of Ciskei on Friday and Transkei vehicles have been refused entry at the border.

The incidents follow a warning that if Transkei did not extradite General Charles Sebe, Mr Namba Sebe and Chief Lent Mqoma, "drastic" steps would follow.

Jail claim

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• From Page 1

Sowetan 11/7/86
facilities after several attempts to get permission.

Nongoma was sentenced to 17 years' imprisonment on August 1986 for armed robbery.

In December he was given an additional two years' jail for escaping from custody.

In the affidavit he said:

"Arguments and fighting between prisoners in cells is common as are incidents of sodomy and indecent assaults," he said.

Kei inquiry tells of *Star 12/7/84* 103 'disastrous decisions'

UMTATA — The report of the Transkei commission of inquiry into the Department of Works and Energy on the Butterworth and Ezibeleni housing contracts was released for publication today.

The chairman of the commission, Mr Justice T H van Reenen, said the inquiry had revealed the disastrous results which flowed from directives issued by senior office-bearers, in this case the former State President, Paramount Chief Kaiser Matanzima, and the former Prime Minister, Chief George Matanzima.

Mr Justice van Reenen said the numerous directives had resulted in

projects being initiated and processed without due preliminary investigations regarding the feasibility or economic viability of the projects, the demands for the various categories of housing, or the suitability of the proposed terrain.

He said the ultimate results were that:

- A contract which was originally priced at about R17 million eventually cost the State about R54 million, and another which started at about R9,1 million ended at about R14,7 million.

- Houses which were meant to be sold were either unsaleable or had to be subsidised by the State. — Sapa

Transkei turns against Ciskei

AKW 13/7/88 103
The Argus Correspondent

DURBAN.— Transkei's military rulers, reversing their policy of goodwill towards Ciskei, have called President Lennox Sebe a dictator who launches "vicious attacks" on his opponents and imprisons his brothers.

Umtata and Bisho have fallen out over three Ciskians who sought refuge in Transkei: former military supremo Charles Sebe, Mr Namba Sebe and Chief Lent Maqoma.

Transkei says their future should be settled by negotiation.

Transkei sees them as political refugees who qualify for protection under the Geneva Convention regulating political asylum, while Ciskei says they are criminal dissidents.

Their different perceptions have brought an end to Umtata's goodwill policy, says Military Council statement.

REFUSED TO NEGOTIATE

The council statement says Transkei has repeatedly requested a meeting with Ciskei, but has been met only with arrogant replies which are "undiplomatic and highly provocative".

Transkei demands to know from President Sebe why he refused to negotiate with Transkei directly and refuses to negotiate over his brothers and cousins in Transkei.

The Military Council says Major-General Holomisa has extended Transkei's hand of friendship. "But it seems Ciskei will not negotiate unless it does so with persons of its own choice in Transkei."

Ciskei is ruled by a dictator who "launches vicious attacks on his opposition, even to the extent of imprisoning his brothers, taking away or stripping chiefs of their lands, property and even their birthright of chieftainships," the council says.

CAPE TOWN 14/7/85

Overspending Umtata hangs on 'loose thread'

Own Correspondent/03

UMTATA. — Transkei government departments recorded R52,5 million unauthorized expenditure during the 1985-86 financial year — the highest since independence.

This was disclosed yesterday in a report by the Auditor-General, Mr W Z Yako, on the appropriation and miscellaneous accounts. Efforts to promote financial discipline had been made, but nothing had happened and it was disconcerting to note that 18 of the 19 state departments had overspent.

"I wish to reiterate that the loose thread by which financial administration in Transkei is hanging will snap any day if the ever-increasing indifference of accounting officers to this burning issue is not halted," Mr Yako warned in his report, which also covered the 28 municipalities and 10 corporations.

Sebe is a dictator, says Transkei rulers

Sowetan 17/1/08

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TRANSKEI'S military rulers have reversed their policy of goodwill towards Ciskei and have called Life President Lennox Sebe a dictator who launched vicious attacks on his opponents and imprisoned his brothers.

Umtata and Bisho have fallen out over the status of three Ciskeians who sought refuge in Transkei — former military supremo Charles Sebe, Mr Namba Sebe and Chief Lent Maqoma.

SOWETAN CORRESPONDENT

When the Military Council led by Major General Bantu Holomisa took over power on December 30 last year, they continued a policy of reconciliation towards Bisho tentatively started by the ousted Prime Minister Miss Stella Sigcau.

Previously the Matanzimas and Sebes had so fallen

out that an element of the Transkei Defence Force launched an ill-fated raid on President Sebe's Bisho Palace.

When Major General Holomisa addressed Transkei in the Umtata City Hall on January 6 he said he wanted good relations with Bisho to continue.

The Transkei soldiers said the fate of the three Ciskeians should be settled by negotiation.

Transkei saw them as political refugees who qualified for protection under the Geneva conventions regulating political asylum for refugees. Ciskei said they were criminal dissidents.

And now their different perceptions have brought an end to Umtata's goodwill policy and behind the scenes their relationship has collapsed.

The Military Council released a statement this week saying Transkei had repeatedly requested a meeting with Ciskei, but was met only with arrogant replies which were undiplomatic and highly provocative.

Some brave young men in Transkei, frustrated by the corrupt tendencies of civilian rule, opted to take the government over in order to clean up the mess of the so-called democratic institution of government, the statement said.

'Insurgents' in Kei shoot-out

UMTATA — Transkei police were involved in a shoot-out with suspected insurgents near the Mzamba wild coast on Tuesday, according to a witness.

The shoot-out, said to be the second in two weeks, took place in an area called Seaview.

There was reportedly heavy shooting before combined South African and Transkei police forces were seen removing a body from a hut.

A large quantity of arms was removed by police from the house.

Transkei police liaison officer, Colonel S S Mokoatle, said he had not yet received a report.

ANC man hurt in ^{CPE} ^{Tink} border ^{15/7/88} drama ⁽¹⁰³⁾

MBABANE. — Swazi-land police yesterday shot and wounded a member of the ANC and arrested another after they stopped four men on the Piggs Peak-Bulembu road near the South African border in north-west Swaziland.

Eyewitnesses said two of the men escaped after a police chase.

They said police found arms and ammunition during the incident.

Police had received a tip-off that the men were in the area. When they confronted them one of the men threatened to set off an explosive he was carrying.

● There was also a shoot-out between police and suspected insurgents at Seaview near Umtata on Tuesday, an eyewitness said. It was said to be the second in two weeks.

There was reportedly heavy shooting before combined South African and Transkei police forces were seen removing a body from a hut.

Police removed a large quantity of arms. — Sapa

Sick Chief George is living like a pauper, says friend

9906 7/24 16/10
OWN Correspondent

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PORT ELIZABETH. — The former prime minister of Transkei, Chief George Matanzima, is said to be desperately ill in Austria, where he has been living like a pauper in a tiny room given to him in a private house since he fled South Africa to avoid a possible extradition order to Transkei.

Chief George has no money whatever. He lives on handouts and is too ill even to walk, said Port Elizabeth businessman and acquaintance of Chief George, Mr Leon du Pisani, who saw the former Transkei premier recently.

Mr Du Pisani said Chief George had indicated that he would only return to that country "in his coffin".

Judge: Transkei homes deal fit for the stage

THE circumstances that led to the signing of an R18-million housing development agreement by the Transkei government were farcical and a worthy theme for a Gilbert and Sullivan opera, according to Judge TH van Reenen.

He was reporting on the commission of inquiry into the Transkei Department of Works and Energy.

The judge said the contract for building firm JALC Holdings to construct 937 houses at Ezibeleni should have been signed by the Minister of Works and Energy, the Rev G Vika, instead of the Minister of Finance, Sidney Qaba.

According to JALC, former State President Kaizer Matanzima had instructed Qaba to sign the agreement. He did so on July 8, 1983, unknown to other State officials.

Judge van Reenen said Qaba later wrote to the Minister of Works and Energy. He said: "On 8th July, 1983, I was instructed by the honourable Prime Minis-

ter to go into the question of the finalisation of the loan agreement with Sodie Bank of Switzerland and the agreement with JALC Holdings on the erection of houses at Ezibeleni.

"It must, from the outset, be stated categorically that the honourable Prime Minister was activated by the desire to ameliorate the conditions of the overcrowded population of Ezibeleni.

"On account of the urgency of the matter I inadvertently signed the Standard Building Contract and the error is regretted."

Qaba then asked his colleague to ratify the signing.

Judge van Reenen said the department had not been in favour of the contract but had been overruled.

The department, together with the South African government, wanted the scheme to be moved from Ezibeleni to Dlinke but JALC opposed it and nominated its own consultants for the contract.

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Judge van Reenen said: "This high-handed attitude of JALC was also evident when it discovered that the soil on site was worse than expected. But JALC, having the support of the State President and the Prime Minister, carried the day and the project was started on the site they chose."

The soil contained clay which expanded when wet and contracted when dry. Consequently, unless special precautions are taken, buildings on such soil crack and may even collapse.

The houses did later crack and it was found that they had not been built to the specifications prescribed.

"The eulogies bestowed on Jalc and Temba by the State President and the Prime Minister and others were clearly based on false premises", the Judge said.

He said since the Minister of Finance had no authority to sign the contract, it was clearly invalid and could have been set aside at the time.

"But here the farce was compounded

and to appreciate it we must go back to a previous occurrence.

"A Minister of State had, at a cocktail party, informed a prospective contractor that he would be awarded a certain contract. Subsequently, this award was challenged and the matter was referred to arbitration.

"The arbitrator, a professional man but not a lawyer, ruled that the Minister, being a Minister of State, had lawfully awarded the contract and that the State was bound by it. I understand that the arbitrator was impressed by the fact there was a witness. This decision was accepted by the State without demur."

The contract was ruled valid and the government attorney not consulted.

Judge van Reenen said government officials and consultants laboured under great disadvantages. They tried to steer matters along the correct route but were ignored and vilified. — Sapa

103 **R200m**
Times 17/7/88
**The price of
 Transkei
 corruption
 under the
 Matanzimas**

By BILL KRIGE

TRANSKEI is trying to recover more than R200-million misappropriated or stolen over more than a decade — including R40.6-million in overpaid salaries.

A pattern of massive bureaucratic breakdown coinciding with the rule of the Matanzima brothers is emerging, showing how ministers and an army of officials plundered millions.

Officials put the tab at at least R200-million and doubt if more than a fraction will be recovered.

Salary scams and unjustified expense claims since independence in October 1976 rose to a phenomenal R52.8-million by March 1986 — up R16.8m in a single year, the office of the auditor general has found.

Almost R12-million was paid out in "expenses" in that period, officials sometimes drawing large sums for travel and submitting inflated claims without proof. Some simply pocketed the balance and waved queries aside.

Overpaid

In 1986, cabinet ministers ran up Diners Club credit card accounts of more than R29 000. The cards were introduced to spare ministers the indignity of having to produce expense vouchers for overseas travel.

They abused it by buying clothes and presents — and getting the State to pay, the auditor general has reported.

In the decade after independence overpaid salaries amounted to R40.6-million, with scores of officials being paid at salary notches above those to which they were entitled.

About 100 quality houses in Umtata alone (bought by South Africa after independence and given to the Transkei Development Corporation to hold in trust for the nation) were sold to favoured officials for a song — and then resold or leased at huge profits.

One official recouped the entire R1 500 he paid for his home within four months by letting it for about R400 a month. He then gave his tenants notice and moved in. A house bought for a token R2 100 was sold within months for R37 000.

Houses worth R5.5-million were sold at about one-tenth of their book value and the same applied to businesses worth R18.5-million and hotels valued at R4.2-million, according to the report of a commission of inquiry into the departments of Commerce, Industry and Tourism.

Controversy

Even the appointment of Selous Scout leader Ron Reid-Daley as Transkei's Commander in Chief is tinged with controversy. The contract with the general's company, Security Services Transkei, was apparently never ratified.

As a result, Treasury approval for at least R5.6-million paid to his men was never obtained.

The overspending culminated in the spurge of 1985-86 which saw unauthorised expenditure top R58.5-million. This has led to serious cash-flow problems.

The alarm of the then auditor general, Mr Jiyani Maqubela, led to the appointment of commissions to inquire into the departments of Works and Energy and of Commerce and Tourism.

The revelations have forced dozens of ministers and key officials into retirement. Others have been jailed or face corruption charges.

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Case Files 2017/11

Joint operation denied *103*

UMTATA. — Transkei security police denied yesterday reports that a shootout between police and suspected insurgents near Mzamba last week had been a joint operation between the South African police and Transkei police. Brigadier Spalding Dengana said only members of the Transkei security police had been involved.

8 Dec 21 1988
**Second Sebe
goes home**

(103)
EAST LONDON — Mr Toni Sebe, the second of three Sebe cousins exchanged for Transkei prisoners, has been given permission to return to Ciskei.

Mr Toni Sebe's cousin, Mr Koli Sebe returned to Ciskei last week.

The two men and a third cousin, Mr Kambashe Sebe, were exchanged for the head of the Ciskei police elite unit, Lieutenant-General Kwane Sebe, and his second-in-command, Major-General Witness Ngwan-ye in December 1986.

Delays as Sebe blocks posts

From FRANZ KRUGER

EAST LONDON. — Workers are being subjected to massive delays as Ciskel roadblocks continue to stop all traffic entering Mdantsane to search for Transkeians.

Roadblocks have sealed off all three entrances to the sprawling township of 500 000 people for two weeks now, as President Lennox Sebe seeks to prevent Transkeians or Transkel-registered cars from entering the township.

The clamp was imposed in an attempt to pressure Transkel to hand over Charles Sebe and two other Ciskel dissidents who have been given asylum there.

Workers report delays of up to half an hour at roadblocks as Ciskel security forces search vehicles and check identification. People found with Transkel documents are turned back, as are Transkel-registered cars, regardless of how long they have lived in Mdantsane.

Residents said there was mounting irritation with the roadblocks and delays in the evenings when workers wanted to return home.

One Mdantsane resident told how he was driving a

friend's Umtata-registered car, and was refused entry to the township although he himself is Ciskeian.

Reports say that roadblocks have been set up throughout the homeland to stop Transkeians entering.

According to the East London branch of the SA Black Taxi Association (SABTA), taxis were being stopped at another roadblock at Peelton, on the road towards the Transkel.

At issue is the continued presence in the Transkel of Charles Sebe, the former commander general of Ciskel State Security who was jailed for plotting against his brother, President Lennox Sebe, and then dramatically freed from a Ciskel jail.

Ciskel has demanded his return, as well as that of another brother, Namba, former minister of transport in Ciskel, and Chief Lent Magqoma, the leader of the Ciskel Rights Protection Party.

The current crisis was sparked when Transkel refused to respond to calls in the Ciskel National Assembly for the return of the three men.

The Transkel Minister of Foreign Affairs, Brigadier Rodney Keswa, said his government would not respond because the calls were not made through diplomatic channels.

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21-27/88

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Ciskel took great exception to this, and last week issued a statement threatening "drastic measures" against Transkel in response.

It was suggested measures implemented could include deportations, the refusal of medical treatment to Transkeians, and the refusal of entry to them.

Similar measures were implemented early last year, during tensions between the two homelands. Ciskel police conducted raids in various areas, and summarily deported people with Transkel documents.

Last week, a delegation of South African Foreign Affairs officials under the chief director of the Southern Africa division, Dries Venter, held talks with President Sebe and his government in Bisho, and then with Transkel military ruler Major-General Bantu Homomisa.

The talks were described as "exploratory" by a foreign affairs source. "We want to see whether there are any points that we can use to resolve the issue," the source said.

"We are trying to defuse the animosity that seems to be surfacing once again between the governments," he said. — ELNEWS

They started wage negotiations on March 30



Chief George . . . now living in Austria.

Case established against Chief George

Probe calls for extradition

Star 22/7/88

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UMTATA — Transkei's former Prime Minister Chief George Matanzima should be extradited from Austria to face corruption charges, according to the final report of the Commission of Inquiry into the Transkei's Department of Works and Energy with particular reference to gambling rights.

The report was handed to the media by the office of the auditor-general yesterday.

Sweeping recommendations have been made by the commission's chairman, Mr Gerald Alexander, who has called for the extradition of Chief George from Austria because Mr Alexander believes a case of corruption has been established against him.

On the deposed Prime Minister, Miss Stella Sigcau, Mr Alexander recommended that there was no further need for additional investigation concerning her.

The chairman further recommended that evidence of certain people to the commission be referred to the attorney-general for his decision. The list includes the following:

Casino licence

- Mrs Lexie Ceza, an Umtata businesswoman whom the commission heard was the first to make an attempt to get a gambling licence to open a casino in Umtata;
- Mr John Tricky the former head of the South African Police's commercial branch in Durban. The commission heard that Mr Tricky helped Mrs Ceza get financiers for her proposed casino.
- Mr J Gouws, a Ugie farmer, who the commission heard was given instruction to write cheques to a few members of Chief George Matanzima's Cabinet. The commission later heard that such monies were given to them as "tobacco" or "sweets". In the process, Chief George Matanzima was buying Mr Gouws' farm for R1,5 million.
- Dr A Pupuma of Nqamakwe, who allegedly received large blocks of shares from the sale of the Mzamba rights. He is related to Transkei's former president Chief Kaiser Matanzima.
- Mrs Z M Dubeni of Umtata whose husband, before he died, was Transkei's consul in Johannesburg.

Mr Alexander also suggested that evidence led by the current Minister of Commerce, Industry and Tourism, Mr Dowa Mgudlwa, be referred to the Military Council for their consideration.

Ex-premier's goods sold

EAST LONDON — Movable property belonging to the former Transkei premier, Chief George Matanzima, was sold for well over R200 000 at an auction near Indwe yesterday.

The auction was held at Grootfontein Farm, formerly owned by Chief George Matanzima, who is now in self-imposed exile in Austria. It was attended by about 100 people.

The auctioneer, Mr D L Andrews, said the goods, which included furniture, farming equipment, chemicals, livestock and machines, were sold at above market prices.

He said a bedroom suite was sold for R5 000 and a lounge suite for R4 000.

His entire estate was sequestered by the Transkei Supreme Court earlier this year when he could not pay his debts.

— Sapa

KEI

Chikane's mum gets a grenade

JOHANNESBURG. — A hand on prising the packet loose, yesterday by police after being found wrapped and wedged in a letter box at the home of Mrs Erinian Chikane, mother of the Rev Frank Chikane, general secretary of Churches (SACC). Mr Chikane said that whoever planted the grenade at his 61-year-old mother's Soweto home had intentions of "killing or maiming" her.

"Whoever placed the hand grenade must have known that the likeliest person to collect the mail during the day is my mother."

He said his mother found a plastic packet containing the grenade slightly wedged in a letter box at 11am. After experiencing difficulty in prising the packet loose, she called on builder Mr Eric Hallo, 29, who was busy renovating her home.

Mr Hallo said last night that

on prising the packet loose, opened it and saw an "orange green object with a pin and ring on top of it".

"I showed it to Mr Chikane's mother, who asked me to take away. I took it to a stream about 2km away and then contacted the police."

Police directorate spokesman Colonel Steve van Rooyen said the grenade detonated an RGD 5 hand grenade at 2pm. He said an investigation was under way.

An SACC statement said the family called the police at 11.30am, but when Mr Chikane phoned his mother's home at 1.30pm police had not yet arrived.

After Mr Chikane had contacted his lawyers, police arrived at the house at 2pm, the statement said.

Mr Chikane said it was clear that "a war has been declared against his family. — Own Correspondent and Sapa

SA might lose AFS exchange

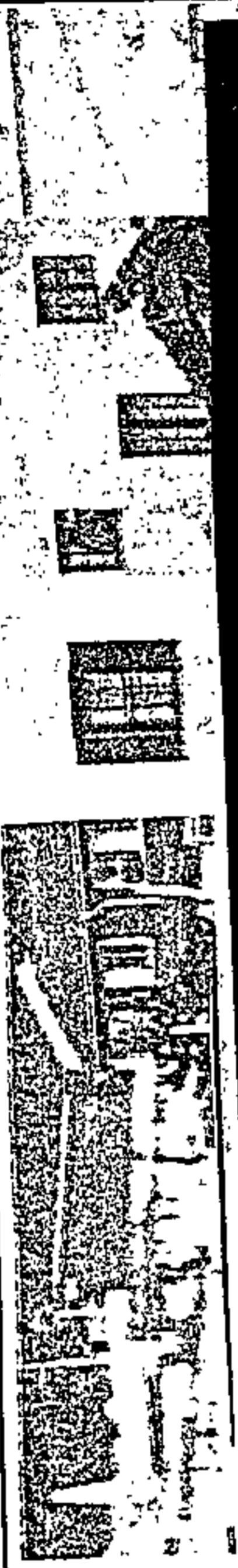
MARITZBURG. — The American Field Service student exchange programme might withdraw from South Africa soon. It was learnt yesterday that several trustees of AFS International would recommend this action next month.

In a circular sent to AFS families recently, Mrs Lesley Anne Craig, the Maritzburg secretary

of the organization, said the moves to expel South Africa resulted from:

- The financial problems of continuing to operate in South Africa;
- The philosophical problems of operating within the laws of the South African government (no hosting in black communities); and
- The political problems faced in other countries because of a presence in

to be



to be found, it was in the persons of chiefs George and Kaiser Matanzima, he said.

"Although this report deals primarily with the matter of gambling rights as they developed from 1987 onwards, it was not possible to isolate them from other revelations that have been presented to this commission," Mr Alexander said.

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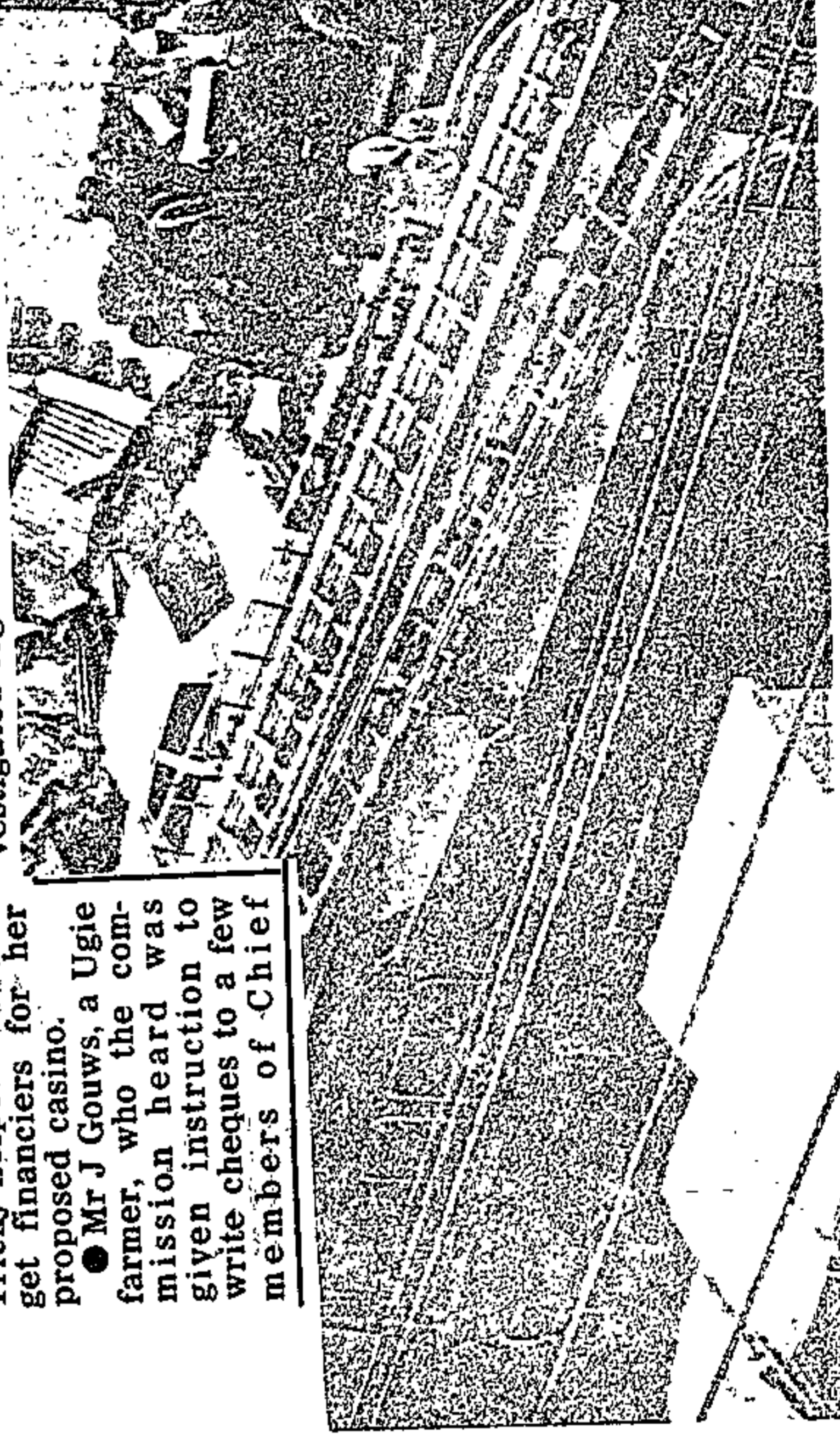
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Cape Times 22/7/88 103

UMTATA. — Hotel and gambling magnate Mr Sol Kerzner and Cape Town lawyer Mr David Bloomberg are among more than a dozen people whose evidence to Transkei's corruption inquiry will be referred to that country's Attorney-General.

And former Transkei prime minister Chief George Matanzima should be extradited from Austria to face corruption charges related to gambling rights, says the final report of the commission of inquiry into the Department of Works and Energy published yesterday.

A "grotesque pattern of corruption in high places" had been revealed, said commission chairman Mr Gerald Alexander in the long-awaited report.

The evidence given by Mr Bloom, Chief's belongings sold by Mr Kerzner. EAST LONDON. — The "attracted a large number of questions Matanzima, who is now in which at the moment Austria, were sold for more than R200 000 yesterday. His estate was sequestrated earlier.

"I believe that they are of such fundamental importance to the issue before me that if justice is to be done, they cannot be left in the air."

"I believe further that the R2 million which Chief George received either from one of the two gentlemen," Mr Alexander said.

He added that Chief Kaizer Matanzima was "an extremely bad witness".

"His testimony was characterized by patent evasions and inexplicable inability to comment on or explain the monies which were proved to have paid to his credit."

"I am not satisfied that I have been told the truth by Paramount Chief Matanzima and I am left with a grave suspicion that the monies he received were for favours improperly rendered by him," Mr Alexander said.

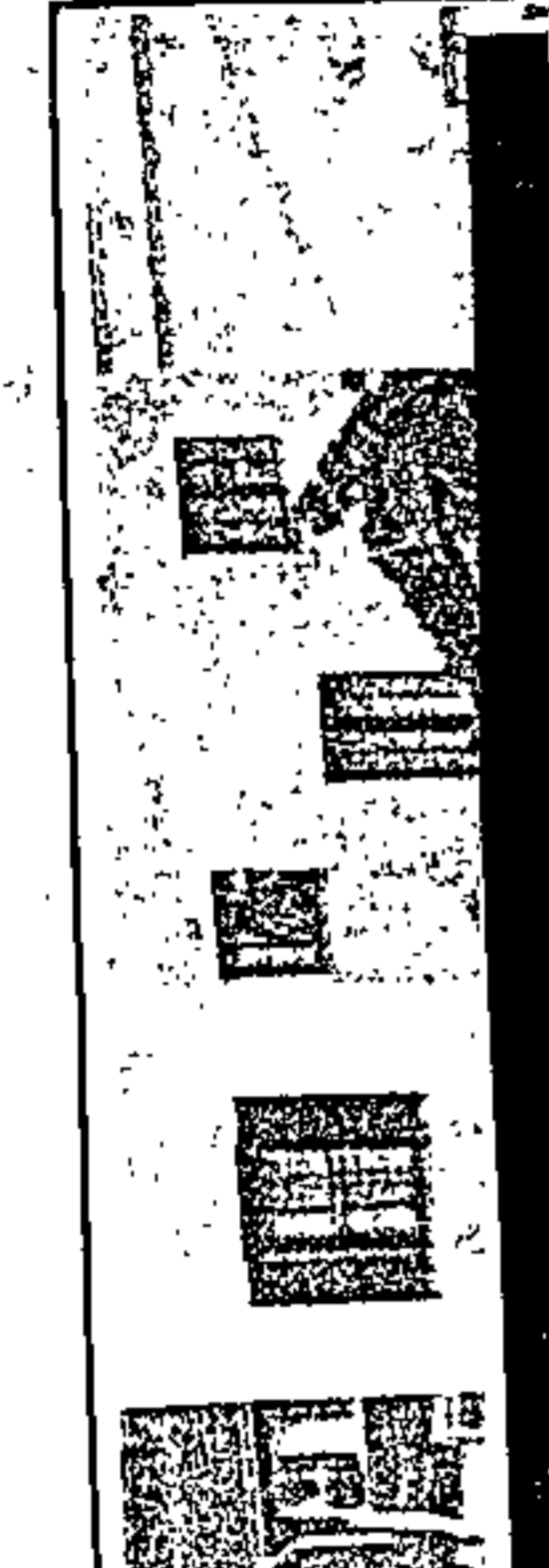
He called for the South African government's assistance in instances where South African residents were mentioned in the recommendations.

A spokesman for the Department of Foreign Affairs last night said Mr Pik Botha could not comment on press reports about the commission's recommendations, but would have to wait for a formal request from the Transkeian government before acting.

Mr Botha was recently quoted as saying he was "personally responsible" for the appointment of the Alexander commission and that whatever was necessary to follow-up its recommendations would be done "immediately".

Mr Alexander recommended that, among others, the evidence of the following people who testified before the commission be referred to the at-

to be



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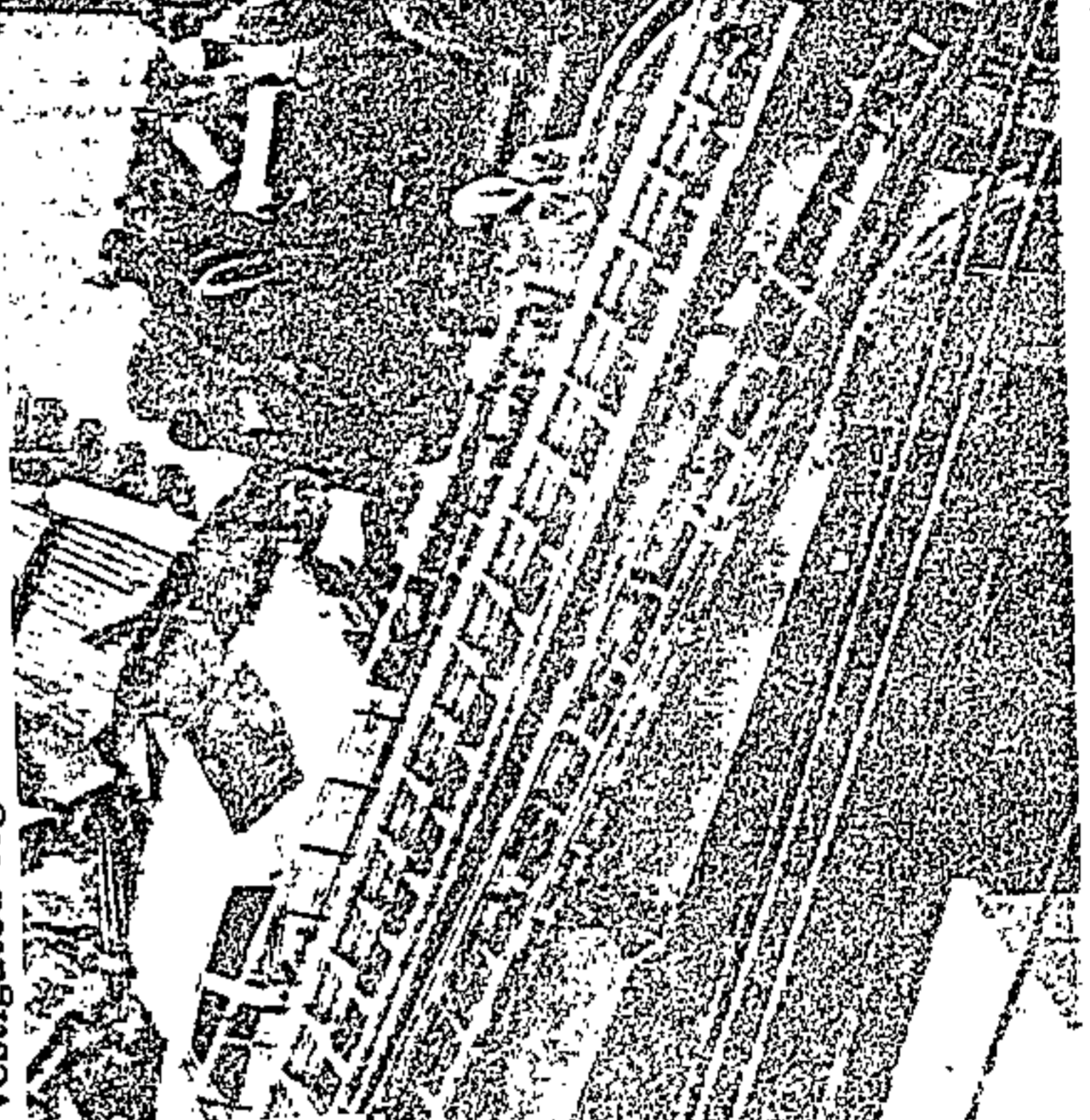
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Cape Times 22/7/88 103

Top SA businessmen in Transkei corruption probe

w/k 4 ARCS 73/788

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by DAVID BREIER and VIVIEN HORLER,
Weekend Argus Reporters

THE Attorney-General of the Transkei is launching an investigation into possible charges against a number of prominent South Africans and Transkeians implicated in a report on corruption over gambling rights.

A police spokesman in Port Elizabeth confirmed that the commercial branch was also investigating charges.

Former Prime Minister Chief George Matanzima, who faces extradition to Transkei on corruption charges, is believed to have fled to Austria penniless and frightened.

Mr Chris Nel, the Transkei's Attorney-General, said that if any charges were brought against South Africans they could be extradited to Transkei in terms of the bilateral extradition treaty or be tried in a South African court if a substantial part of the alleged offence took place in South Africa.

Mr Nel also announced that charges were being brought against Transkeians implicated in previous commissions of inquiry.

Mr Liston Ntshongwana, a close associate of Chief George, has already been jailed for three years. Mr Nel said that, following this week's publica-

tion of the Alexander Commission Report into gambling rights, he was initiating an investigation.

The commission found that a case of corruption had been established against Chief George.

The commission also found that either Mr Sol Kerzner, managing director of Sun International, or Mr David Bloomberg, an attorney and former mayor of Cape Town, had paid R2-million to Chief George for exclusive gambling rights.

Mr Nel said he would study the commission's report to decide whether to call for further police investigation and whether to prosecute.

According to evidence at the Alexander Commission, the R2-million pay-out to Chief George was made in Ugie in the Eastern Cape and therefore falls under South African jurisdiction.

Mr Nel said he would be in close contact with attorneys-general in South Africa, includ-

ing the Eastern and Western Cape, over such issues as jurisdiction.

It has been announced that Mr Frank Kahn, deputy Attorney-General of the Cape, has been seconded by the South African Department of Justice to the investigation and is expected to play a leading role.

Gambling rights

The Alexander Commission recommended that the relevant attorneys-general investigate the involvement of a number of South Africans in the gambling rights issue, including Mr Kerzner and Mr Bloomberg.

It also recommended "appropriate action" against Chief George and investigations into several Transkeians.

The Weekend Argus Correspondent in Vienna was told by local authorities this week that they did not know the whereabouts of Chief George. "The government and police believe he has left the country."

But a Port Elizabeth businessman, Mr Leon du Pisani, who is helping to support the former Transkei Prime Minis-

ter said that as far as he knew the chief was still in Austria.

Mr du Pisani said he visited Chief Matanzima in Vienna four weeks ago. He found him living in a single room in a private house, and with "no money at all".

"He is living on people like myself, who are trying to help where we can."

He described Chief Matanzima as a sick man and unable to walk. He refused to be specific about the chief's whereabouts. "You'll never get that from me," he said.

He said the only way the chief would return to South Africa or Transkei would be "in a coffin".

A spokesman for the Austrian Embassy in Pretoria said: "We do not have any definite knowledge whether Chief Matanzima is in Austria. If he is there he is there illegally."

This week Chief Matanzima, who was reportedly once wealthy enough to give his brother Kaiser occasional cash

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NEWS

Probe into corruption

■ FROM PAGE 1

gifts of R50 000 and owned fixed property worth more than R3-million, according to evidence to a commission of inquiry, had some of his assets sold for R200 000.

Also this week, Mr Gerald Alexander, chairman of a commission investigating the granting of casino rights in Transkei, recommended that the chief be extradited to face corruption charges in Umtata.

Things began to go wrong for the chief in April last year after a mutiny of army officers. The army chief-of-staff, General Bantu Holomisa, who was being held in jail pending charges of treason, was suddenly released by junior officers. General Holomisa is now head of the ruling Military Council.

At the time Chief Matanzima dismissed the mutiny as "mere speculation". The following month he resolved a simmering dispute with his brother Kaiser by banishing the former President to his "great place", Qamata.

Later a commission of inquiry into housing development was told that cash and a cheque totalling R1-million had been paid to the chief by agents of a construction firm for allocating a R30-million building project.

Soon after that he was air-lifted out of Umtata and later surfaced in a Port Elizabeth hotel amid reports that he had been deposed.

"I expect my privacy to be respected," he said plaintively in a note to journalists.

But his hopes were in vain. While journalists camped outside the hotel his brother announced that George "deserves a whipping on the bottom".

At the end of September Chief Matanzima was called on by the ruling Transkei National Independence Party to resign, and the following day a commission of inquiry into the country's Department of Commerce, Industry and Tourism said that R45-million was missing and that both Matanzima brothers were directly involved.

In May this year a warrant for the chief's arrest was issued by the Attorney-General of the Transkei, relating to the findings of the commission of inquiry into housing development.

■ See Page 7.

Durban 4000

Bargains and silly buys at THAT auction

by LOUISE FLANAGAN
Weekend Argus Correspondent

I SAT on Chief George Matanzima's bed this week, but the disgraced Prime Minister was nowhere to be seen.

With several hundred other people from throughout the Eastern Cape and Transkei, I was attending the sale of his assets at his Grootfontein farm in Transkei, just across the border from Elliot.

Chief George would no doubt have been horrified at the scene.

Housewives scratching through his curtains, farmers frowning over his badly maintained agricultural equipment, hakkies parked wall-to-wall around his farm and — even worse — commoners bouncing on his beds.

The sale follows the sequestration of Chief George's estate earlier this

year in order to meet his debts — believed to be in the region of R1,8-million.

Chief George claimed among his other assets Moolhoek Farm (in South Africa, near Ugie) and Hafton Farm (near his Great Place at Gamata).

This week's sale included furniture and agricultural equipment from the farms, but not the farms themselves as there is still dispute over ownership.

Grootfontein, given to Chief George by the South African Government, has been handed to the Transkei Government.

Bidding at the sale was brisk, with many of the buyers paying above market prices for their purchases — particularly the furniture. Auctioneer D J Andrews estimated the total turnover as well above R200 000.

The sale began with the agricultural equipment, much of it rusty. The general opinion was that the new equipment was possibly worth it, but much of the rest was junk.

A large festive crowd followed auctioneer Johnny Johnson from lot to lot, ranging from determined buyers consulting long lists to ragged observers.

Buyers fell over themselves to pay R200 for a rusty tractor with flat tyres, R320 for three battered metal drums, R3 500 for a motley collection of machine parts and R18 000 for a Mercedes-Benz lorry.

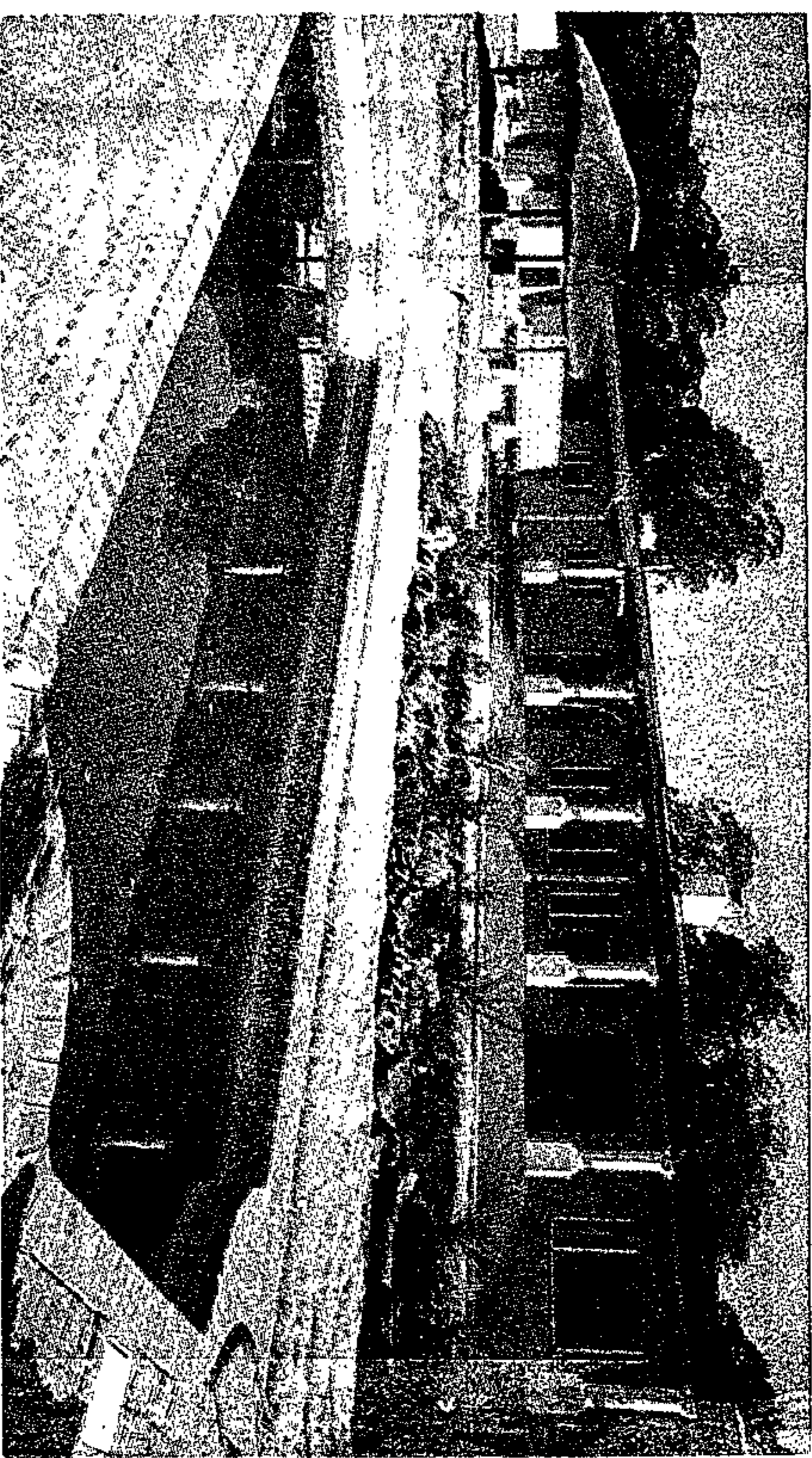
He hadn't bid for it himself.



Chief George Matanzima

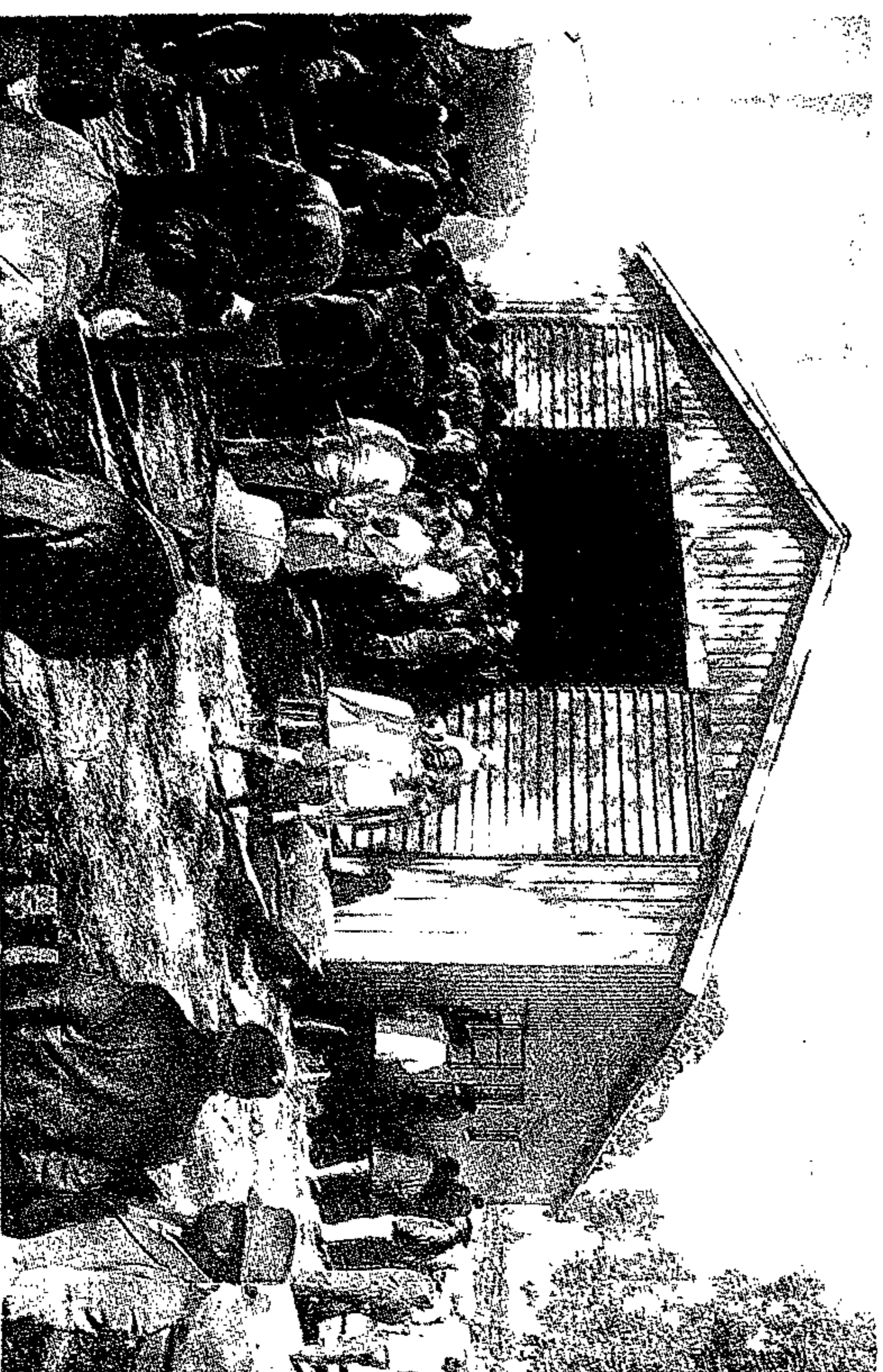


Potential buyers — and lookers-on — perch on Chief George's bed. A barometer included in the sale lies on a box nearby.



Chief George Matanzima's house on Grootfontein farm overlooks a large, sparkling pool.

Pictures: LEON MÜLLER, Weekend Argus



Eager buyers gather outside the barn where the sale of furniture took place.

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There were no cattle in the barns — or any other livestock. They had all been sold in single lots some time before, in an attempt to recoup losses incurred by theft. Of a total herd of about 750 cattle, only about 450 be found to be sold.

The group moved to some solid-looking stone sheds, and a mountain of fertilizer marked "Not for cattle feed".

"R1 900 to Mr MacGregor," bellowed the auctioneer, whose voice was beginning to sound hoarse.

On to a huge aluminium shed housing 11 lounge suites, eight double bed suites, a dining room suite, miscellaneous chairs, a chaise longue — and a throng of excited would-be buy-

ers making good use of the furniture to wait for the bids to start.

The auctioneers paused outside the shed. "Hey, D J, is this also for sale?" shouted Johnson. It was.

"We'll consider letting the contents go with the shed if the price is right, but I don't think it will be," joked Johnson. "Who'll give me a start ... at what ... I don't know..."

The shed started at R10 000 and was

knocked down at R18 000 — "Lionel, that was your bid, wasn't it?"

Into the newly-sold shed for what everyone had been waiting for: the sale of the furniture.

At this point the crowd became too unruly and only genuine buyers were allowed in. Bidders scrambled on to the furniture in their efforts to see.

Prices were high, with only one lounge suite going for less than R1 000.

"Ridiculous, it's mad-

ness," muttered one man.

If one was in the market for a Chief George souvenir, the cheapest item in the shed was a telephone table, knock R110.

"If the prices go on this way Chief George will be able to come home again," said another bystander.

Some were lucky. One bargain-hunter bought a lounge suite covered in Spanish leather for R3 100 — "it's worth about R10 000".





ABOVE: Eager farmers take a close look at one of Chief George's tractors.
RIGHT: The fully-carpeted lounge of the Grootfontein house features a crystal chandelier.

w/k argus
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George: a sick, poor, scared man

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Star 23/7/88

VIVIEN HORLER

CAPE TOWN — Chief George Matanzima, who faces extradition to the Transkei on corruption charges, is believed to have fled Austria a penniless and frightened old man.

The Saturday Star's correspondent in Vienna was told by local authorities there was no sign of him. "The government and police believe he has left the country."

But two sources firmly believed him still to be in Austria — one of them the head of the Transkei's military government, General Bantu Holomisa. In Johannesburg to address the Institute of Race Relations, General Holomisa said: "We know him still to be residing in Austria. Our Trade Commissioner has not informed us to the contrary. As far as we're concerned he is still there."

A Port Elizabeth businessman, who is helping to support the former Transkei premier, said that as far as he knew, Mr Matanzima was still in Austria.

Mr Leon du Pisani said he visited Mr Matanzima in Vienna four weeks ago. He found him living in a single room in a private house, "with no money at all".

"He is living on people like myself, who are trying to help where we can." He described Mr Matanzima as a sick man who was unable to walk. He refused to be specific about his whereabouts.

He said the only way the chief would return to South Africa or Transkei would be "in a coffin".

A spokesman for the Austrian Embassy in Pretoria said yesterday: "At the moment we do not have any definite knowledge of whether Mr Matanzima is in Austria and if he is there, he is there illegally."

Mr Matanzima's visa had expired.

"My information from the Department of the Interior is that if he did apply to have his visa

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P.T.O.

Possessions sold off

SM 23/1/88 • FROM PAGE 1 (103)

renewed, the application would be refused," he said.

But even if Mr Matanzima's whereabouts were established, no extradition agreement existed between the Transkei and Austria, Mr H N Calaza, Secretary-General of the Military Council ruling Transkei, said.

In June, the chairman of the Military Council, General Holomisa, stated that outstanding debts to Austria would not be repaid unless Chief George was returned to the Transkei.

This week, Chief George, who was reportedly wealthy enough at one stage to be in a position to give his brother Kaiser the odd R50 000 gift and owned fixed property worth R3,03 million, according to evidence at a recent commission of inquiry, had some of his assets sold for R200 000.

Bald, suffering from high blood pressure and due to turn 70 this year, Chief George finds himself in an ignominious predicament.

The chief, who was struck off the roll of attorneys in South Africa in 1963 for misappropriating trust funds, was former Prime Minister, Minister of Police and Minister of Defence in the Transkei, and was, until recently, owner of three farms, three houses, a smallholding, a Mercedes-Benz truck and a Mercedes-Benz car, cattle, sheep, shares worth R155 000 and 12 lounge suites.

Things started to go wrong for the chief in April last year after a mutiny of army officers. Top-ranking officers of the homeland's defence force found themselves in detention while the army chief-of-staff, General Holomisa, being held in jail pending charges of treason, was suddenly released by junior officers.

By August, last year, newspapers were reporting that Chief George's resignation as Prime Minister was imminent. Two weeks later, a commission of inquiry into housing development was told that cash and a cheque totalling R1 million was paid to the chief by agents of a construction firm for allocating a R30 million building project.

Shortly after that, he was airlifted out of Umtata and surfaced in a Port Elizabeth hotel amid reports he had been ousted.

Six Cabinet Ministers and two deputies resigned, while President Tutor Ndamase issued a statement saying all was continuing normally. Officials close to Chief George told reporters he had left Transkei "for health reasons".

At the end of September, Chief George was called on by the ruling Transkei National Independence Party to resign, and the next day a commission of inquiry into the country's department of commerce, industry and tourism said R45 million was missing and both Matanzima brothers were directly involved.

Several Transkei Cabinet Ministers immediately announced their candidacy for the premiership, and finally, on October 3, Chief George resigned.

But his troubles were not over. A new commission began investigating the granting of casino rights and heard evidence that Sun International had transferred R2 million to the trust account of Cape Town lawyer and former mayor Mr David Bloomberg, who transferred the money to an Eastern Cape hotelier Mr G J Gouws who, in turn, passed it on to Chief George.

Chief George was subpoenaed to give evidence, and said he did not know the identity of an anonymous telephone caller who offered him the purchase price of a R1,4 million farm in South Africa.

In June, his estate was sequestered.

Chief George plans to spill beans

CHIEF GEORGE MATANZIMA, desperately ill in a foreign hideout, is preparing a tell-all document which could implicate other people in his disgrace.

The exiled ex-premier — who has promised not to return home except in a coffin — was cited for corruption on a massive scale in the reports of two Transkei commissions of inquiry.

Chief George may reveal who paid him R2-million for gambling rights.

Passionate

The document may be unveiled this month by Port Elizabeth management consultant Leon du Pisani — a passionate defender of the chief's right to a "fair hearing".

Embittered by inquiries which have fingered him for

By BILL KRIGE

eliciting millions in "sweets" and "lobola" from people eager for his favours, Chief George is sure to try to justify his role.

Some of his arguments are set out in a handwritten document he gave the Sunday Times after being ousted.

In it he condemned the probe into the Department of Commerce, Industry and Tourism for allowing the dissemination of "false information" about Transkei's controversial tractor deal with Austria.

The commissioner, Mr Justice TH van Reenen, found that of about 1 800 tractors imported over five years from 1979, about 220 simply disappeared. Six were found on Chief George's farms. They were operated free by government workers.

In his document Chief George said he had "requested" the Department of Agriculture and Forestry "to hire me six tractors to assist me in the ploughing of my farm

in Elliot" in 1984. He had expected to be charged.

With regard to the loss to the State of about R44,5-million through the disposal by "directives" of businesses and houses at bargain-basement prices, he claimed the prices commanded by whites selling up to the South African Bantu Trust had been greatly inflated and were out of reach of ordinary Transkeians.

Corruption

The houses' selling price in Transkei (which averaged about one-tenth the true value, according to Mr Justice Van Reenen) was established according to a proper formula, he claimed.

● Transkei is working with the South African Government to try to secure the extradition of Chief George Matanzima and others allegedly involved in corruption, says Major-General Bantu Holomisa, the country's Military Council chairman.

Chief George was last reported to be ill and penniless in Austria. But there is increasing speculation he may now have left that country.

Mrs Campden lived at 57 Memorial Flats in Kruger Street, Krugersdorp. also determine whether Mrs Campden was terminally ill.

Transkei plans to restrict foreign investors

By Helen Grange

Transkei is to restrict foreign investors after alleged corruption under former Prime Minister, Chief George Matanzima.

The chairman of the Military Council, General

103 Bantu Holomisa, said in Johannesburg last week that investment would be conditional on Transkei citizens having at least 5 percent shareholding and the land "being developed to the benefit and upliftment of Transkei".

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General Holomisa said his government would "do everything in its power to clean up its administration", which had been brought into disrepute by "corrupt politicians serving their own interests".

Now They Costs You Serves You If



Transkei plans to restrict foreign investors

By Helen Grange

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Bloomberg, Kerzner in spotlight

'Kei probe inconclusive

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Own Correspondents

UMTATA — Further investigations into the role of hotel magnate Sol Kerzner and former Cape Town mayor David Bloomberg would have to be undertaken to establish the source of R2m given to former Transkei Prime Minister Chief George Matanzima, the Alexander commission into gambling rights said in its report.

Chairman Gerald Alexander, SC, said he believed either one or the other paid the money, but unless further evidence were collected no conclusion could be reached.

The Transkei government would have to make approaches at diplomatic level to SA, both for investigating the matter further and instituting prosecutions arising from the commission, said the report.

Bloomberg is due back today from a six-week trip abroad, his son Robert said in Cape Town at the weekend.

Both Bloomberg and Kerzner gave evidence at the inquiry.

Kerzner, contacted in Europe, said: "At the present moment it would be inappropriate to comment."

The final report of the inquiry was published last week.

The commission recommended that Matanzima be extradited from Austria, where he is reported to be living in poverty, to face corruption charges related to the granting of gambling rights.

Alexander said in the final report of the commission, set up to investigate the Department of Works and Energy, he could not resolve the conflict of fact on the evidence presented by Bloomberg and Kerzner.

He said investigations he had recommended in the case of Matanzima, V Mbotoli, Chris van Rensburg and others could not be pursued in isolation. They must inevitably require elucidation from Bloomberg and Kerzner.

Alexander recommended an inquiry be started immediately by Transkei's Receiver of Revenue, Treasury and the office of the Auditor-General regarding the role of the Lichtenstein-based company ESL.

Because of evidence that ESL had been conceived in Cape Town as a vehicle for transmitting money abroad, this was obviously of concern to the SA authorities. He therefore believed Transkei should seek co-operation with SA at diplomatic level.

AR 65 103

Monday July 25 1988 3

Gambling probe: Bloomberg stays mum

Staff Reporter

CAPE Town lawyer and former mayor Mr David Bloomberg refused to comment today on the prospect of his evidence to Transkei's gambling rights inquiry going to the Attorney-General in Umtata.

Transkei's Attorney-General, Mr Chris Nel, said he was starting an investigation following last week's publication of the Alexander commission report on gambling.

The commission found that either Mr Bloomberg or Mr Sol Kerzner, managing director of Sun International, paid R2-million to former prime minister Chief George Matanzima for exclusive gambling rights in Transkei.

The commission also found that a case of corruption had been established against the chief, who is believed to be in Austria.

Mr Bloomberg said today he had no comment to make. He had just returned from several weeks abroad.

EXTRADITION

He added: "I have not read the commissioner's report. I have not even been to my office yet."

The commission recommended that the Transkeian and South African attorneys-general investigate the involvement of South Africans (including Mr Bloomberg and Mr Kerzner) in the gambling-rights issue.

Mr Nel said that if charges were brought against South Africans they could be extradited to Transkei or tried in South Africa if a substantial part of the offence had been committed in South Africa.

Mr Nel said he would study the commission's report to decide whether to call for further police investigation and prosecution.

According to evidence to the commission, the R2-million payout to Chief George was made at Ugie in the Eastern Cape and could thus fall under the jurisdiction of South African courts.

GEORGE GOES UNDERGROUND

Sowetan 25/7/89

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THE whereabouts of the former Transkei premier, Chief George Matanzima, who fled to Austria in the wake of the commission of inquiry into the Transkei's Department of Works and Energy, is unknown.

A spokesman for the Austrian Embassy in Pretoria said: "At the moment we do not have any definite knowledge whether Mr Matanzima is in Austria and if he is there, he is there illegally."

Mr Matanzima's visa had expired and he had not yet applied to have it renewed.

photo Friends"

"My information from the Department of the Interior is that if he did apply to have his visa renewed, the application would be refused," he said.

His statement follows a recommendation in the final report of the commission of inquiry into the Transkei's Department of Works and Energy that Mr Matanzima be extradited and face charges of corruption.

Agreement

But even if Mr Matanzima's whereabouts are established, no extradition agreement exists between the Transkei and Austria, Mr HN Calaza, secretary general of the military council ruling Transkei, said.

In June the chairman of the military council, General Bantu Holomisa, stated that outstanding debts to Austria would not be repaid unless Chief George was returned to the Transkei.

In the report of the commission of inquiry, handed to the Press at the Umtata office of Transkei Attorney General Mr Christo Nel, it was recommended that the evidence of Sun International kingpin Mr Sol Kerzner and Cape procured illicitly, for his own personal gain, and that was the acquisition of the desirable farm by him at Ugie.



CHIEF George Matanzima.

Town lawyer Mr David Bloomberg be referred to the A-G for his decision.

The report said an amount of R2 million given to Chief George either came from Mr Kerzner or Mr Bloomberg, who was overseas and not available for comment.

Committee chairman Mr Alexander, said in his report: "I am led to only one conclusion — that the money Chief George received from (Ugie farmer Mr J) Gouws was

No Transkei
action on ¹⁰³
report as yet
STV 26/7/78

UMTATA — The Alexander Commission report into gambling rights in Transkei, released last Thursday, would be discussed by the Council of Ministers before any decisions were taken. Transkei's military ruler Major-General Bantu Holomisa, said.

The chairman of the Commission, Mr Gerald Alexander, SC, recommended that the former Prime Minister, Chief George Matanzima, should be extradited from Austria as a case of corruption had been established against him.

Mr Alexander also advised the Transkei government to seek co-operation at a diplomatic level with the South African Government in the case of Chief George as well as of those of South African residents mentioned in the recommendations.

They are Mr Sol Kerzner, Mr David Bloomberg, Mr Chris van Rensburg, Mr John Trickey and Mr J Gouws.

Schwarz: 'Control funding'

Opp. Times 26.6.78
Own Correspondent

103

PRETORIA. — Far greater control over money lent or granted to the independent homelands by the South African government was "absolutely essential", PFP finance spokesman Mr Harry Schwarz said last night.

He was commenting on the report of the Alexander Commission which disclosed "grotesque corruption in high places" in Transkei.

Mr Schwarz said South African taxpayers' interests had to be safeguarded. A whole new approach with the necessary safeguards was vital in SA's financial relations with these territories.



GEORGE Matanzima

'Transkei won't pay'

103 Soweto 26/11/88

By **THEMBA MOLEFE**
THE Transkei Military Council has decided not to pay about R50-million it owes to Austria unless the country returned

former Prime Minister, Chief George Matanzima, who fled in May.

The chairman of the Military Council, Major General Bantu Holomisa said in Johannesburg that the homeland had enlisted the help of South Africa's Department of Foreign Affairs to get Chief Matanzima back

following the outcome of a commission of inquiry which found that there had been widespread corruption in Transkei.

Chief Matanzima who left on May 23 is believed to be in Vienna.

"We will not pay Austria the R40 — R50-million we owe for tractors if that Govern-

ment does not extradite Chief George," General Holomisa said.

He said the Transkei Attorney-General has launched an investigation into possible charges against several prominent South Africans implicated in acts of corruption. Asked if the prominent South Africans included government officials, General Holomisa said it could be possible but did not elaborate.

He said the fate of deposed Prime Minister, Miss Stella Sigcau, would be decided by the A-G.

He also warned South African firms wishing to operate in Transkei to be "clean" or else they would be booted out.

General Holomisa said the Military Council would rule the territory until "our goals have been achieved." He said he was not a politician and that politicians would take over after the clean-up.

Chief George in Mauritius?

Can Times & Sun Own Correspondent (103)

EAST LONDON. — The former prime minister of Transkei, Chief George Matanzima, is now reported to be in Mauritius.

An independent radio station reported it had received a telephone call from a woman who claimed she and Chief George had been on the same British Airways flight from the Seychelles to Mauritius. A spokesman for the British Airways office in Johannesburg said he could not confirm or deny this information.

Chief George was last seen in Austria by a Port Elizabeth businessman, Mr Leon du Pisani, who said that he was desperately ill and living like a pauper.

SAW 29/7/88

Chief George is to return home

UMTATA — Transkei's former Prime Minister, Chief George Matanzima, was returning to Transkei, his brother, the former State President, Paramount Chief Kaiser Matanzima, said today. (103)

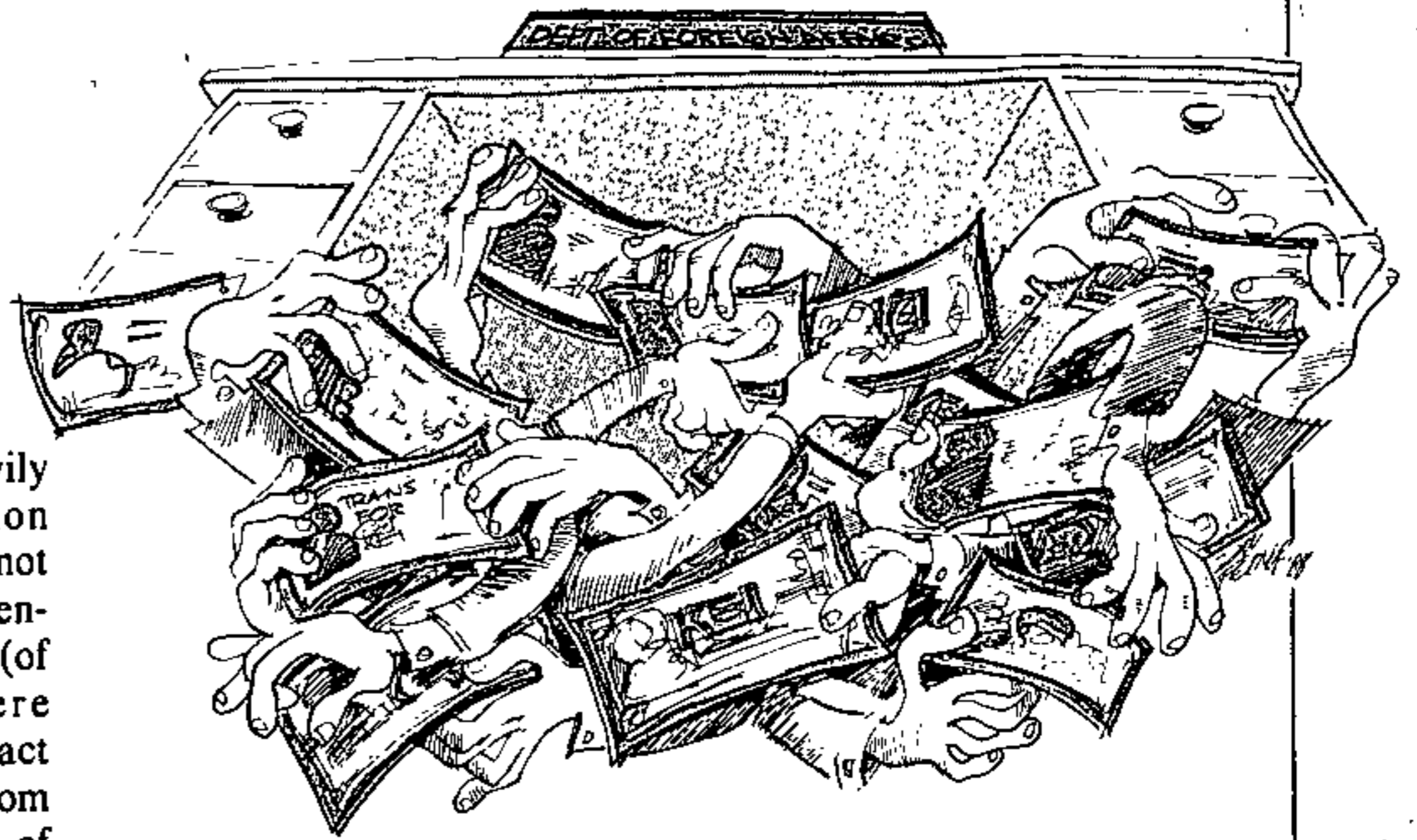
Paramount Chief Matanzima confirmed Chief George had been in Mauritius and was on his way home. He said he had sent Chief Mfundo Matanzima, a son of Chief George, to fetch him from Mauritius.

Port Elizabeth businessman Mr Leon du Pisani said he had seen Chief George in Austria living in a single rented room.

Several meetings were held in Tembuland to raise funds from tribespeople for the ailing former premier. — Sapa.

mas had no right to issue).

The contracts for the housing schemes (for which no tenders were called) were drawn up in such a way that Jalc and Temba scored heavily through escalation clauses, but were not compelled to pay penalties for delays (of which there were many). The contract prices increased from an original total of R26m to just over R68m.



The projects — for housing at Butterworth and Umtata — went ahead in spite of expert advice to the contrary, including evidence of a lack of demand for the type of housing provided and unstable ground. Many of the houses subsequently became either unsellable because of lack of demand or high prices, or uninhabitable due to structural damage.

Following the publication of the Alexander report, efforts are being made to secure the return to SA of George Matanzima, reportedly hiding out in Austria. His evidence is apparently regarded as a key to action against some of the people under investigation.

The Johannesburg offices of Jalc Holdings have also been raided by investigators who are understood to have seized a large quantity of documents which could lead to further evidence of what has been going on in Transkei in recent years.

Although in his initial comment on the Alexander report SA Foreign Minister Pik Botha promised an immediate response to the recommendations (which happened, as evidenced by Kahn's quick appointment by Justice Minister Kobie Coetsee), a major unanswered question is why SA's Department of Foreign Affairs did not cotton on to the Transkei scams years ago — and if they did, why no action was taken.

Umtata, it is pointed out, is a small town with few secrets. It seems unreasonable to believe that SA representatives in the capital were unaware of two relatively large and costly housing developments. Their interest should surely have been heightened by the fact that SA taxpayers contribute a major portion of Transkei's budget.

The Van Reenen report indicates that SA officials may in fact have been aware of at least some aspects of the irregular housing deals. Quoting a Jalc document prepared in response to an attempt by Transkei's Department of Local Government and Land Tenure to have the Butterworth project moved to another more suitable site, the report indicates that the SA government supported the department's attempt, but Jalc, through its powerful "friends," the Matanzima brothers, resisted and won the day.

Another curious turn in the saga is the "advice" understood to have been given recently by the SA Department of Foreign Affairs (DFA) to the current Transkei government to pay an outstanding R11m being demanded by Jalc for the housing projects. Earlier, the DFA advised the Transkeians to withhold payment pending the Alexander Commission's report.

Legal sources say it seems strange that when Transkei not only has what appears to be a watertight case to refuse payment on the grounds that the contracts were invalid, but also its own legal advisers, it should be receiving what appears to be suspect legal "advice" from the DFA.

The DFA was unable to respond to inquiries on this issue before the *FM* went to press.

Although the Development Bank of Southern Africa (DBSA), headed by Simon Brand, now appears to be exerting strict and effective financial discipline and control on homeland spending, an SA-based commission of inquiry into what went on before the DBSA came on to the scene may not be a bad idea, particularly in the light of reports that Jalc has "friends in high places." Such a commission could also serve to clear the slate following years of often-repeated criticism of the use of SA taxes in the homelands.

A further recommendation by Alexander that clearly deserves serious attention is the setting up of a multinational Advocate General's office to investigate allegations of corruption in both SA and the homelands. Powers to subpoena across homeland borders would avert the sort of situation that arose with both the Alexander and Van Reenen commissions when key players sought "refuge" in SA and declined to testify.

Another thing to consider is the establishment of a cross-border policing operation, similar, perhaps, to the Federal law enforcement agencies in the US. This would enable homeland governments whose police forces do not have top-notch fraud investigators such as those in the SAP's commercial branch to crack down on the swarm of sharp operators who are inevitably attracted to what appear to be the easy pickings of the banana republics within SA's borders. ■

TRANSKEI CORRUPTION PROBE

Pointing fingers 103

The Alexander and Van Reenen commissions of inquiry into alleged corruption and irregularities in Transkei have just "scratched the surface" according to officials close to the probes. Further investigations now under way in SA and Transkei could lead to spectacular criminal trials involving prominent personalities in both countries.

Deputy Attorney General in Cape Town Frank Kahn SC, who is co-ordinating the investigations, is satisfied with progress so far, but declines to elaborate.

In his report published last week on the granting of gambling rights, Gerald Alexander SC referred to a "grotesque pattern of corruption in high places." When read together with the report — published the week before — of a commission headed by former Transkei Chief Justice Tom van Reenen into alleged irregularities in the awarding of housing contracts, it becomes clear that a complex web of suspect deals was indeed woven in Transkei over a period of nearly eight years. Key figures in the deals are former Prime Minister George Matanzima and his brother and former President Kaiser Matanzima.

The investigations centred around two issues respectively: the alleged payment of R2m to George Matanzima to secure gambling rights; and housing contracts worth (eventually) R68m awarded (irregularly, the commission found) to two companies, Jalc Construction and Temba Construction, some of whose directors also surfaced in the Alexander probe.

Alexander recommended further investigation into some of the personalities involved in the gambling probe — including Sun International chief Sol Kerzner, Cape Town attorney and civic leader David Bloomberg, and East London businessman and director of Jalc and Temba Chris van Rensburg.

The Van Reenen report painted a startling picture of how Jalc and Temba used the Matanzima brothers to firstly "approve" their deals and then later block opposition to them through the issuing of "directives" (which the commission found the Matanzi-

Pik 'involved' in Transkei dispute (103)

TRANSKEI's military council chief General Bantu Holomisa said yesterday SA Foreign Affairs Minister Pik Botha had personally involved himself in the dispute between the Transkei government and Jalc Holdings.

The R11m dispute arose from construction work by Jalc which the Transkei government considers defective.

"Botha raised the issue, saying he had been asked by Jalc chairman Chris van Rensburg to approach us about paying the money," Holomisa said.

However, in a report in Business Day yesterday, Van Rensburg denied asking Botha to intervene on his behalf.

Efforts to clarify the Department of Foreign Affairs involvement were un-

MANDY JEAN WOODS

successful as Botha could not be reached for comment.

Holomisa met Botha in Cape Town in June. Later Van Rensburg called him and requested a meeting.

"I told Botha Jalc would not be paid until the investigation was complete and nothing would interfere with this course of action. Botha said he totally agreed and fully supported me," he said.

Holomisa said Van Rensburg and two NP MP's arrived at his hotel room later that day.

Holomisa was adamant he would let the inquiry take its full due course before any payment could be considered.

6/10/88
1/2/88
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SA 'not involved' in R11-m 'Kei' ⁽¹⁰³⁾ building dispute ^{SKF 307 7/84}

ESMARÉ VAN DER MERWE

THE Department of Foreign Affairs yesterday denied any involvement in the R11-million construction dispute between the Transkei government and Jalc Holdings SA (Pty) Ltd.

Reacting to accusations by the chief of Transkei's military council, General Bantu Holomisa, that Foreign Affairs Minister Pik Botha had personally involved himself in the dispute, a Foreign Affairs spokesman said the department had not allocated any projects to Jalc Holdings.

The department would not accept any responsibility for "non-completion of any work".

Refused to pay

This followed an ongoing dispute between the Transkei government and Jalc about the construction of houses and infrastructure built at Zibeleni and Northcrest, Umtata.

The Transkei government considers the work as defective, and has refused to pay Jalc Holdings.

General Holomisa said on Thursday that Mr Botha raised the issue at an official meeting in June.

"Mr Botha said he was asked by Jalc chairman Chris van Rensburg to approach us about paying."

Mr van Rensburg had earlier denied asking Mr Botha to intervene on his behalf.

Apartheid is blamed for suicide deaths

31/7/88 C/Pres
103

CP Correspondent

"I am 'Bulala Zonke' Makuzeni," boasted a Transkei prison warder to his darts team mates at Ngqeleni when he was on a winning streak.

However, they did not know that within days he would kill himself and his wife and sister-in-law - in line with his self-imposed nickname.

Transkei Police liaison officer, Col Seputla Mokoale, confirmed that Bongani Benjamin Makuzeni, 30, shot his 24-year-old wife, Nomathemba, then his sister-in-law, a 14-year-old standard seven pupil, Thembeka Makholosa, before turning the gun on himself.

Their only son, two-year-old Ndumiso, was fast asleep next to his mother.

Their deaths brought the number of suicide-related deaths in Transkei to six in

less than two weeks.

Neighbours said they heard a heated argument between the couple, followed by three shots.

Makuzeni was buried at his Kambi home with full military honours.

One of the speakers at the funeral, Rev SS Makuzeni, related to the dead man, said he believed the deaths were the end result of frustration born of apartheid.

Hours after the burial a security policeman at Ngangelizwe Township, Constable Mbongeni Mvunyiswa, 24, shot his girlfriend, Ncediwe Gana, then himself.

Just three kilometres away at the University of the Transkei a final-year BSc student, Mongezi Mndayi of Tabankulu, jumped to his death from the fifth floor of the residence block.

SPRINGER 1/21/88

103

CP Prop

3/17/88

Ciskei tells Transkei to return three 'refugees' to settle dispute

CP Correspondent

THE return of three Ciskei dissidents seems the only solution to the present dispute between Ciskei and Transkei.

Ciskei Deputy Director-General for Foreign Affairs and Information, Headman Somtunzi, said negotiations between Ciskei and South Africa aimed at settling the

Ciskei-Transkei tension were still underway.

He said his government would not give further comment as this might pre-empt negotiations.

Earlier this month, Ciskei warned that "drastic measures" would be taken against Transkeians unless the homeland military government handed over Chief

Lent Magoma and Charles and Namba Sebe, brothers of Ciskei President Lennox Sebe.

Transkei has refused to do so, on the grounds that it recognised the three men as political refugees. Ciskei in turn has set up roadblocks which barred entry to Transkei. In the wake of the re-

newed tension, there were no reports of Transkeians being deported, chased out of hospital beds or the denied medical aid.

Despite all the actions taken against Transkeians during the first "indirect war", unconfirmed reports said the deportations posed a threat, not only to "foreign citizens", but to the

homeland, government itself, as half of the administration was dominated by "Transkeians."

Meanwhile, two of the Sebe cousins exchanged for Ciskei prisoners in Transkei two years ago, have been allowed to return to Ciskei. They are Kofi Sebe the

son of Namba Sebe and Toni Sebe the son of the late Diliza Sebe. Toni Sebe had been given a teaching post at Frankfurt near King William's Town.

The two - together with Khambashe Sebe, the son of the former Ciskei head of the combined forces, Major-General Charles Sebe - were handed over to

Transkei while serving sentences ranging from 10 to 26 years for plotting against President Sebe.

They were exchanged for the son of President Sebe, the head of the elite unit, Lt-Gen Kwane Sebe and his second-in-command, Major Gen Witness Ngwanya, in December 1986, after their kidnapping. - Elnews

Pik wanted probe into Transkei allegations

103

11/9/88

By BARRY STREEK

THE Minister of Foreign Affairs, Mr Pik Botha, revealed yesterday that he and his department had been concerned for "some years" about the allegations of corruption and misapplication of state funds in Transkei.

His department had also blocked a loan to Transkei after the homeland government awarded a tender to Tembha Construction, an affiliate of Jalc Holdings, without liaising with South Africa and contrary to agreed procedures.

"I and my department made several attempts to have the allegations investigated by the Transkei Government. "It is not an easy task because the Trans-

kei is an independent sovereign state," Mr Botha said in reply to a question from Mr Clive Derby-Lewis (CP, indirectly elected).

Mr Derby-Lewis wanted to know whether he had at any time raised with General Bantu Holomisa, the head of the ruling military council in Transkei, the matter of the R11 million dispute which existed between the homeland government and Jalc Holdings.

Mr Botha replied that on June 8, he, the Deputy Minister of Foreign Affairs, Mr Kobus Meiring, the South African Ambassador in the Transkei, Mr Gert Terreblanche, and members of his department had met General Holomisa, Brigadier TT Matanzima, and Colonel C Duly, a member

of the Military Council.

At the time he was aware of the allegations that Jalc Holdings had been refused payment for the construction of a housing project at eZabeleni and the company faced insolvency unless payment was effected.

The Department of Foreign Affairs was not involved in the project but it was concerned about the possibility that the project could not be completed and that "the Transkei could be left holding the baby".

General Holomisa had explained that some of the houses had cracks and that his government did not intend to pay Jalc before the work had been satisfactorily completed.



Mr Pik Botha

Extradited to face terror charges

CP Correspondent

THE man alleged to be the commander of the ANC's military machinery in the Western Cape has finally been extradited to Transkei to be charged with the sabotage of the Umtata bulk fuel depot.

Mzwandile Vena appeared in an Umtata court this week to face charges of terrorism and sabotage.

He will be tried together with Neo Mzimba, Mzimkulu Tukela and Sonwabo Mbekela, currently facing

charges of terrorism. The three allegedly harboured Vena and another guerrilla between January 1984 and September 1985.

Vena was arrested in Cape Town earlier this year and Transkei applied for his extradition.

In a statement allegedly made to a Wynberg magistrate shortly after his arrest, Vena admitted blowing up the Umtata bulk fuel depot in June 1985. The depot was completely destroyed in the attack and the main Umtata power station and water lines were

sabotaged at the same time, leaving the town completely without electricity for several days.

Vena has also been linked to the Cape Town terrorism trial of Jenny Schreiner.

The State has alleged that Schreiner helped Vena move from Botswana to Cape Town last August. Vena then allegedly took over as Western Cape commander of Umkhonto weSizwe, replacing the recently jailed Lizo Bright Ngqungwana.

CP Correspondent

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Matanzima on charges of corruption

CAP TIPS 6/9/88
103

UMTATA. — The former prime minister of Transkei, Chief George Matanzima, appeared briefly before a magistrate here yesterday on charges of corruption after being extradited from South Africa to Transkei.

Chief George appeared before Mr N J Barnes soon after he was flown in a military aircraft to the Transkei Defence Force airbase at Neise accompanied by a team of Transkei police commercial branch detectives.

The former prime minister, who left the country in May after a warrant for his arrest was issued, was not asked to plead and no evidence was led.

He was released on bail of R5 000 and was told to appear again on September 26. Bail conditions included his restriction to his rural home of Mtshanyana in Cofimvaba.

While walking into the Palace of Justice, Chief George, in an attempt to stop his picture being taken, hit a reporter with his briefcase, and shouted at other journalists who were trying to photograph him. — Sapa

Ex-Transkei premier extradited

Chief George is granted R5 000 bail in Umtata

Former Transkei Prime Minister Chief George Matanzima, who fled his homeland in disgrace in May this year after allegations of corruption, appeared in the Umtata Magistrate's Court yesterday on four charges of bribery after being extradited from Port Elizabeth.

Mr Matanzima was not asked to plead and no evidence was led. He was released on bail of R5 000.

Chief George appeared before Mr N J Barnes shortly after he was flown by military aircraft to the Transkei Defence Force airbase at Ncise in the

company of a team of Transkei Police commercial branch detectives.

An extradition order was issued by a Port Elizabeth magistrate yesterday morning. Mr Matanzima had been convalescing at a private hospital in that city.

The Attorney-General of the Transkei, Mr Chris Nel, told the court it was envisaged that the case would be heard in the Supreme Court in November.

The bail conditions require him to remain in the Mtshanyana Great Place in western Transkei where he is a chief and he may not leave without the prior permission of the police.

He must surrender all his official travel documents and passport and may not interfere with the eight State witnesses.

Mr J Vlok, for the defence, told the magistrate that because of Chief George's past status he should be granted protective custody, to which Mr Nel agreed.

Both at Port Elizabeth and in Umtata television crews and press cameramen were refused permission to photograph Chief George.

He was driven away from the courtroom by his brother, the former State President of Transkei, Paramount Chief Kaiser Matanzima. — Staff Reporter and Sapa.

Shares offered to Transkei citizens

Star 103
1988
UMTATA — Transkeians are being given a chance to buy shares in five top companies, including Ohlssons Breweries (Transkei) and Transun.

A public investment company, Intrashare, is to be launched by the Transkei Development

Corporation (TDC), and shares will be made available to the public in an offer starting on September 30.

The TDC said yesterday the initial public offer would be for 10 million shares of R1 each and any Transkei citizen or Transkei-owned company would be eligible to apply for shares.

Shares might also be made available to Transkei residents who are not citizens, if not fully taken up by citizens.

The closing date for applications is November 7 1988.

"The TDC is placing shares it holds in five of the largest and most successful businesses in Transkei into the public investment company.

"Holders of shares in Intrashare will thus have an ownership stake in these five companies," the TDC said.

The five are Ohlssons Breweries (Transkei), Singisi Forestry Products, Holiday Inns (Transkei), Sunkei Speakers and Transun.

103 Star 8/9/88

Military plans to restore civilian govt to Transkei

By Esmaré van der Merwe, Political Reporter

Civilian rule would be reintroduced in Transkei when all corruption had been effectively cleaned up, a senior member of the independent homeland's military government said yesterday.

At a press briefing on the achievements of the government since it seized power on December 30 last year, Minister of Foreign Affairs and Information Brigadier ERG Keswa said efforts to combat corruption had been successful.

During the next week he would address Transkeians working in South Africa to inform them about

developments in their country after the "unusual" step of a military coup and to "explain our actions to our people".

Brigadier Keswa said the government had received a significant number of inquiries from all over the world about investment opportunities after the coup.

Asked whether concrete additional investments had already occurred, he said: "We have every reason to feel hopeful about a substantial change in the industrial and economic growth of our country."

The main objectives of the military government were to combat corruption, create job opportunities and improve the quality of life of all Transkei's citizens.

After a "ceremonial burial of apartheid" had taken place, the homeland's citizens would be asked to decide whether they wanted independence or to be part of South Africa.

General Keswa expressed concern about the political stalemate in South Africa.

"If people could pocket their pride and come together to have serious and honest discussions about the abolition of apartheid, we would certainly participate."

W. Mail
2/8/88 103

Extradited ANC man in Kei court

By LOUISE FLANAGAN,
East London

MORE than three years after the Umtata bulk fuel depot was destroyed in a bomb blast, one of five guerrillas allegedly involved in the incident has appeared in a Transkei court.

Mzwandile Vena, also alleged to be the Western Cape commander of the African National Congress's military machinery, appeared in an Umtata court on Monday to face charges of terrorism and sabotage.

His appearance follows his "extradition from South Africa" a few days earlier — which Transkei requested after Vena was arrested in Cape Town earlier this year.

Vena recently lost an appeal against the extradition. In terms of the agreement, Transkei undertook not to execute him if he was found guilty, as similar offences do not carry the death penalty in South Africa.

Transkei has claimed Vena was one of a group of ANC guerillas responsible for bombing the fuel depot on June 25 1985, one of only two such depots in the homeland.

At the same time, members of the group bombed Umtata's main power station and water lines

In a statement Vena allegedly made to a Wynberg magistrate days after his arrest, he admitted his role had been to blow up the fuel depot, together with guerrillas Zola Dubeni and Sisa Ngombane.

Of the five involved, Vena is believed to be the only one already brought to trial.

South Africa has alleged Vena subsequently moved to Cape Town, where he took over the command of the Western Cape branch of Umkhonto weSizwe to replace recently jailed Lizo Bright Ngqungwana.

Dubeni was killed in a shootout with South African police in March last year.

It is not known what happened to Ngombane.

The trial is scheduled to resume on September 8. — e!news

call links 8/19/88 (103) 252 967

Transkei in bid to make SA 'pay' for workers

JOHANNESBURG. — The Transkei military government, fighting corruption at home, is taking moves to ensure that South Africa "sufficiently compensates" Transkei for contributions made by its nationals to the South African economy, a senior member of the military council said yesterday.

The Minister of Foreign Affairs, Brigadier E R G Keswa, said his government would approach South Africa "to set the record straight" on financial assistance given to the homeland.

The military government believed that if Transkei were sufficiently compensated by the South African government for the contributions made by Transkeians who worked in South Africa, "then we would not be denigrated, as it seems fashionable for politicians here to do, for living on so-called hand-outs or on South African taxpayers' money," said Brig Keswa. — Sapa



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'Send back workers' income'

The Transkei military government has appealed to the South African Government to channel the income generated by more than 1 million Transkei workers in South Africa back to the independent homeland. ^{8/19/88} ~~2/20~~ methods could be used. ¹⁰³

Brigadier E R G Keswa, Minister of Foreign Affairs and Information, told a media conference this could involve "a hell of a lot of administration", but various

Star "Transkeians are a proud people, they detest being told that they live like parasites when in fact they are denied a fair share of what they deserve through the sweat of their brows."

Turning to the issue of ANC leader Nelson Mandela, General Keswa said he "is a son of the soil of Transkei" and would be more than welcomed back. ¹⁰³

Lesotho's emergency is extended

ELSABE WESSELS

AN EXTENSION of Lesotho's state of emergency had been published in the country's Government Gazette, Maseru SA trade official Gemis Geldenhuys said yesterday.

The extension, ordered by the ruling Military Council, was announced on August 24, three weeks before the scheduled arrival of the Pope in Maseru.

Geldenhuys said he was told by Lesotho Commissioner of Police Maj-Gen J L Dunguswayo yesterday that the announcement in the gazette merely confirmed the continuation of the existing state of emergency.

Sapa Reuter reports the Lesotho Government has announced that only accredited vehicles will be allowed in Maseru during the papal visit.

Political comment in this issue by Ken Owen. Newsbills by Gerald Proselendis. Headlines and sub-editing by Gordon Amos. All of Times Media Ltd, 11 Diagonal St, Johannesburg.

Transkei declares all-out 'war' against corruption

(103)

11/9/88
CPB

By REVELATION NTOULA

TRANSKEI ironman Brigadier Keswa, Gen. Bantu Holomisa's right-hand man, this week spelt out his government's all-out war against corruption in the impoverished land.

Initial investigations instituted by the military government, he said, had revealed that about R40-million had gone astray during the rule of the ousted George Matanzima regime. He said it was not certain yet whether the vast amounts had been "pocketed" by individuals or had disappeared in other ways.

The biggest problem the Military Council faced was that investigations unearthed more and more instances of corruption.

"The rich were getting richer while the poor were



Brigadier Keswa ... wants to correct bad image.

getting poorer," Keswa said at a Press conference in Johannesburg.

One of the major concerns of his government was to improve the quality of

life of every Transkeian. "We are not concerned about the isms and ideologies. We are only interested in bread and butter politics," said the brigadier.

Keswa added that the military government was worried about the impression created by its predecessors in the minds of South African taxpayers.

"We want to correct the image that we live on handouts from South Africa and that we are beggars and parasites," said Keswa.

He said Transkei had a stake in the economy of South Africa by virtue of the fact that Transkeians had helped in the development of South Africa.

"We don't want handouts. All we want is a fair slice of the cake which we helped bake."

He said there were about a million Transkei workers in South Africa and that they contributed about a billion rand annually to the South African economy.

The Transkei leader attacked those who advocated sanctions against South Africa.

"The effects of sanctions would amount to the slaughtering of people who are already poverty-stricken."

"What has happened to the sanctity of life. Must those who are suffering be killed by sanctions?"

Reacting to a question about when the military government intended returning Transkei to civilian rule, Keswa said it was the ruler's expressed wish to return to barracks as soon as corruption had been rooted out.

Asked if Transkei would be willing to "return" to a post-apartheid South Africa, Keswa said Transkeians would decide.

'VIP' reception greet Chief George

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THE "VIP" treatment former Transkei Prime Minister George Matanzima received in Umtata this week after alighting from a Defence Force helicopter that went to fetch him from Port Elizabeth brought back memories of the days when he still held power.

After a Port Elizabeth magistrate endorsed an extradition order that he be returned to Umtata, a Transkei Defence Force helicopter flew to fetch him.

When he arrived at the Umtata Military Air Base he found five police cars waiting for him, this time as a fugitive from justice. He was driven directly to the Umtata Magistrate's Court, where he appeared before MN Barnes on charges of corruption involving R1,5-million.

Neatly dressed and looking healthy, Chief George was not asked to plead. He was released on R5 000 bail and confined to his Mtshanyana Great Place in western Transkei which he cannot leave without the permission of the Commissioner of Police.

At the request of his attorney, J Vlok, the court granted him protective custody.

He will appear on September 26 to hear the date for his Supreme Court trial. The Attorney-General of the Transkei, Chris Nel, indicated that the trial might start in November and could last several weeks.

Like a man warding off threatening animals, Chief George took a swipe at Press and television cameramen trying to photograph him. He hit one photographer with his thick wallet and pointed a finger at another.

His arrival coincided with the auction sale of three of his houses to recover money owed to the Department of Posts and Telecommunications, the Transkei Development Corporation and to ZK Mzimba.

The three houses - two in Umtata and another at Port St John's - were sold for a total of R675 000. Three-hundred people attended the auction.

George's former political advisor, Liston Ntshongwana, now serving three-and-a-half years imprisonment for fraud, once called on the authorities to arrest Chief George, saying, "If he cannot join me in prison, let me join him in freedom".

Ntshongwana's dream seems to be getting closer to fulfilment.

(103) b/day
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SA's probe of Transkei deals to begin soon

CAPE TOWN — The one-man commission of inquiry into alleged across-border (business) irregularities, appointed after the reports of Transkei's graft probes, will start its oral hearings in Cape Town on September 26, it was confirmed yesterday.

The commission, under the chairmanship of Mr Justice L T C Harms, was proclaimed in the Government Gazette on August 13. It is to inquire into and report on the involvement of people, organisations or institutions in, from or through SA in alleged irregularities that came to the fore in the reports of the two Transkeian probes, known as the Van Reenen commission and the Alexander commission, and which because of jurisdictional and other limitations were not fully cleared up by them.

The Harms commission will start oral hearings at 10am on September 26 in the Synod Hall, Cape Town.

Anyone wanting to submit evidence to the commission by way of memoranda or orally can write to: The Secretary, Commission of Inquiry into Certain Alleged Across-Border Irregularities, Private Bag X81, Pretoria 0001.

The commission regulations state that evidence may be given without publicity, if requested. — Sapa.

MANDELA AND I

We can work together despite differences — Buthelezi

NEW YORK — Chief Mangosuthu Buthelezi said if jailed African National Congress leader Nelson Mandela is released, the two can work together despite differences in their political philosophy.

"Mandela acknowledges my political power," Chief Buthelezi said in *Newsweek* magazine interview in Hong Kong.

Chief Buthelezi opposes violence and sanctions in the fight against apartheid, South Africa's policy of racial segregation. His stance has alienated many black radicals such as those in the outlawed ANC.

Chief Buthelezi said the prospect of working together with Mandela, who has been imprisoned for 26 years, "is a sign of hope for the future of the country."

He also denied that such a relationship with Mandela would anger many blacks.

Resolution

"There is no way that the ANC can be ruled out of a political resolution. The ANC must have a part as much as South African President P. W. Botha's party must have a part," Chief Buthelezi said.

Asked about the prospects of Cuba's withdrawal from Angola and South Africa's withdrawal from South-West Africa, also known as Namibia, Chief Buthelezi said: "It would be a good thing. If Cuba doesn't withdraw from Angola it will set back the clock of progress in the liberation of Namibia."

Conflict

"The situations are interlinked. Any reduction in conflict in any part of Southern Africa means that the prospect for all of Southern Africa are better."

Chief Buthelezi, who was on a tour of Asia to encourage foreign investment in his country, is leader of the Inkatha party, which claims to be the biggest organisation in South Africa with 1.6 million members. — Sapa-AP

CHIEF Buthelezi
against violence
sanctions.

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Book on Kei chiefs unbanned

UMTATA. — The book "Render Unto Kaiser", written by two former East London Daily Dispatch journalists, has been unbanned by the Transkei military government.

The book, written by a political correspondent, Mr Barry Streek, and Mr Richard Wicksteed, was banned in August 1981 by the Matanzima government.

It sold like hot cakes on the day it landed in Umtata bookshops.

The work candidly gives an in-depth picture of how the Matanzima brothers and the favoured few amassed wealth during their heydays in power.

After the book was published, Mr Streek was declared persona non grata by Transkei authorities while Mr Wicksteed was deported after he wrote an article about an alleged plot to kill Chief Kaiser Matanzima at his Gwatyu farm early in 1981.

The lifting of the ban was published in a special Transkei Government Gazette notice on Friday. — Sapa

(103)

For sale: Chief George's gilded realm

By LOUISE FLANAGAN,
East London

FORMER Transkei prime minister Chief George Matanzima's property may be going for record prices, but it's not doing much to help his financial position.

This week three luxurious properties were auctioned off to an enthusiastic public, in the third such sale of his assets.

The auction, held in Umtata the day after Chief George appeared in the local court on charges of corruption, brought in higher prices than originally expected.

The Umtata house, complete with swimming pool and overlooking the golf course, brought in R230 000. A nearby small-holding went for a quarter of a million and a Port St Johns holiday mansion was considered a bargain at R180 000. The income from all the sales to

date — of livestock, moveable assets from three farms, the three properties and moveable assets of another house — has brought in just under R1 368 000. However, this hardly makes a dent in Chief George's estimated debt of R3 758 727.

Part of the problem is many of the assets Chief George claims are under dispute. The house Chief George had been living in at Butterworth, was withdrawn from Tuesday's auction because the Transkei Development Corporation claims ownership.

Umtata representative of the estate's trustees, Stuart Weymark, said Chief George had apparently intended to buy the house from FDC for

R80 000. However, the parastatal, one of the main creditors, apparently agreed to this subject to the rent payments being brought up to date, which never happened.

The moveable assets from this house were sold at the Tuesday sale. Weymark said they included velvet curtains worth R35 000, which fetched only R10 000.

"He had a jacuzzi, a mirror in the bathroom with a radio, tape and clock that does just about everything except shave you," said Weymark. Ownership of other assets is also

under dispute.

Chief George listed assets totalling nearly R4,5-million, which would clear his debts with nearly R500 000 change. However, the trustees are working with a more realistic figure of just under R2-million.

Chief George claimed ownership of three houses (two in Port St Johns and one in Umtata), the Umtata small-holding and three farms.

One of the Port St Johns houses is situated on land not owned by Chief George, and the trustees have also been unable to sell any of the farms.

One farm, Grootfontein near Elliot, has been claimed by the Transkei government. The second can only be

alienated with the state president's consent which has not yet been granted.

The third is Mooihook, near Macei. Chief George allegedly bought this with money apparently originating from Sun International.

However, the trustees believe the sale is void as the farm is in South Africa, while the original owner claims otherwise. The matter is scheduled to go to court.

Chief George is currently out on bail of R5 000 and restricted to his home area of Mshanyana, in Coffimvaba district. The farm he is staying on was not listed among his assets as he claims it belongs to his wife.

The trustees are paying Chief George an allowance of R2 000 a month and he is due back in court at the end of this month. — Elnews

Cape Town 22/9/88 1036

Kei probe: Subpoenas for Bloombergs

Own Correspondent
JOHANNESBURG. — Subpoenas have been issued for leading South African figures — who featured in the Alexander commission of inquiry into Transkei government corruption — to appear before the Harmse commission of inquiry in Cape Town, official sources confirmed last night.
Those to be summonsed include Kersaf deputy chairman Mr Sol Kerzner, Sun International (SI) chairman Mr Ian Heron and SI MD Mr Ken

Rosevear, Cape Town attorney Mr David Bloomberg, his father Mr Abe Bloomberg, and Jale chairman Mr Chris van Rensburg.
The commission's sitting is to begin in Cape Town next week and effectively provides a sequel to Transkei's Alexander and Van Reenen commissions, legal sources said.
The commission is expected to sit for at least a year. As its brief covers cross-border irregularities — with particular reference to the Alexander and Van Reenen commissions — it

can be expected to take further a great deal of the evidence given before those commissions.
In the report of the Alexander commission, the chairman, advocate Mr Gerald Alexander, SC, noted a number of crucial issues raised, but left unresolved as certain witnesses did not return to give further evidence.
Contacted for comment last night, Mr Abe Bloomberg said that he had not been served a subpoena. He did not know when the commission would be sitting in Cape Town.



Mr David Bloomberg

Transkei minister tilts at Treurnicht

THE people of Southern Africa should extend a hand of mutual friendship to one another irrespective of race, colour or creed, the Transkei Minister of Foreign Affairs, Brigadier ERG Keswa, said this week.

Brig Keswa, who is also a member of the ruling Military Council, said he was reacting to the recent "hullabaloo" about Afrikaner unity and what he called "Dr Andries Treurnicht's typical racist preconditions" for such unity.

Referring to Treurnicht's "obsession with separateness", he said these were issues of such a nature that they could not go unchallenged.

"One would have thought that Dr Treurnicht, as a man of the

cloth, would at least observe the fundamental truth that all men are made by God in his own image.

"South Africa will be built not on the vanity of racial hatred and prejudice but on the noble precepts of liberty, equality and fraternity which all men of goodwill should propound.

"Transkei shares the views of those Southern Africans who feel that the time has come for the torch to be handed over to a new generation of Afrikaners who will be able to experience their Afrikaner identity fully only after they have accepted to live within an all embracing wider Southern African Nationalism," Brig Keswa said. - Sapa

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Press
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Transkei bans rights group

CP Correspondent

THE Transkei's banning of an organisation concerned with the rights of prisoners and detainees has gone virtually unnoticed.

The Prisoners' Welfare Programmes, an Umtata-based organisation modelled on the Detainees' Parents Support Committee, was banned by State President Tutor Ndamase earlier this month.

No reason for the banning was given.

Priwelpro was formed about a year ago and officially launched in April this year.

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Mr Sol Kerzner

Kerzner plea refused at city hearing

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Staff Reporter

THE HARMS Commission investigating alleged cross-border irregularities today turned down a request by counsel for hotel magnate Mr Sol Kerzner that no evidence be heard about the role of people involved in payments received by former Transkeian prime minister Chief George Matanzima.

The inquiry, which arises from the Van Reenen and Alexander commissions which investigated corruption in Transkei, opened in Cape Town today.

It has a provisional list of 71 witnesses and is expected to sit for about six months.

UNRESOLVED

Mr Kerzner has been subpoenaed to give evidence.

Mr S Cilliers, for Mr Kerzner, submitted that the issue of the payments was "of no or limited public concern" and that police and Attorney-General investigations had proceeded so far that it was ready

(Turn to page 3, col 3)

Kerzner plea refused

ARCUS
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(Continued from page 1)
for ordinary court. 103

The chairman and sole commissioner Mr Justice L T C Harms said the issue of R2-million paid to Mr Matanzima was one left unresolved by the Alexander Commission and was part of his brief.

It was the function of the commission to gather facts to place before President Botha.

It was apparent that Mr Kerzner's representations were made because investigation would prejudice those involved. This was the case in most commissions.

The first witness, Mr Alec Findlay, an advocate who was an officer of the Van Reenen and Alexander commissions, said the Alexander Commission

had been unable to complete its brief because it involved obtaining evidence beyond the borders of Transkei.

He placed before the commission submissions made by Mr Kerzner and Sun International, former Cape Town mayor Mr David Bloomberg and his father, Mr Abe Bloomberg.

Mr Findlay said he had met Mr Kerzner and his counsel in Johannesburg early this year and certain submissions had been made after Mr Kerzner gave evidence before the Alexander Commission.

This involved the fact that Mr Kerzner had been given a bank account number to pass on to Mr David Bloomberg.

Mr Harry Snitcher, SC, is representing the Bloombergs.

By PETER DENNEHY
FORMER Sun International chief Mr Sol Kerzner remembered only after he gave evidence in the Transkei corruption inquiry that he once had the number of an account into which payments were made to buy a farm for Chief George Matanzima.

This emerged yesterday from the evidence of Mr Archie Findlay, one of the officers of the Transkei's Alexander commission.

That commission was unable to make any finding with regard to the versions of events given by Mr Kerzner and by Mr David Bloomberg. Both are abroad at present.

Mr Findlay appeared yesterday before a judicial commission under Mr Justice Louis Harms.

Mr Findlay told the commission that he had been called to Johannesburg by Sun International in January or early February this year.

There he had been given a briefing by counsel who told him Mr Kerzner had made no mention of "certain things" in his evidence, as he had "not been

Kerzner knew of account, inquiry is told

Cap. Timp 27/9/88 103

THE police's commercial branch will suspend investigations into alleged corruption, exchange control and other cross-border financial irregularities between South Africa and Transkei and Ciskei until the Harms commission of inquiry has completed its investigations into these irregularities.

This follows a request from the commission's chairman, Mr Justice Louis Harms. His request was announced yesterday at the start of what seems destined to be a marathon inquiry.

More than 70 witnesses have already been placed on a short list to give evidence before the commission, which is to sit almost daily until December 15. It is to reconvene again on January 16 and could take up to two years to complete its task, commission officials estimated yesterday.

asked directly about them".

Mr Findlay then heard from Mr Kerzner himself that he had subsequently remembered that he had been given "a message for onward submission" from Mr Monty Ntloko, managing direc-

tor of the Transkei Development Corporation and a director of Transun. Part of the message was an account number.

Mr Jeremy Gauntlett, who appeared for Mr David Bloomberg, asked Mr Findlay what he did with this information. He re-

plied that he wished "to use it when Mr Kerzner came back to the witness box, to confront him with it".

Mr Kerzner did not give further evidence. Mr Gauntlett asked Mr Findlay whether he had not then felt it appropriate to raise this matter when Chief Matanzima gave evidence on February 4.

"If the advocates would have chosen to do so, they would have done so," Mr Findlay replied.

In other evidence yesterday, former policeman Mr John Trickey said the R2 million which Mr Matanzima wanted in return for granting gambling rights was "more an extortion than a bribe".

There was no way to get the rights without paying this sum, he said.

Mr Gysbert Gouws, former owner of an Ugie farm (in South Africa) which Mr George Matanzima wanted, said one of the contracts drawn up between himself and Mr Matanzima was "not bona fide" and was intended to mislead white farmers who might have complained.



Farmer did not ask where cash came from

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Picture: WILLIE de KLERK, The Argus.

INQUIRY: Deputy Attorney General Mr Frank Kahn, SC, who is leading evidence for the commission of inquiry into alleged cross-border irregularities which started in Cape Town yesterday, chats to Mr Jeremy Gauntlett, right, counsel for former Cape Town mayor Mr David Bloomberg.

Staff Reporter

THE farmer who sold his farm to former Transkei Prime Minister Chief George Matanzima for R1,2-million, did not question where the money came from, the Harms Commission of Inquiry was told today.

The commission, sitting in Cape Town, is probing alleged cross-border irregularities arising out of findings of corruption by two commissions in the Transkei.

The farmer, Mr Tallie Gouws, said he did not ask Chief Matanzima how he planned to pay for the farm. He said he assumed he had the money.

The sum deposited into his bank account on December 15 1986 was R75 000 more than it should have been.

Chief Matanzima then telephoned and said he would fetch the rest of the money.

Mr Gouws said that later R500 000 was deposited into the account about which he knew nothing. Chief Matanzima telephoned saying the money belonged to him and he would collect it.

The next day he asked Mr Gouws to make out cheques to various people.

He said he did not suspect anything was wrong.

A provisional trustee of Chief Matanzima's provisionally sequestrated estate, Mr L R van Jaarsveld, said Chief Matanzima and Mr Gouws had cancelled the sale agreement for the farm but Mr Gouws kept the R1,2-million.

Chief Matanzima had also "given" Mr Gouws a BMW sports car, which he later indicated should be returned to Chief Matanzima's creditors.

(Proceeding)

Transkei not ready for civilian rule — Holomisa

(103)
THERE was so much Transkei's military government still had to do and so many corruption cases coming up that there could be no thought of handing over government to civilian rule, military ruler Gen Bantu Holomisa said in an interview with Business Day.

Holomisa also assured prospective investors in Transkei that they needed to negotiate only with relevant departments rather than through a go-between to a head of government, as was the case in the past.

Holomisa said he had invited more investment in Transkei when he addressed about 120 company executives in Johannesburg last week.

5/day THEO RAWANA 2/9/84

"I assured them of the stability in Transkei, stressed the importance of job creation and training projects and what the revenue would mean to Transkei.

"I assured them there was none of the corruption that had led to many companies pulling out under the previous government. The previous leader tried to take over oil firms."

Holomisa said the only requirement for investment in Transkei was that companies should grant a 5% shareholding to Transkeians.

The Transkeian Development Corpora-

tion (TDC) would buy the shares, keep them while Transkeians lacked funds, and sell them on historical value when they were ready.

"The TDC has taken over such ventures as Trans-Sun, Ohlssons Transkei, Holiday Inn and Singisi Forest and is holding 10-million shares for distribution among Transkeians."

Government was calling on companies that were taking money out of Transkei to plough back more.

Compared to what Transkeians had contributed to building SA, the annual grant SA was making to Transkei was a drop in the ocean, he said.

Lack of Cape

Request for bribe was blatant — man

103 B/day 28/9/88

CAPE TOWN — A businessman, who tried to negotiate gambling rights in Transkei two years ago, yesterday said he was shocked at the blatant manner in which former Prime Minister George Matanzima openly discussed what bribe he should receive in exchange for the granting of a licence.

In evidence before the Harms Commission, Durban businessman Arlo Delvecchio said that during initial discussions held with Matanzima in Butterworth it was made clear that Matanzima would have to be paid something in return for using his influence in getting the casino licence granted.

Delvecchio said: "Make no bones about it, if we had to obtain the licence we would have had to pay a bribe — and we would have paid it."

Delvecchio said he was not happy with the bribery conditions and was

CHRIS CAIRNCROSS

"absolutely shocked at the style of negotiation".

Delvecchio's negotiations for the gambling licence fell through.

Earlier evidence presented to the commission showed that Matanzima used part of the fee he eventually obtained for awarding the gambling licence to buy a farm in the Ugie district of SA for about R1.4m.

The former amount had been paid in cash into the bank account of Ugie farmer Tallie Gouws, but legal transfer of the property into Matanzima's name had not taken place.

A liquidator of Matanzima's estate, L van Jaarsveld, said in evidence yesterday the investigations into Matanzima's affairs had shown that four different transactions were entered into by Matanzima for the purchase of the Ugie farm.

R500 000 in bank was luck, farmer thought

By CHRIS STEYN

AN UGIE farmer, who sold his farm to former Transkei prime minister Chief George Matanzima for R1,2 million, thought that "somewhere a luck had hit him" when a further R500 000 was paid into his bank account.

Mr Tallie Gouws said he was "totally astonished", but before he could speak to his bank manager, Chief George telephoned him to say that he would come to fetch the money.

Mr Gouws was giving evidence on the second day of the Harms commission of inquiry into alleged cross-border irregularities.

Mr Gouws said that following the telephone call from Chief George, he assumed the money belonged to the chief.

"He (Chief George) instructed me to write out a bunch of cheques.

"I asked him why he was using my account without having asked me. He said that he trusted me. Black people work in totally different ways than we do," Mr Gouws said.

Mr Gouws claimed that he had since lost the "piece of paper" on which Chief George listed the recipients of the cheques.

Earlier Mr Gouws told the commission that R1,5 million rand was paid into his account following the sale of his Ugie farm to Chief George.

He said he thought that was too much (money) as he had actually sold the farm for R1,2 million.

However, Chief George telephoned him to say that he would come to fetch the extra R75 000.

"He then came to fetch R50 000 for himself. I also had to write out a cheque to Mr (Monty) Ntloko, the managing director of the Transkei Development Corporation," Mr Gouws said.

According to Mr Gouws, he assumed that the money for the sale of the farm had been paid in by Chief George.

"He didn't tell me who would pay. And I didn't know who would be paying. I had not the slightest idea where the money came from," Mr Gouws said.

He said he seemed to recall that his bank manager said the money had been transferred from Cape Town.

Deputy-Attorney General Mr Frank Kahn put it to Mr Gouws that the deposit slip indicated that the money was paid in by Bloomberg and Company.

Kerzner 'willing' to appear

Own Correspondent

LONDON. — Sun City boss Mr Sol Kerzner yesterday said he was "willing if required" to give evidence to the Harms commission.

Asked if he had not received a subpoena to attend he said "yes" but declined to discuss any further aspect including when he intended travelling to South Africa.

The Harms
Commission

Mr Gouws said he accepted that Chief George would come up with the money. "I had no problems," he said.

He said Chief George was given his bank account number "two or three days or one day" before the money was transferred.

A provisional trustee of Chief George's provisionally sequestrated estate, Mr Liep van Jaarsveld, told the commission yesterday that the sale of the farm had been cancelled but that Mr Gouws kept the R1,2 million.

The hearing resumes at 10am today.

The commissioner is Mr Justice L C T Harmse. Mr Frank Kahn, SC, is the chief professional officer leading evidence. He is assisted by Mr P J Marais, Mr Fanie Cilliers, SC, instructed by Werkmans of Johannesburg, appeared for Messrs Ian Heron and Ken Rosevear of Sun International. Mr H Snitcher, QC, with Mr Jeremy Gauntlett, and instructed by Mallinicks, appeared for Mr David Bloomberg. Mr Nic Treumicht, instructed by De Klerk and van Gend, appeared for JALC Holdings.

Business Daily

THURSDAY, SEPTEMBER 29 1988

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AL and CAPE 80c (71c + 9c tax)

A TIM

Harms asked to rule on Transkei payments

CAPE TOWN — Legal counsel for Sun International's (SI) Sol Kerzner and Cape Town's ex-mayor David Bloomberg yesterday asked the Harms Commission to rule whether payments made in Transkei could constitute bribery or corruption in terms of SA law.

Frans Cillier, for Kerzner, yesterday referred specifically to the R2m allegedly paid to former Transkei Prime Minister George Matanzima in exchange for the granting of casino rights in the independent homeland.

Supported by Harry Snitcher QC, for

CHRIS CAIRNCROSS

Bloomberg, Cillier asked the commission to rule whether this alleged payment constituted common law bribery in terms of SA law or an offence under SA's Prevention of Corruption Act.

They asked that, if the commission considered it is not, it should consider further whether evidence relating to the commitment of this Act had any legal relevance to a commission of inquiry sitting in SA, and which had no jurisdiction in the independent homeland.

It has been agreed that their premise

and requests would be argued further on Monday in Cape Town.

The commission has agreed to hear submissions as to whether the payment of R2m to Matanzima constituted an offence under SA law and, if no offence had arisen, whether any evidence should be heard and any report made on matters which have no legal consequences.

The commission's final ruling would have an important bearing on the manner and extent to which it carried out the mandate given to it by President P W Botha.

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Probe to rule on R2m T'kei payment?

LEGAL counsel for Sun International's Mr Sol Kerzner and Cape Town's ex-mayor Mr David Bloomberg have asked the Harmse Commission to rule whether payments made in Transkei could constitute bribery or corruption in terms of South African law.

Mr Frans Cillier for Mr Kerzner, yesterday referred specifically to the R2 million allegedly paid to former Transkei prime minister Chief George Matanzima in exchange for the granting of casino rights.

Supported by Mr Harry Snitcher QC, for Mr Bloomberg, Mr Cillier asked the commission to rule whether this alleged payment constituted common-law bribery in terms of South African law or an offence under the South Africa's Prevention of Corruption Act.

They have asked that, if the commission considers it is not, then it should consider further whether evidence relating to the committing of this act has any legal relevance to a commission of inquiry sitting in South Africa, and which has no juristic standing in the independent homeland.

TRANSKEI CORRUPTION PROBE

Dirty laundry

The Harms Commission, investigating alleged corruption in the Transkei and Ciskei, began its sittings in Cape Town this week. It

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follows the Alexander and Van Reenen commissions, both of which sat in the Transkei but whose activities were hampered by extra-territorial witnesses and evidence (*Current Affairs* July 29). It is thought that the commission, which has already subpoenaed 71 witnesses, could sit for at least two years.

The most interesting fact to emerge in the first two days related to what knowledge Sun International chief Sol Kerzner had of an improper payment of R2m to the then Transkei Prime Minister George Matanzima. On January 13 this year, Sun International took out a full-page advertisement in major newspapers saying that press reports had been "misleading in that they suggest that Sun International had been party to improper payments."

The commission heard a slightly different version of events from its first witness, Archie Findlay SC, who served as an officer on both of the earlier commissions. Findlay recounted attending a meeting with Kerzner on February 10 where Kerzner mentioned having been asked by Monty Ntloko, head of the Transkei Development Corporation, to pass on an account number (that of an Ugie farmer, Tallie Gouws) to David Bloomberg, a Cape Town attorney who has had dealings in the Transkei. (Bloomberg testified in February that he had received Gouws's account number from Kerzner.) Kerzner apparently thought nothing of Ntloko's request and merely passed on the information.

According to Findlay, Kerzner later became worried when, at a meeting with Ntloko, the latter tried to make out that Kerzner had solicited the bank account number from Ntloko and not the other way round.

Sun International's counsel, Fanie Cilliers SC, had earlier sought that the commission not hear evidence on the issue of the transfer of the R2m.

This request was turned down.

The second witness to give evidence was a former major in the commercial branch in Durban, John Trickey.

He was involved in trying to secure gambling and casino rights in the Transkei in 1986. Trickey mentioned meeting Lexi Ceza who had "strong government contacts" which apparently extended to Kaiser and George Matanzima. She told Trickey, once he had obtained a sole written mandate, that he was not to approach Kerzner or the Transkei Development Corporation, apparently because Kerzner was considered to have "done Kaiser Matanzima down" at the Wild Coast Sun.

Ceza's influence was confirmed when she obtained a letter signed by George Matanzima confirming that Trickey would be granted the gambling rights. Matanzima appeared to be participating through his wife, at whose house Trickey and others met to discuss developments.

Trickey claimed that knowledge of Matanzima's demand of a R2m kickback from whoever was granted gambling rights was common — "a tea-room story among the Auditor General's staff." Matanzima himself openly mentioned the R2m payment on at least two occasions. Amounts received by Matanzima in the past were openly discussed. Trickey said it was common knowledge in business circles that this was how business was done in the satellite states. He considered the "lobola" to be more a case of extortion on the part of Matanzima than a bribe on the part of the operator seeking gambling rights.

There were no moral qualms, he said, about paying the R2m. It was viewed purely as a business cost and a cheap one at that. The casino developers would, he said, have been happy to pay twice as much. Trickey, and those on whose behalf he negotiated, eventually lost out on the rights to Sun International.

Trickey made clear that the major reason why the "lobola" was sought was that Matanzima wanted to buy three farms in Ugie which belonged to Gouws. When Gouws gave evidence, it emerged that a series of fraudulent contracts, over and above the contract of sale, were entered into between himself and Matanzima as a device to appease white farmers in the Maclear district who were unhappy about the prospect of a black owner. One was a partnership contract and the other a contract of sale to a body known

as HMS Management Services.

The farm remains to this day in Gouws's name while Gouws still has the R1,4m he received.

There is talk that the sequestrator of Matanzima's estate might demand that Gouws return the purchase price. ■

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...ever coins would be 90%

Court in the Strand. — Sapa.

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No peace until Acts go, says Buthelezi

(103)

b/dm
30/9/8

ULUNDI — There was no hope for peace and democracy in SA until the Group Areas and Population Registration Acts were thrown out, Zulu leader Mangosuthu Buthelezi told the Association of Mine Managers of SA last night.

The KwaZulu Chief Minister and Inkatha president said the two Acts were a formula for revolution.

Like all industries, the mines looked to a future of ever-increasing reliance on black supervisors and managers.

There were not enough whites available for the levels of economic activity needed to cater for even the basic needs of an expanding population.

Buthelezi said SA was now in a crisis situation which demanded the dropping of party politics and the scrapping of apartheid.

No matter how exploitive the free-enterprise industry had been, its bosses had finally read the writing on the wall in this respect. — Sapa.

Farm 'traded for shares'

CAPE TIMES 30/7/88
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TRANSKEI'S former prime minister Mr George Matanzima obtained a 19% share of an SA-registered company in exchange for a farm he bought for R1,2m near Ugie in SA which, it had subsequently been learnt, has never been registered in his name.

This was stated to the Harms Commission yesterday, which has started hearing evidence in Cape Town of alleged corruption and other cross-border irregularities which may have occurred between SA and Transkei and Ciskei.

A director of the company HMS, Mr

Leon du Pisani, said he was party to the deal which had involved Mr Matanzima and Mr Tallie Gouws, original owner of the farm — who had put a price tag of R400 000 on the property when negotiations were first started.

Mr Du Pisani also revealed a close association he had with Mr Matanzima, which led to his taking a trip to Austria earlier this year to ascertain Mr Matanzima's whereabouts — at the request of his brother Mr Kaizer Matanzima — after he had fled SA at the time a warrant for his arrest had been filed in Transkei.

All witnesses should be called, Harms rules

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One of its reasons for existence was to help Transkei in investigating and eliminating corrupt practices, specifically those perpetrated by exploitative South Africans, because they retarded economic development.

The commission could not provide help if the perpetrators were not identified.

If the involvement of Mr Kerzner and the Sun Group in Chief Matanzima receiving R2-million was "innocent and not irregular" the commission had a duty to determine this so South African shareholders could be reassured.

"It would be pre-empting the findings of the commission to contend that either Sol Kerzner or David Bloomberg was guilty of corruption regarding the provision of the R2-million."

"Firstly, they were not the only two persons involved in the transaction and secondly it may be that neither committed an offence or behaved irregularly," Mr Kahn said.

"It may be that both were victims of extortion on the part of Chief George Matanzima. This is not a remote possibility as both had vested interests in Transkei which could be threatened."

(Proceeding)

Staff Reporter

COUNSEL for hotel magnate Mr Sol Kerzner and former city mayor Mr David Bloomberg are "seeking to restrict the commission from ascertaining the involvement of their clients in alleged irregularities", the Harms Commission has been told.

They were also trying to "extricate their clients from empty and embarrassing commitments made at the Transkeian commission into corruption", Mr Frank Kahn SC, the Deputy Attorney-General, said.

This followed an application by Mr S Cilliers SC, for Sun International, and Mr H Snitcher QC, for Mr Bloomberg, for a ruling that alleged offences, if any, took place in Transkei and were therefore beyond the brief of the commission.

The application was turned down by Mr Justice L C T Harms who said all available witnesses should be called.

Factual matter

"It seems that the involvement of Mr Kerzner and Mr Bloomberg in any payment to Chief George Matanzima is a factual matter which will form part of the investigation," Mr Justice Harms ruled.

According to the Alexander Commission report, Chief Matanzima received R2-million for exclusive gambling rights. This money had been provided either by Mr Bloomberg or by Mr Kerzner, or by both, the judge said.

The issue of who paid the R2-million should be considered.

Mr Kahn said the application was the third of its kind in six days.

"This is expensive and time-wasting. In the light of Messrs Bloomberg's and Kerzner's recent publicly stated willingness to assist and attend the commission, it is at best incomprehensible," he said.

Essential

Mr Kahn said it was essential to determine the identity and exact nature of people involved in alleged irregularities if the commission wished to make meaningful findings and recommendations.

Counsel 'trying to extricate clients' from Transkei probe

Star 4/10/88 In Correspondent (103)
CAPE TOWN — Counsel for hotel magnate Mr Sol Kerzner and former Cape Town mayor Mr David Bloomberg were "seeking to restrict the commission from ascertaining the involvement of their clients in alleged irregularities," the Harms commission was told yesterday.

They were also trying to "extricate their clients from empty and embarrassing commitments made at the Transkeian commission into corruption", said Mr Frank Kahn, SC, the Cape deputy attorney-general.

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"It seems that the involvement of Mr Kerzner and Mr Bloomberg in any payment to Chief George Matanzima is a factual matter which will form part of the investigation," the judge ruled.

Mr Justice Harms said that according to the Alexander Commission report, Chief Matanzima had received R2 million for exclusive gambling rights. This money had been provided either by Mr Bloomberg or Mr Kerzner — or both.

Mr Kahn said it was essential to determine the identity and exact nature of people involved in alleged irregularities.

One of its reasons for existence was to assist the Transkei in eliminating corrupt practices, specifically those perpetrated by exploitative South Africans.

Transkei govt declared legal

Star 4/10/88 (103)
UMTATA — Dismissing an application by former Transkei State President Kaizer Matanzima, the Transkei Supreme Court has ruled the military council is a de facto government.

Paramount Chief Matanzima and the former head of the Transkei Defence Force, Major General Zondwa Mtirara, had challenged the legality of the military council.

In their 21-page judgment, Mr Justice DJ Lombard and Mr Justice H Davies said the military government was firmly established and there could be no real danger it would be ousted.

"Secondly, can it be said the administration of the military government is effective, in that the people, by and large, have acquiesced in and are behaving in conformity with its mandates."

The application was dismissed with costs. — Sapa.

R2m Kei

'bribe' ruling

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Political Staff

A THIRD application by Mr Sol Kerzner and former Cape Town mayor Mr David Bloomberg to stop the Harms Commission from hearing evidence of an alleged R2-million "bribe" to former Transkei prime minister Chief George Matanzima has been squashed.



Mr Sol Kerzner



Mr David Bloomberg

Two earlier applications, made since the Transkei corruption inquiry began sitting last week, also failed.

In opposing the latest bid, deputy attorney-general Mr Frank Kahn said it was simply an attempt to restrict the commission from discovering the involvement of their clients in certain alleged irregularities.

He hoped the failure of yesterday's application "would put an end to the time-consuming and costly diversions which have to date been the order of the

day and which cannot be in the interest of any of the parties involved in this forum".

The approach adopted by counsel made Mr Bloomberg's and Mr Kerzner's recent publicly stated willingness to assist and attend the commission "incomprehensible" at best.

"We are a fact-finding body created by the State President and it (the commission) must not be handcuffed from carrying

out its full duty at this early stage in its proceedings," he added.

The result of yesterday's hearing means pressure will continue to be exerted on both Mr Kerzner and Mr Bloomberg to appear before the commission.

The chairman of the one-man commission, Mr Justice Louis Harms, ruled that evidence must be heard concerning the R2m payment received by Chief George, allegedly paid by Mr Kerzner and/or Mr Bloomberg for the gambling rights.

Mr Fanie Cilliers, SC, for Mr Kerzner, argued that if such a bribe had indeed taken place, it had happened in an independent sovereign state and was made to a foreign office-bearer. Thus it was not subject to the jurisdiction of South African courts.

It would also be outside the commission's ambit of jurisdiction, and thus was of no material interest to the South African public, he argued.

Mr Harry Snitcher, QC, for Mr Bloomberg, fully supported Mr Cilliers's argument.

They also argued, alternatively, that the alleged R2m payout did not constitute a contravention of either South African common law or the Prevention of Corruption Act — therefore any findings arrived at by the commission would be an academic exercise only, with no legal consequences.

In turning down the application, Mr Justice Harms said his function as commissioner was to ascertain the facts and not give a judgment concerning them. He could, therefore, not give reasons for his ruling as it could prejudice the commission's eventual findings.

The commission, sitting in the synod hall of the NGK in Cape Town, is to resume hearing evidence concerning the alleged R2m payment from today.

This "irregularity" is one of many the commission has already identified and will be investigating in the course of the next year or two.

Ruling on 'R2m rights pay-out'

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Judge rejects Kerzner bid not to testify

CAPE TOWN — Mr Justice Harms yesterday rejected an application by Fanie Cilliers, SC, for Sun International's Sol Kerzner not to give evidence on an alleged R2m payment to former Transkei Prime Minister George Matanzima for gambling rights.



● KERZNER

In ruling evidence must be heard, he was turning down the third similar application to the Harms Commission by legal counsel for Kerzner and former Cape Town mayor David Bloomberg that their clients should not have to testify.

Cilliers, supported by Harry Snitcher, QC, for Bloomberg, argued that if such a bribe took place, it took place in an independent, sovereign state, and was made to a foreign office-bearer, and was thus not subject to the jurisdiction of the SA courts.

It would also be outside the ambit of the jurisdiction afforded the commission and thus was of no material interest to the SA public.

They also argued, alternatively, that the alleged R2m pay-out did not constitute a contravention of either SA com-

CHRIS CAIRNCROSS

mon law or the Prevention of Corruption Act — in which instance any findings arrived at by the commission would be an academic exercise only, with no legal consequences.

Opposing the application, Deputy Attorney-General Frank Kahn said it was simply an attempt aimed at restricting the commission from ascertaining the involvement of their clients in certain alleged irregularities.

He said the approach adopted by counsel made Bloomberg's and Kerzner's recent publicly stated willingness to assist and attend the commission incomprehensible at best.

Kahn further stressed statements made by the SA courts that the "law is not a game and in its terms of reference this commission must have regard to the realities of the situation..."

"We are a fact-finding body created by the State President and it (the commission) must not be handcuffed from carrying out its full duty at this early stage in its proceedings," Kahn added.

He hoped the failure of yesterday's application "would put an end to the time-consuming and costly diversions which, it is submitted, have to date been the order of the day and which cannot be in the interest of any of the parties involved in this forum"

● To Page 2

Judge rejects Kerzner bid not to testify

The result of yesterday's hearing means pressure will continue to be exerted on Kerzner and Bloomberg to appear before the commission, which is investigating corruption and other cross-border irregularities that may have occurred between SA and Transkei and Ciskei.

In turning down the application, Mr Justice Harms stressed his function as commissioner was to ascertain the facts and not give a judgment concerning them. He could, therefore, not give rea-

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sons for his ruling as it could prejudice the commission's eventual findings.

The commission, sitting in the Synod Hall of the NGK in Cape Town, is to resume hearing evidence today concerning the R2m pay-out allegedly made to Matanzima.

This "irregularity" is one of many the commission has already identified and will be investigating in the course of the next year or two.

Irregular practices: 'SA took no action'

By VERNON BRENT
Staff Reporter

IN spite of being told of irregular financial practices by the Matanzima brothers which cost Transkei millions, the South African Department of Foreign Affairs took no action, the Harms Commission has been told.

Mr G.P. "Sonny" Tarr, former managing director of the Transkei Development Corporation, said that in desperation he wrote to the department in April 1983 outlining several deals which cost the corporation millions.

He did this because the corporation was entirely financed by the South African government, as were the salaries of its officials.

He said it lost R6,3-million after it was ordered by Prime Minister George Matanzima to sell its share in a brewery for R650 000, the book value.

A shareholder in the company which bought the brewery was Mr Qaba, the Minister of Finance.

Mr Tarr said he wrote from the South African Embassy in Umtata so that no copies would fall into the hands of Transkeian officials.

He had no response.

Once he was directed to sell the corporation's 25 percent stake in the Wild Coast Sun hotel to an associate of the Prime Minister for R50 000.

The shares were valued by hotel magnate Mr Sol Kerzner at between R12-million and R15-million.

"Favoured directives"

He refused to sell them and was dismissed in 1984 with 12 other white officials, including the top management of the TDC.

Mr Tarr said he felt like "a voice crying out in the wilderness".

It was common knowledge that people approached the Matanzimas for "favoured directives".

It was common practice for Transkeian government officials to buy houses expropriated by the South African government from whites at "unbelievably low prices".

Once Chief Matanzima paid R6 000 for a house bought by the South African government for R125 000.

He then rented the house to the Transkeian government for R1 000 a month.

Mr Tarr said Umtata was a small town where no one had secrets. It was clear that South African Embassy officials knew what was going on.

The Harms Commission is investigating alleged cross-border irregularities following two commissions of inquiry in Transkei which found evidence of corruption in the homeland.

The hearing continues.

Tarr tells of Transkei's ⁽¹⁰³⁾ lost millions

Star 5/10/88
Own Correspondent

CAPE TOWN — Despite being told of irregular financial practices by the Matanzima brothers which had cost the Transkei millions of rands, the South African Department of Foreign Affairs took no action, the Harms Commission was told yesterday.

Mr G.P. "Sonny" Tarr, the former managing director of the Transkei Development Corporation, said that in desperation he drafted a letter in April 1983 to the Department of Foreign Affairs outlining several deals which lost millions.

SA FUNDING

He did this because the TDC was entirely funded by the South African Government as were the salaries of all its officials.

In his letter he outlined a deal where the TDC lost R6,3 million after it was ordered by Prime Minister George Matanzima to sell its share in a brewery for R650 000, the book value.

Mr Tarr said he wrote the letter from the South African Embassy in Umtata, so that no copies would fall into the hands of Transkeian officials.

He never received any response.

He said on one occasion he was directed to sell the TDC's 25 percent stake in the Wild Coast Sun to an associate of the Prime Minister for R50 000.

The shares were valued by hotel magnate Mr Sol Kerzner at R12 million to R15 million.

He refused to sell them and was subsequently dismissed in 1984, along with 12 other white officials, including the top management of the TDC.

Mr Tarr said it was clear that SA Embassy officials in Umtata knew what was going on.

The hearing continues.

SA ignored pleas for help: Tarr

CAPE TOWN — Calls for help from Transkei Development Corporation management to prevent pressure by the Matanzima regime to become party to corrupt deals were ignored by the Department of Foreign Affairs.

This was evidence yesterday by Sonny Tarr, MD of the TDC until 1984 when he said he was fired by the Matanzima Cabinet for refusing to accede to these "corrupt" demands.

Tarr told the Harms Commission his pleas for help to the SA government through Foreign Affairs had been like "crying in the wilderness".

There was a total lack of response from Foreign Affairs to the corruption

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taking place in Transkei, which he had personally brought to the notice of the SA government on several occasions in 1983, said Tarr.

As a final effort to get a response from Pretoria, Tarr had gone to the SA Embassy in Umtata in 1984, where he had dictated a letter in the ambassador's office, addressed to Foreign Affairs, detailing the pressures he and his colleagues were being subjected to, and the corrupt practices being perpetrated by

● To Page 2 →

SA ignored pleas for help — evidence

and on behalf of the Matanzimas.

Tarr said the letter had also described the dangerous conditions he and his colleagues were experiencing, some being arrested. It contained a plea for "some protection" from the SA authorities. There was no response to this letter.

Among the "dubious" deals the TDC had been pressured to become involved with by former Transkei prime minister Goerge Matanzima was the payment of compensation to white businesses whose affairs were being nationalised.

The TDC had been instructed to sell these properties at "unbelievably low" government nominated prices to Transkeians with government connec-

needed.

tions.

In one pressured deal — which eventually did not materialise — Matanzima requested the TDC to sell off its 25% shareholding in the Wild Coast Sun, worth R12m-R15m, for R50 000 to a Transkeian company in which Matanzima apparently had interests.

Tarr and 13 others in the TDC's top management team were eventually fired by the Matanzima Cabinet in September 1984. He told the commission he was convinced his dismissal was a direct result of his firm resistance to being party to any of Matanzima's directives.

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KEI CORRUPTION PROBE

Round 3 to the A-G

Common Sense: One; the Law: Zero. Such is the state of play at the Harms Commission investigating corruption in Transkei (*Current Affairs* July 29 and September 30).

Counsel for Messrs Sol Kerzner and David Bloomberg tried, for the third time, to argue that the commission should not hear evidence in connection with the question of who paid the R2m bribe to former Transkei prime minister Chief George Matanzima. (The Alexander Commission found that either Kerzner or Bloomberg paid the monies to Matanzima). And, yet again, Mr Justice Louis Harms ruled that this was a matter on which evidence should be led.

Argument on behalf of Kerzner and Bloomberg was led by Fanie Cilliers SC. In essence, he sought to show that bribery of a foreign official was not a situation covered by SA law. Thus, even if one conceded that Kerzner or Bloomberg had bribed Matanzima, which he was not doing, neither of them could be guilty of an offence: neither the common law offence of bribery, nor the statutory offence of corruption in terms of the Corruption Act 1958 covered the situation. As regards bribery, Cilliers argued that there was "nothing in Roman Dutch law that supports that bribing of a foreign official was ever contemplated or brought home under the common law of bribery."

The statutory law, it was argued, basically extended the common law to deal with agents too. Here Cilliers argued that if Matanzima was not an agent within the meaning of the Act and/or Transkei not a principal within the Act, then no offence could have been committed. The Act defines "agent" as including "any person employed by, or acting for another." Cilliers argued that "another" could only refer to a natural person and "hence Transkei state is not 'another,' hence Matanzima cannot be an agent within the Act." The conclusion was thus that any dealing with Matanzima within the meaning of this Act could not be an offence.

If no offence had been committed, Cilliers argued, there was no reason for the commission to be looking into this matter. This turned on a reading of the commission's task whereby it was only meant to look into those matters where an offence under SA law was likely to be proven. Cilliers argued: "You don't go into issues which relate to moral censure, but have no legal consequences."

On the law, Cilliers appeared to have a powerful argument. But the pugnacious Deputy Attorney General, Frank Kahn, was determined to have nothing of what he regarded as "an attempt to extricate their clients from empty and embarrassing commitments made at the Transkeian Commission." This was a reference to the fact that Kerzner and Bloomberg's counsel had argued in Transkei that the commission needed to be extended in order for their clients to do justice to their cases. Now that this opportunity was granted them, they engaged in tactics "simply aimed at restricting this body from ascertaining the involvement of their clients in certain alleged irregularities."

The thrust of Kahn's argument, delivered with great bluster and indignation, was that whether an offence had been committed or not, the bribery incident was manifestly in SA's interest and, hence, he argued, within the ambit of the commission. "What happens in Transkei might be of considerable public interest in SA . . . Good relations and neighbours who are interlinked with us financially must be of public concern." Kahn also argued that the commission was not only interested in looking at irregularities or culpable involvement — it was a vehicle of the truth.

In giving his ruling, Judge Harms said that irrespective of the correctness of legal submissions, the issue of the payment to Matanzima would form part of the evidence of the commission. He emphasised that his ruling was not to be seen as an acceptance or rejection of any particular position. He also declined to give reasons owing to the possibility of thereby anticipating his later recommendations.

With hindsight, there was a certain inevitability about Judge Harms's ruling. Cilliers' argument was certainly legally meritorious. But this is a commission of inquiry, not a court of law. That was why the commonsense understanding of the commission's scope of inquiry triumphed. ■

Nobody is immune . . .

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Transkei's military government has been in office for nine months. Head of State Major General Bantu Holomisa, who describes himself as a "peace-time soldier," spoke to the *FM* about the future of the homeland.

FM: Are you committed to the homeland system and do you see the Transkei as an independent state in the future?

Holomisa: At the moment we are still committed to it. The task assigned to us by the military is to clean up the administration and recover as much as we can of the money owed to the State. Civilians will decide in the future whether they want to join a federation or a confederation. But my advice to them is that it would be suicidal under the present set-up while there is still apartheid. If apartheid goes, then they can talk business.

What would your attitude be if a future majority rule government in SA wanted to unscramble the homelands?

I think they would have to approach the leaders of the homelands. They will be hurting a large group of people in the rural areas. So it would not be good for them to force or prescribe when they want to talk about the future of SA. Once a SA government decides to talk, it must talk to everybody. There must be no prescription, like P W Botha saying he won't talk if you don't renounce violence, or the ANC saying they won't talk to homeland leaders if prisoners are not released. We must establish different committees, like one to look into dismantling apartheid, with deadlines to report back on issues like the release of prisoners, or a ceasefire. They must report back to a joint committee so that nobody can be prescriptive. I think we can succeed in such a manner, otherwise everybody's going to try and protect his little ideology.

Do you approve of contact with the ANC, as with the delegation that went from Transkei to Lusaka last December?

I've got no objection.

Would you initiate such contact yourself?

No, not at the present moment. I'm not compelled to go to them. If they've got ideas, they can approach us. Why make it a system that everybody has to go and talk to them?

It's two-way traffic. If they want to talk to us they can call us; if we want to talk to them we can approach them. But at no stage must anyone feel they are above the other.

There have been a number of incidents in the Transkei involving ANC insurgents. How strong is the ANC in the Transkei?

There were quite a number of bombings in 1985-1986. Those people are facing charges in the courts now. Whoever is doing anything contrary to the laws of the country will face the music. There is no discrimination. The ANC and the PAC are banned and, as such, if they do something we apply the law.

Would you consider unbanning them?

If would not be wise. We have an agreement with our neighbour, SA, that we will not use each other's territory as a springboard to attack the other. We uphold that agreement. It has been proved to our neighbouring countries that when those people are harboured it can bring hardship both to themselves and their hosts.

For us, we have been under the destabilisation of corruption. Now we must develop our people and create job opportunities. Future politicians are the ones to decide whether to unban. At the present moment we must guard against being seen to support political ideologies of certain parties. As much as we can we must be neutral.

How popular is Nelson Mandela? From his biography he loves the Transkei and even wants to retire there.

From the black man's point of view, he was fighting for a cause. Some of the things he was fighting for have been changed, some have not. Unfortunately the laws of the time didn't allow for such people to say and do what he did. It is up to the SA authorities to decide about his future.

Have you used your office to request his release?

Not yet.

Do you plan to?

It's not on the cards. But I personally think that on humanitarian grounds it would be in the good interests of the South Africans to do so. It's a matter of talking among themselves. I don't think they need more approaches now — they have been told. The world has complained about that. It's up to the Cabinet of SA to decide and nobody can push them.

Of course, superpowers like Britain and America still have a lot of investment which

makes it possible to say such things must encourage a round-table sooner than later, otherwise I foresee some problems, especially in the field of economics.

How long before we see a civilian government in the Transkei?

As things are there are a lot of revelations about corruption — more things are developing daily. I think we will be there for quite some time.

Two years, three years?

I cannot predict that.

Are you aware of any moves behind your back to try and dispose of you?

No, and if there are, I'm not interested. I've done my job. The military told me to do this. It's like a cricket game. You have your innings. If it's limited overs, you score as much as you can within that limited time. If it is a five-day period you relax. But sometimes they can still bowl you out on your first ball! You must be careful.

When you say the military told you to do this job, what do you mean?

It was the decision of the Transkei Defence Force, not Holomisa. Whatever decisions I make I refer to a committee. I've got military intelligence who evaluate and report to senior officers. We act and report back — that is the military way.

If anyone else was to take over, as long as he planned to continue where we have left off I will recommend him.

But if he wants to take over power for the sake of it and wants to bring back the politicians who are tainted then I don't think he will succeed.

Is there any truth in the reports that George Matanzima has been offered immunity in exchange for giving evidence against others?

There is no such thing.

Will Kaiser Matanzima face charges? So far he doesn't seem to have been touched?

I don't agree with you when you say he hasn't been touched. I'm sure you are aware that he is owing the country a lot of money. He is also owing taxes. The government is trying to recover that. Nobody is immune. If we were a civilian government we could table their fate in parliament. But we are a military government. When we took over we said we were combating corruption and, as such, we must be seen to be doing so. Nobody is going to be exempted. If the Attorney General says he wants someone in the dock they are not going to be able to run to Holomisa.

Missing mail: 18 held in Umtata

Staff Reporter

EIGHTEEN Transkeian post office officials have been arrested in Umtata after an investigation into the disappearance of registered mail.

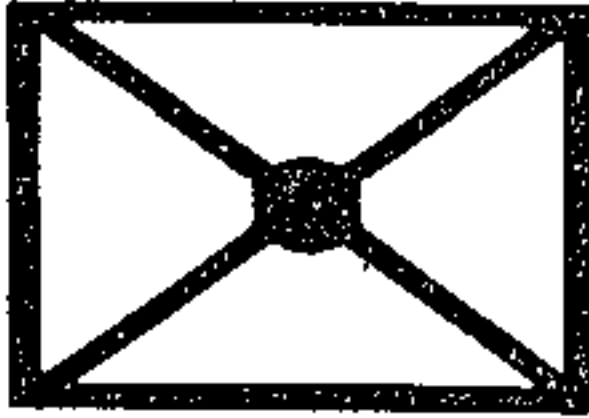
The Transkeian Minister of Posts and Telecommunications, Mr G S K Nota, said the arrests were part of a "heavy clampdown" following complaints about missing mail, including money sent by Khayelitsha residents to their families.

Several Khayelitsha residents said money they had sent by registered mail from Cape Town to their families in the homelands, particularly Transkei, had not been received.

Mr Nota said 18 post office staff had been arrested in Umtata. There had been arrests in other centres too, but he did not have details.

He appealed to people who had problems with mail deliveries to contact his office in Umtata so they could be investigated.

"We are determined to stamp out

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this corruption once and for all," said Mr Nota.

Among the Khayelitsha residents who complained to The Argus about missing mail was Mr Mokete Shai, 24, of U Section, Site B.

He said R60 he sent by registered post to Herschel in May did not reach its destination.

"I was shocked when I got an angry letter from my mother asking about the money. I had heard of people losing money through the post, so I made inquiries at the Khayelitsha post office," he said.

"Last month I got a letter asking me to call at the post office. I was told some members of the postal staff at Herschel had been arrested in connection with the disappearance of my

money and money belonging to other people. When I asked when I would be compensated I was told 'investigations are continuing'."

Mr C D Patterson, public relations officer for the post office in the Western Cape, confirmed there had been complaints about registered postal articles and telegraphic money orders bound for "the homelands".

Compensation was paid for all registered articles containing cash or items of monetary value lost in the post. A maximum of R50 was paid for a missing registered postal article. The "lapse of time before compensation is paid depends on the duration of the investigation".

● A report in The Argus on residents' complaints about the postal service in Khayelitsha prompted the post office to launch a campaign urging residents to use private boxes.

Mr Patterson said: "The use of a private box ensures the correct and prompt delivery of mail matter".

Trialist's (103) South 13-19/10/88 R50 000 suit

EAST LONDON. — An accused in a Transkei terrorism trial is suing the minister of police for R50 000 damages as a result of alleged assaults.

Lungisa Livingstone Matutu claims he was first arrested in Bophuthatswana earlier this year, handed over to South Africa and then to Transkei.

In papers filed last week in the Supreme Court, Umtata he alleged

that he was severely beaten and tortured at various police stations and said he could identify policemen who assaulted him.

His injuries included damage to his eyes and various abrasions and bruises.

Matutu was mentally confused, had no insight into his circumstances and was disoriented, his lawyer said.

Matutu replied to questions inappropriately and shouted incoherently, the court was told.

When Matutu's trial first started, his lawyers accused Transkei of trying to hold the case in secret.

The lawyers told the court they had been unable to consult with their client because he was so confused and incoherent, apparently as a result of assaults.

— ELNEWS

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14/10/88

Seven new industries due to start work in Transkei

SEVEN small industries, six from SA and one from Taiwan, will begin operations in the Transkei in the next few months.

A statement from the Transkei Development Corporation yesterday says all the factories are in manufacturing — in shoe-making, office furniture, kitchen units, bed linen, windows, door frames and fine bone china.

"They represent an investment of some R4m and will provide between 400 and 500 new jobs," says Marshall Swana, Transkei Development Corporation MD.

The new industries will all be located in Ezibeleni, one of Transkei's industrial development points, 10km from Queenstown.

Because of the number of industries opening at Ezibeleni, the TDC is opening an office there, Swana adds. He notes that a large hotel group has expressed interest in opening a casino in the area during 1989.

"Now we see this sudden increase in investment interest as an expression of confidence in the current government of Transkei," he says. — Sapa.

(103)

16/10/88
CP News

Terror accused sues for assault

CP Correspondent

AN accused in a Transkei terrorism trial is suing the Police Minister for R50 000 damages as a result of alleged assaults.

Lungisa Livingstone Matutu claims he was arrested in Bophuthatwana earlier this year, handed over to South Africa and finally to Transkei.

In papers filed last week in the Umtata Supreme Court, he alleged he was severely beaten and tortured at various police stations and said he could identify policemen who assaulted him.

His lawyer said his injuries included damage to his eyes, which impaired his sight, and various abrasions and bruises.

He also said Matutu was mentally confused and had no insight into his circumstances and was disoriented.

● About 40 similar claims for damages are pending against the Transkei Minister of Police, all resulting from the activities of the security police.

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Maseru raid evidence in Transkei terror trial

CP Correspondent

AN SA Police brigadier agreed with a defence advocate at a terrorism trial in Umtata this week that the banned ANC regarded itself as the future government of South Africa.

Brig Jacobus Hendrik Buchner was testifying at the trial of 30-year-old Lungisa Livingstone Matutu of Mqanduli, charged with futhering the aims of the ANC, receiving military training and possession of banned literature.

D Sankey, for the State, indicated that he would be calling Buchner - who is the divisional commissioner of the security police for Natal - to hand in a document which the State claimed was found among documents seized during the South African Defence Force raid in Maseru in 1982 where 42 people were killed.

Advocate MTK Moerane, for the defence, objected to the admissibility of the document on

the grounds that it was obtained illegally by the SADF who violated the sovereignty of Lesotho by, among other things, not entering that country through its defined border gates.

The defence said Lesotho citizens, visitors and foreigners were killed in the raid.

Ruling over the matter the magistrate, Bongani Ndengezi, found that the purpose of the collecting of papers after the raid was to use them in cases

of this nature. He therefore ruled the document admissible.

The document handed by Buchner was a biography written in Xhosa about the accused which Buchner confirmed was among papers collected by the SADF after the raid.

Conceding with Moerane, Buchner confirmed that 42 people were killed in the raid which was condemned by both the Lesotho government and the world.

Earlier, the State sought to call Brig Herman Stadler from Pretoria headquarters to give evidence of a general nature about the ANC, its policies, strategies and its tactics.

Stadler was called after the court turned down an application by the State to hear evidence of a Mr X in camera.

Throwing out the ap-

plication, Ndengezi said Stadler's evidence would be of no help to the court as it would be of a general nature.

Moerane said once the court had given a ruling it could not lightly reverse its decision.

A Transkei security policeman, Capt M, Matafeni, told the court in his nine years in the security police he knew of no one who was ever harmed, killed or had his property destroyed after giving evidence at a political trial in any Transkei court.

It was on Matafeni's evidence that the court ruled Mr X could give evidence in an open court and that the media should not publish his name.

Mr X is expected to come from South Africa. The trial has been postponed to November 28, when Mr X will be called to testify.

Chief pleads not guilty

UMTATA — Chief George Matanzima of Transkei has pleaded not guilty to charges of corruption. 103

In a short written statement handed to the magistrate's court at Umtata, Chief Matanzima admitted receiving a total of R750 000 from Mr Hermanus Visser and receiving a 10 percent shareholding in a company called Builders and Developers Pty (Ltd).

Star 18/10/88

However, he would not comment on the preamble of one of the charges against him, which involves receiving R80 000.

The case has been postponed to November 7. — Sapa.

Kagiso Trust slams



(105)
2/11/08

Enter the Triad

The credibility of Peet de Pontes, National Party MP for East London City, was further damaged by evidence which emerged last week at the Harms Commission investigating cross-border corruption in Transkei and Ciskei (*Current Affairs* September 30, October 7 and 14).

De Pontes had earlier requested that his membership of the NP be suspended until greater clarity emerged on the nature of his involvement with Mafia money-lauderer Vito Palazzolo. The commission has already heard evidence about how De Pontes assisted Palazzolo in gaining illegal entry into SA.

It emerged from the evidence of East London mayor Robert de Lange that he had known when he went to Switzerland that Palazzolo was in jail for illegal currency dealings. De Lange claims he asked Palazzolo whether his crime had anything to do with drugs or the Mafia. When asked by Mr Justice Louis Harms why he should have thought of these matters at all, De Lange was unable to offer an explanation.

De Lange did say, though, that he thought he had told De Pontes before their trip overseas that Palazzolo was in jail, and why. However, according to an affidavit by De Pontes: "I was under the impression that Palazzolo had exchange control problems, but at no stage was it disclosed that he was in prison serving a sentence." (An interview given by De Pontes to *Rapport* appears to contradict this.) According to De Lange, he and De Pontes also knew that the reason why Palazzolo wanted to come to SA was to avoid legal process in Europe.

Evidence by Johan Scheffer, a clerk in the Pretoria office of the Department of Home Affairs, also claimed De Pontes had been involved in making fraudulent applications for permanent residence on behalf of Palazzolo and others.

Sources in the Attorney General's office indicate that De Pontes will be testifying before the commission next week. Attention will be closely focused on what he knew of Palazzolo when he first agreed to go to Switzerland with De Lange, and what he understood to be Palazzolo's motives for wanting to come to SA.

Another interesting piece of evidence to emerge relates to a Singaporean, Howe Kwong Kok, who, on a number of occasions, was De Pontes's guest in SA. De Pontes apparently assisted Kok with an application (later not pursued) for permanent residence in SA for his daughter. According to reports

in *Rapport*, Kok is a major link between the Italian Mafia and the Chinese Mafia, who control heroin traffic out of Thailand.

It is also reported that Kok played a major role in the formation of a bank in Ciskei. It is claimed that he acted as consultant for altering Ciskei's banking laws so that absolute secrecy could be guaranteed to investors. Singaporean banking laws were put forward as an example. According to *Rapport*, the changes suggested would have made it easier to "wash dirty" international money through Ciskei, especially given pressure from America on European banks to have no truck with the Mafia.

2/11/08
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Four held by (103)

Transkei police

Star 13/10/88
UMTATA — Four people have reportedly been detained by the Transkei security police.

According to district surgeon, Dr A T Mtimkulu, his son, Mr Mvula Mtimkulu, a third-year B Juris student at Turfloop University, was detained at the weekend.

Dr Mtimkulu said his son was to have started his end-of-year examinations, which he was now likely to miss.

He missed the examinations last year after being detained in November.

Also believed to have been detained are Miss Pumla Ramcwana and two other men.

Police were not available for comment. — Sapa.

CP candidate claims R500 000 over letter

Star 17/10/88

Pretoria Correspondent

A Pietersburg Conservative Party (CP) candidate in the municipal elections has claimed R500 000 from a local newspaper, its editor and a resident.

Mr J J Kemp alleged in an affidavit handed to the Pretoria Supreme Court that a letter from Mrs Yvonne Davel published in the *Noordelike Review* had defamed his "good name and reputation".

Mr Justice Van Dyk ordered that Mr Kemp pay the costs of the application and answer Mrs Davel's request for further particulars within seven days of the order being served on Mr Kemp's lawyers.

Mr Kemp was to pay the costs of the application and Mrs Davel was to be allowed to continue with the same documents to obtain legal advice should Mr Kemp not supply further particulars.

Mrs Davel requested further particulars from Mr Kemp in order to prepare for the defamation case.

These included:

● What is the official policy of the CP regarding the presence of blacks in towns like Pietersburg?

● Is the applicant in favour of a white homeland which would include Pietersburg and how is the amount of R500 000 damages calculated?

Police influenced, me — MP's friend

By Celeste Louw

A former flatmate of suspended National Party MP for Hillbrow Mr Leon de Beer appeared before a Johannesburg magistrate yesterday on nine counts of fraud and four counts of contravening the Electoral Act.

Sergeant Jan Petrus van der Merwe (25), told the court he had been influenced by police to make two statements about alleged irregularities during last year's elections.

The defence has objected to the statements.

The sergeant told the court that a Major William Deerans had told him that he would not be prosecuted if he made the statements.

The hearing continues.

EAST LONDON. — The chairman of Jalc Holdings, Mr Chris van Rensburg, has banked R7,2 million by swapping gambling rights on the Ciskei coast for shares in Sun Ciskei.

Mr Van Rensburg said in an interview here yesterday that he and his co-directors, Mr Laurie Painting and Mr Athos Poulos, had made an arrangement with the head of Sun International, Mr Sol Kerzner, which had put them "back in business".

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

Jalc in R7,2m 'arrangement' with Kerzner

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

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

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

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

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

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

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

Govt drops Sijake citizenship case

Cape Times 2/11/88
Staff Reporter

THE government yesterday withdrew its opposition to an application for citizenship by former long-term Robben Island prisoner Mr Sandi Sijake.

Mr Sijake's lawyers heard shortly before the application was due to be heard in the Supreme Court that the government was seeking an out-of-court settlement.

There was still a dispute over who should bear the costs of the action, said a spokesman for the legal firm of Mallinck, Röss, Richman and Closenberg — the firm representing Mr Sijake, jailed in 1973 under the Terrorism Act.

Late last year he was served with an order deporting him to



Mr Sandi Sijake

the Transkei on his release from prison.

Mr Sijake instituted legal action to nullify the order, saying though he had been born in Um-

tata, the ANC, of which he had been a member, did not recognise the Transkei as an entity separate from SA.

He was informed the day before his release on June 18 this year by the Department of Home Affairs that the department order was suspended pending the court hearing.

No reason was given by the two respondents — the Minister of Home Affairs and the director-general of the department — for the withdrawal from the action.

However, Mr Sijake's attorneys pointed out that the settlement set no legal precedent and similar applications for citizenship, by people declared by the government to be citizens of the national states, would have to be tested in court.

Plans to mine coast in dispute

Own Correspondent ^{Star} 2/11/88

DURBAN — Rhombus Mining, which plans to mine the Transkei coast for titanium, has said its project would reward the independent homeland with R1,5 billion over the next 15 years.

Rhombus's managing director Mr Rob Still, responding to a recent report in a Sunday news paper, claimed the R80 million project would not only help revitalise the depressed East London harbour, but would also give the Transkei "its second biggest business venture to date".

Conservationists have expressed their reservations about the scheme, saying it would carve a path through a conservation area between the Nxaxo and Kobangaba rivers on the southern Transkei coast.

But a Transkei Government Gazette notice calling for objections to Rhombus Mining's plan to mine the Transkei coast for titanium has been withdrawn by the independent homeland's government.

OBJECTIONS

At least four conservation bodies have lodged formal objections with Transkei's Department of Trade and Commerce over the titanium scheme. They have called for expert and thorough environmental impact studies before mining is given the go ahead.

Mr Still said Rhombus Mining had employed a team of experts to address ecological aspects of the mining venture and had submitted an environmental impact plan to the Department of Trade, Commerce and Industry.

"We would welcome discussions with concerned parties. If the Wildlife Society is concerned about the environmental impact, it should approach us through the department," he said.

Rhombus is awaiting approval from the Transkei government. If approved, construction will begin next year.

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FIN MAIL 4/11/88.

KEI CORRUPTION PROBE

De Pontes defends

The Harms Commission, investigating cross-border irregularities, focused this week on the testimony of Peet de Pontes, suspended Nat MP for East London City.

De Pontes was the attorney, and later business partner, of Vito Palazzolo, the Mafia drug financier currently languishing in a Swiss jail.

The key issues relating to De Pontes were these: what did he know about Palazzolo's background and did he act illegally in any way in assisting Palazzolo and his family in

settling in SA?

The commission has investigated these questions with painstaking thoroughness. Although many points remain unresolved, the broad picture which emerges is this:

De Pontes met Palazzolo in a Swiss jail. When the latter spoke of large investments which he would make in SA if he obtained permanent residence, De Pontes saw that if Palazzolo did settle in SA he, De Pontes, might well gain from this. Hence what started as a legal relationship soon evolved into a business one as well.

Two of the major issues which arose were:
Did De Pontes ever see the Department of Internal Affairs' files on Palazzolo? De

Pontes admits asking a young clerk, Johan Scheffer, to bring the files to East London so that he could set his mind at rest concerning rumours about Palazzolo's illegal entry into the country. He denies, however, that Scheffer ever brought the files. Scheffer, however, claims that he gave the files to De Pontes and, according to Rapport journalist Martin Welz, this version of events was confirmed to him by De Pontes in an interview in April this year; and

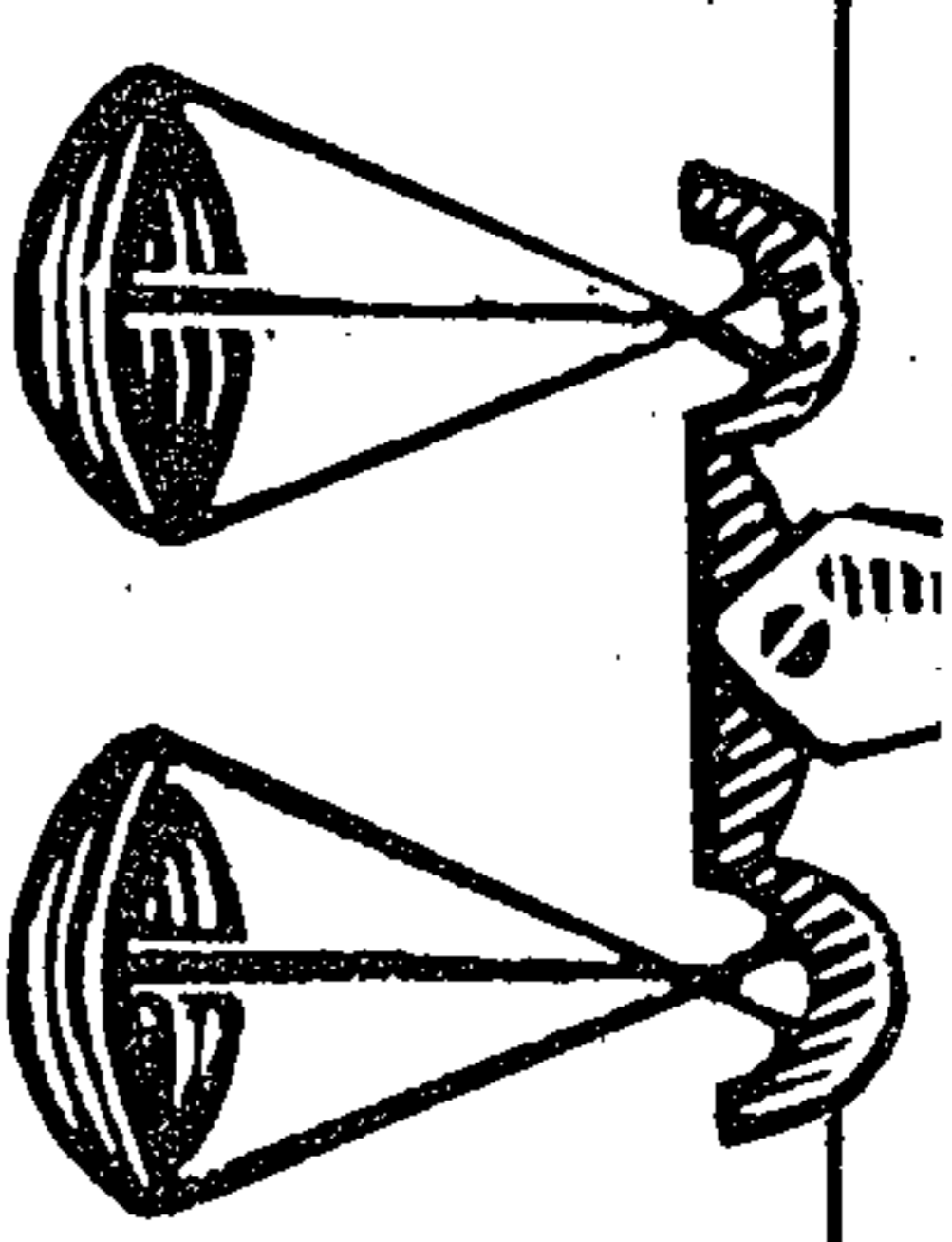
A police expert testified that there were three forged signatures in a set of documents in which Palazzolo purportedly ceded his share in the company Papillon to De Pontes. Palazzolo denies ever having signed such

documents and has instituted legal proceedings against De Pontes on the matter.

De Pontes is a very composed and self-assured witness. At no stage has he been at a loss for an answer. His performance is offset, though, by an increasing list of factual discrepancies. Palazzolo's counsel, P J "Dup" de Bruyn, pointed to the fact that, at various points, De Pontes's evidence clashed with that of at least seven other witnesses.

Given that Palazzolo is unlikely to testify before the commission, it would appear that many factual issues are likely to remain unresolved. Whether this means De Pontes will have his name cleared, as he seeks, remains to be seen.

1003 Gwam 6/11/88



Scales tipping in favour of police?

Kei cops disappear everytime they have to appear in court

CP Correspondent

CONCERN and uncertainty is mounting in Transkei about whether criminal cases involving police, especially the security branch, will ever come to court.

The cases of six people alleged to have been killed by security police have not been heard by the courts although some police were arrested and charged.

The Umtata Supreme Court was told that two security policemen, Sgt Aaron Mtobeli Tyani and Sgt Pumbelele Gumengu, who were previously stationed at Butterworth, escaped last week from police custody shortly before they were due to appear in court on charges of attempted murder and murder.

Tyani, who was being held at Mqanduli, and Gumengu who was being held at Ngamakwe, escaped on the same day after they had requested medical treatment.

The State alleges that on August 8, 1987, the accused, together with another security policeman Chris Shologu - who has since fled Transkei and is believed to be in Port Elizabeth - arrested the deceased, Sthembele Zokwe, outside a hotel in Umtata.

They allegedly took him to a quarry outside Umtata where they shot him three times and left him for dead. Zokwe later stumbled to a nearby house and was taken to hospital.

Zokwe survived an operation and was discharged three months later from the Umtata General Hospital. He was

guarded by police throughout this period.

The court heard Zokwe had sustained head and chest injuries from this incident.

Outlining the State's case on the murder count, Advocate Malherbe Marais told the court that on the morning of January 11, 1988, Zokwe was again arrested in Butterworth by the accused who were accompanied by other policemen from the Butterworth security branch.

They took him to his Ngamakwe home where he was supposed to produce some hand grenades allegedly hidden at his home. On the arrival at his home, four children took positions outside and the two accused entered a room with Zokwe at gunpoint.

Once inside the room, Tyani opened fire on Zokwe. According to medical evidence, Zokwe sustained six bullet wounds through his heart, lungs and brain.

It is alleged the accused had two hand grenades of Russian origin. One grenade was placed next to his body while another was activated and placed behind Zokwe who was lying on the floor to create the impression he had been hurt while attempting to lob the grenade at the police.

Marais told the court the State had ordered a full investigation into the escape of the two accused.

Attorney-General Chris Nel told City

Press the accused had been denied bail by his office.

Marais told the court that in spite of Zokwe having made a statement in connection with the attempt on his life, naming certain policemen in his statement, the investigation had made little progress.

Zokwe, a self-confessed member of the ANC and Cosatu, was arrested by the Bophuthatswana police last year and handed over to the SAP where he spent some time in detention before being deported to Transkei where he was detained on his arrival.

In 1985, two security policemen - one of whom was attached to the SAP - appeared in the Umtata Magistrate's Court in connection with the death of a former Unitha student activist, Balandwa Ndonga.

President KD Matanzima had alleged at a rally in Idutywa that Ndonga was responsible for the blast at the fuel depot and electricity sub-station in Umtata the previous year.

Ndonga was gunned down after police picked him up at his Cala home on September 24, 1984. According to Dr Jan Botha, of Johannesburg, who represented the family, Ndonga sustained seven bullet wounds and six of the bullets were fired at him while he had already fallen down.

Policemen Lamong Ceginumzi Dandala and Moss Mbuso Shabalala both pleaded not guilty at the Umtata Magis-

trate's Court. When they were supposed to appear for trial at the Supreme Court it was announced Shabalala had absconded.

Shabalala is now attached to the SAP headquarters in Pretoria while Dandala is stationed at Bizana in Transkei. The prosecution at the time said it would inform the SAP that Shabalala had absconded and a warrant for his arrest was issued.

Nel told City Press it was important to have Shabalala arrested as Ndonga's sole appearance would weaken the State's case.

Another criminal case against the police involving assault and damage to property laid by an Umtata journalist, Stan Mzimba, also never saw the light of day.

Mzimba was assaulted and had his camera damaged while covering the funeral of Ndonga at Cala in 1984. An identification parade was conducted where Mzimba pointed out the police involved and statements from Mzimba and his witnesses were obtained.

In May this year, police opened fire on a car with four occupants at Ncambedlana, outside Umtata, killing three of them instantly. Security police later confirmed that their men were involved and had seen a man they had been looking for by the name of "Gift" in that car.

Summons served

on Matanzima

(103) SW 8/11/84
UMTATA — The former Transkei Prime Minister, Chief George Matanzima, and a former Minister in his Cabinet, Mr Sidney Qaba, were jointly served yesterday with a summons committing them for trial in the Supreme Court on December 5.

Chief George and Mr Qaba pleaded not guilty to charges of fraud involving in total about R1,3 million. Their bail was extended. — Sapa.

Free-trade zone for Transkei ¹⁰³

UMTATA — Transkei is finalising the establishment of an international free-trade zone along its Wild Coast, says the country's military leader, Major-General Bantu Holomisa.

The move was intended to offer an alternative to Hong Kong investors,

In a speech to a visiting group of

Americans in Johannesburg, General Holomisa said the free-trade zone would be a half-way station between America, Europe and the Far East.

He said that in less than a decade, safe deposits and idle funds in the free-trade zone of Hong Kong were now looking for a safe haven,

Kei police ordered to stop assaults

CP Correspondent

LEGAL action is being taken against Transkei Police in an attempt to stop them assaulting a detainee who is ill in hospital.

The Transkei Supreme Court issued an interim order calling on police to show why they should not be restrained from assaulting detainee Aga Khan Tiya. The application was brought to Tiya's father, Bishop Hintsa

Tiya, and the Minister of Police was cited as respondent.

The police have until November 24 to respond to the application.

Tiya and a herbalist were detained from a house in Umtata's Norwood suburb last month. Police claimed that Tiya was a guerrilla and said the detentions led to the discovery of an arms cache.

Tiya's family had not

heard from him since 1984 when he was a student at the University of Transkei. The first they knew of his detention was when Tiya received an anonymous phone call telling him his son was in hospital.

He went to the Umtata Hospital to find his son seriously ill in the Intensive Care Unit.

Police were guarding him and refused to let his father see him.

He could see that his son has a tube in his mouth. A nurse told him that Aga Khan was conscious, but could not speak because of a throat wound.

Witnesses claimed that both Tiya and the herbalist, Mhlupeki Ntshinga, were assaulted at the house. They said that although Tiya was bleeding from his nose when he was detained, he was in good health. - Elnews

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13/11/88

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Chief George faces R1,25m fraud charges

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Clarens
13/11/88

Thirteen of his properties under hammer today

CP Correspondent

SEVERAL former Transkei government officials – including Chief George Matanzima – appeared in court this week on charges of fraud.

Former Prime Minister Chief George appeared with one of his ex-Cabinet Ministers, Sydney Qaba.

Chief George faces four counts of fraud involving over R1,25-million. Qaba faces five counts of fraud involving amounts totalling R143 000.

They will be tried together early next month and both are currently out on bail totalling R6 000.

Also in court were a former director in the Department of Commerce, Industries and Tourism, Bongani Soldati, and Sawmill owner Kenneth Magidigidi.

Both were mentioned extensively during the recent commission of inquiry into financial mismanagement.

They pleaded not guilty to 63 counts of fraud arising from irregular industrial incentive payments of over R1-million.

Meanwhile, more of Chief George's properties are due to be auctioned off today.

In what auctioneers have described as the biggest sale in Transkei history to be held on one day, 13 houses and a vacant plot in six different Transkei towns will come under the hammer.

They are a house in Umtata, three houses in Butterworth, a luxurious holiday home in Port St John's, two houses in Engcobo, three houses and a plot in Cofimvaba and three new houses in Maluti.

The contents of three of Chief George's farms and several other houses have already been sold. – E!news



George Matanzima ... back in court.



Transkei must be part of SA settlement — Holomisa

MCA 16/11/88

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From GRAHAM LINSOTT
Special Correspondent

UMTATA. — Transkei expects to be involved in any constitutional settlement in South Africa and could even consider re-joining as an integral part.

This emerged in an interview with Major-General Bantu Holomisa, Transkei's military ruler who took power in a bloodless anti-corruption coup.

But he stressed that in no circumstances would Transkei consider becoming part of South Africa again under its present dispensation.

He also said Nelson Mandela would be free to live in Transkei if he were released.

Transkei was the first South African black "homeland" to accept independence, in 1976. Since then it has been followed

by Bophuthatswana, Ciskei and Venda. Their independence has not been recognised by the international community and they are heavily dependent on the South African Treasury.

General Holomisa said that whatever the political future of Transkei, it would be influenced by a change of government in South Africa.

"There can be no settlement without us, whether we are part of it or whether we go on our own."

He said that at the time of independence neither the South African government nor Transkei's new rulers had properly considered such things as international recognition — political and economic — and Transkei's need for trained people.

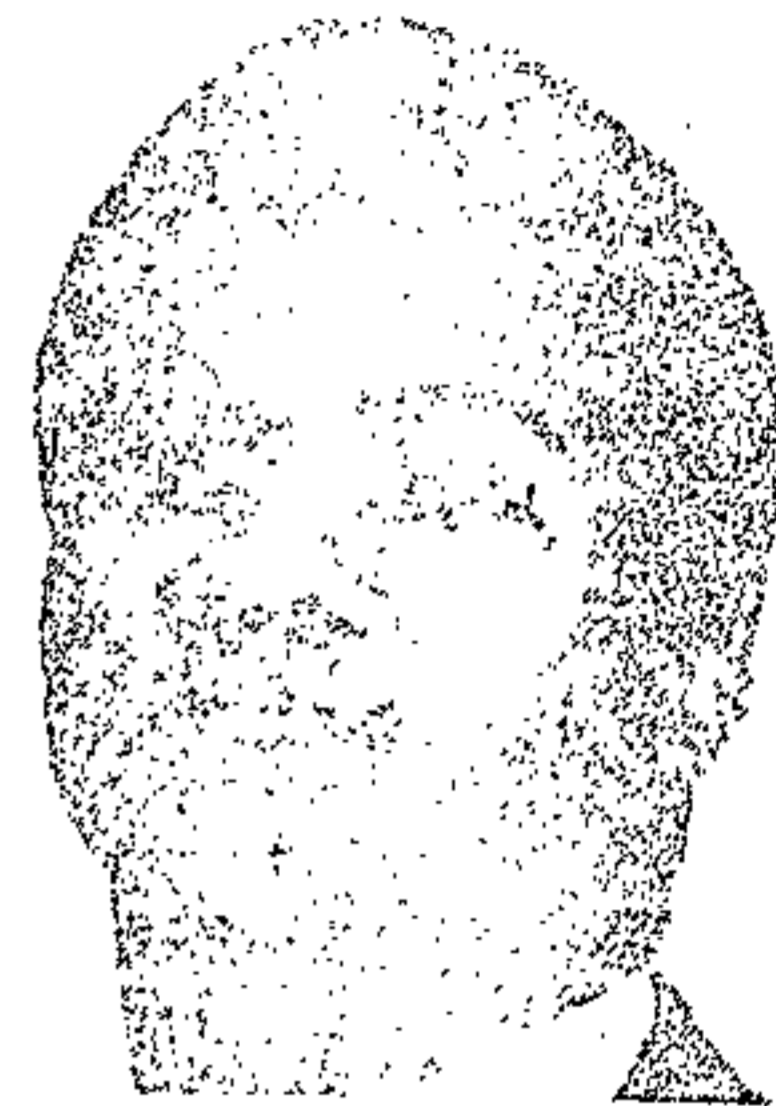
"We were also disadvantaged because geographically we do not enjoy the infrastructure of the metropolitan areas. There was no programme to upgrade Transkei's infrastructure into that of an independent state.

They just dumped us.

"We would not go back to South Africa with its present dispensation and prescriptive laws. But if there were a settlement we could contribute. We also suffer sanctions with South Africa and we have the right to tell South Africa of our interests.

"We have provided much in South Africa. Whatever is to take place there, we have to be taken into account."

General Holomisa said Mr Mandela could live unrestricted in Transkei if he chose.



General Bantu Holomisa

Many former members of the African National Congress and the Pan African Congress were in the government service.

But Mr Mandela would not be allowed to organise the ANC in Transkei.

Transkei might consider rejoining SA — Holomisa

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SA 16/11/88

Special Correspondent

UMTATA — Transkei expects to be involved in any constitutional settlement in South Africa and could even consider rejoining as an integral part.

This emerged in an interview today with Major-General Bantu Holomisa, Transkei's military ruler who took power in an anti-corruption coup.

But he stressed that in no circumstances would Transkei consider becoming part of South Africa again under its present dispensation.

He also said Nelson Mandela would be free to live in Transkei if he were released.

General Holomisa said that whatever the political future of Transkei, it would be influenced by a change of government in South Africa. There could be no settlement in South Africa

without the viewpoint and contribution of Transkei being taken into account.

He said that at the time of independence neither the South African Government nor Transkei's new rulers had properly considered such things as international recognition and Transkei's need for trained people.

"After independence we were not recognised," said the general. "We were also disadvantaged because geographically we do not enjoy the infrastructure of the metropolitan areas.

"There was no programme to upgrade Transkei's infrastructure into that of an independent state. They just dumped us.

"These are areas which have to be addressed. We have to ask whether Verwoerd's policy has worked. And, if not, what we can do about it?"



Protesters in South Korea as 10 000 march on Monday against US agricultural imports.

'Sanctions are crippling us'

BONN — Sanctions were crippling black SA communities even more than apartheid was, Mangosuthu Buthelezi said yesterday.

The KwaZulu Chief Minister and Inkatha president, who was due to meet West German Foreign Affairs Minister Hans-Dieter Genscher last night, was speaking during round-table discussions with officials of the Konrad Adenauer Foundation in Bonn.

He commended the foundation for pursuing "its commitment to improving the lot of poor black people" while major forces in Europe and America swung behind the sanctions campaign.

Buthelezi said the highest praise he could give any agency or development organisation in the West was to say that it helped the oppressed people of his country "to do what they wanted to do to combat their own bondage".

He said although it was present "on the ground where the real battle is being fought", the foundation had never become involved in the internecine confrontations in the black community.

"Sanctions cripple black communities even further than apartheid has managed to cripple them," Buthelezi said. — Sapa.

B/day 18/11/88

Americans eye Transkei

THE major obstacles to US investment in Transkei were ignorance and misunderstanding among Americans.

"This ignorance breeds fear of what might happen to such investments," said Howard Phillips, head of a delegation of 90 US business executives currently visiting Transkei.

Phillips is a leading member of the Republican Party. The delegation, which includes investors and political activists, are in SA at their own expense.

"Many of them have already made a lot of money and are now looking for a place to invest it," Phillips said, adding that some of them would be coming back in the next few months after studying the investment incentives presented to them by the Transkei Development Corporation.

ROBERT GENTLE

For too long, he said, there had been an element of hypocrisy on the part of the US government, which had handed out large sums of money to "corrupt, Marxist regimes all around the world".

It was in places like Transkei, with its firm commitment to free enterprise, that both the US government and private investors should be putting their money, Phillips said.

He acknowledged the limited ability of his delegation to change US government policy on Transkei, but said efforts at greater awareness could break down some of the barriers.

"One of our members, a stockbroker with some 14 000 clients in the US, will be talking about Transkei in his next newsletter," he said.

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B/day 18/11/88

De Transkei se ontwikkeling in die komende jare

Kaizer Matanzima in T'kei church row

ep. 20/11/88

CP Reporter

SWIFT action by Transkei police and soldiers prevented what could have been an ugly scene between a faction of the Methodist Church of Transkei, led by Paramount Chief KD Matanzima, and one of the Methodist Church of Southern Africa.

Chief Matanzima - accompanied by his wives Nozuko and No-Europe - arrived at the Ezibeleni church while a service conducted by the rivals was in progress.

When it became apparent that trouble was brewing someone called the police and soon afterwards soldiers arrived.

The Matanzima group attempted to drown out the preacher by continuously singing hymns until Chief Matanzima himself warned his group to keep quiet.

When Chief Matanzima and his group left some members of the rival faction advanced on them and the security forces stepped in.

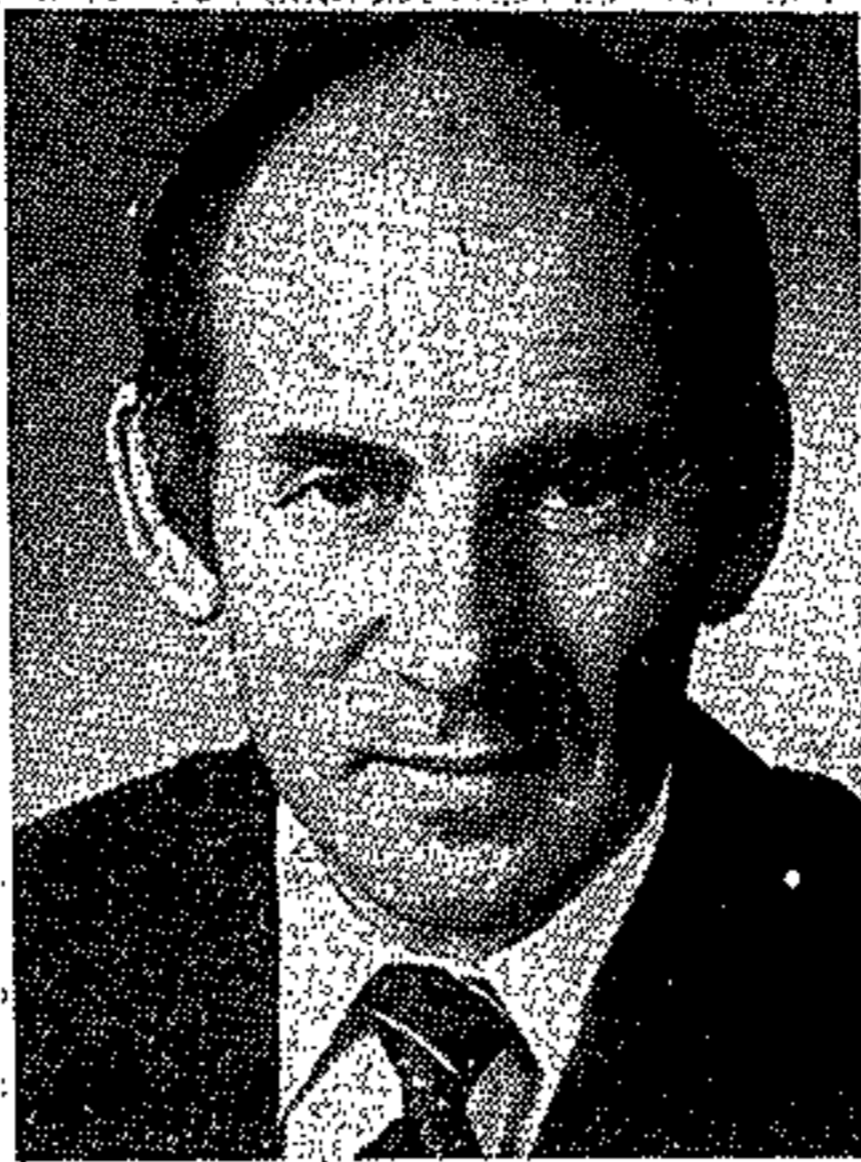
A senior police officer told *City Press* that a group led by Chief Matanzima had, the previous week, attempted to interfere at the church at Ilinge.

"To put it more bluntly," the policeman said, "the Matanzima group hijacked the church premises belonging to their rivals by being first to arrive in church before the normal time and starting their service."

"When the rival group - who own the building - arrived, the service was in progress. Again police had to be rushed there to quell possible trouble."

Two years ago Chief Matanzima, accompanied by Chief Zondwa Mtirara, was at the centre of a similar row at the Ngengelizwe church in Umtata. After an altercation, they had to duck flying chairs. Police had to restore order.

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Mr. Bloomberg

Argus 22/11/88

Bloomberg due to speak on chief's ⁽¹⁰³⁾ R2-million

Staff Reporter

FORMER Cape Town mayor Mr David Bloomberg is due to give evidence to the Harms Commission when it returns to Cape Town on Monday.

This was confirmed today by Mr Petrus Marais, assisting Deputy Attorney-General Mr Frank Kahn SC in presenting evidence to the commission, now sitting in Pretoria.

It follows an application by Mr Bloomberg and Sun International's Mr Sol Kerzner to prevent the commission hearing evidence of their alleged involvement in a R2-million payment to Chief George Matanzima for exclusive gambling rights for Sun in Transkei.

According to the Alexander Commission report dealing with corruption in Transkei, the money was provided either by Mr Bloomberg or Mr Kerzner or both.

ARGUMENT

Mr Bloomberg and Mr Kerzner argued that alleged offences, if any, took place in Transkei and were therefore beyond the commission's brief.

Mr Bloomberg declined to comment today.

● The interim report on the Palazzolo-De Pontes affair is believed to be nearly ready.

The report will be submitted to President Botha, who will decide whether to publish it and what recommendations will be accepted.

● See page 4.

General who yearns to hand back power

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Major General Bantu Holomisa, of Transkei, is typical in one way of so many rulers in Africa — the military strongman who has seized power from a corrupt civilian government.

Like so many of his counterparts, he sees his role as a temporary one. He seeks to root out corruption and punish the offenders, then hand control to a new civilian government so that he can get on with his career as a professional soldier.

But General Holomisa differs in at least three significant ways.

- His assumption of power was achieved without bloodshed. (The army keeps a profile so low it is hardly visible. I did not see a military uniform in Umtata until I actually entered his headquarters).
- He is not a product of Britain's Sandhurst or France's St. Cyr, but of the Army College in Pretoria.
- And the country he has taken over is not recognised by the international community, even though it is larger than many other African states. It is territorially intact, it has a seaboard and it has the classic background of annexation by a colonial power.

It is this non-recognition which irks Transkei. Political non-recognition means economic non-recognition as well, and Transkei is starved of aid, investment capital and trade with the world at large.

General Holomisa reflects somewhat bitterly, that his country has been the victim of colonialism — when it was annexed by Britain in the 19th century — and once again by Verwoerd's bantustan policy.

A policy which pushed it prematurely into independence with as little forethought and planning as when the colonial powers departed from their African colonies.

There was no realistic prospect of international recognition. The country was abysmally short of skills, but no training agreement was included in the independence package. The country's infrastructure was rudimentary, yet the package contained no undertaking that South Africa would develop it.

Transkei's leader, General Bantu Holomisa, dreams of stamping out corruption in a country he regards as having been pushed into independence without forethought or planning. **GRAHAM LINSKOTT** reports.

Transkei got off to a shaky start and although there has been growth, and industry has been developed significantly at Umtata and Butterworth, it has been an uphill struggle.

In these unpromising circumstances, Transkei began the slide into the morass of maladministration and corruption which has been characteristic of so many former colonies. Then General Holomisa stepped in.

He believes he is winning the fight against corruption and sees the role of the Military Council, of which he is chairman, as essentially a moni-

toring (and temporary) one.

It is not exactly Westminster democracy, but it is intended as a holding operation. And if this is a military regime, it is undeniably benign and attached to the rule of law.

As the anti-corruption probe reaches down to lower levels, Transkei has had to engage an extra judge and advocates to deal with the cases.

"We want everything in the open," says the general. "We want people to see exactly what went on and a fair trial for the culprits."

General Holomisa appears to have tackled his cleaning-up operation with military flair and precision. But it is anybody's guess when he will be free to return to full-time soldiering.

MARSHALL SWANA

Development corporations set up by the governments of national states are all too often perceived as an extension of grand apartheid. Not so, says Marshall Swana, the recently appointed MD of Transkei Development Corporation (TDC).

Swana (50), the TDC's loans manager who now assumes the top slot, feels foreign investors are the key to Transkei's industrial and commercial development. And he does not believe sanctions pressures and the non-recognition of national states is an obstacle to attracting foreign capital either.

Although Swana admits the TDC has failed to curb unemployment and reverse underdevelopment, he nevertheless believes its role is important. "An entrepreneurial spirit must be fostered to enable people to look for and seize opportunities irrespective of the political situation."

Born in Transkei, he obtained a first-class matric at Shawbury High School and went on to graduate from the University of Fort Hare in 1959 with a BA in public administration and history.

He spent the next 11 years equipping himself with skills in public relations, personnel and general administration. He points out that in 1973, when he joined Anglo American Corp, the only jobs available to blacks were either in marketing or personnel. Swana was to rise to the position of senior industrial officer in the gold and uranium division.

While at Anglo he became driven by a desire to become "involved in every as-

pect of business." At the time he was completing his MBA at Wits Business School, deepening his interest in finance.

In 1985 he was appointed loans manager in the TDC's agricultural division. This involved arranging finance for farmers — subsistence farmers, commercial farmers and "agricultural industrialists."

In 1986 the appointment as GM of finance and administration gave Swana full responsibility for manpower, management-information and finance. His latest appointment came as a natural progression.

Although Swana is reluctant to debate the political legality of the homelands, he does believe they are all underdeveloped. "There has always been a bias in favour of development in urban areas as opposed to rural areas because of the cost factor. But not only SA has had to pay the price of rural development. Irrespective of political persuasions, something has to be done about rural development."

The problem, he points out, is endemic. "Irrespective of who governs rural areas, they have to be developed if the economic

needs of the region are to be catered for."

Swana denies that in accepting his new post he is identifying himself with the politics of partition and compromising black political aspirations. "In SA blacks have largely been workers. The time has come for them to become owners, and I believe the TDC promotes this objective. We should create the opportunity for wealth- and employment-creation and the alleviation of poverty — this is the role of a development corporation."

Married to Constance Vuyiswa, the couple have three grown sons and enjoy travelling. Swana loves soccer and rugby,

"exercises to keep alive," but doesn't like jogging. He is, however, a keen gardener, an ardent reader, and a devout Methodist. He has held executive positions on Black Management Forum, the Family Life Association, the African Development and Construction Company and the Transvaal African Rugby Association.

The route to the upliftment of Africa, he firmly believes, is through individual achievement, self-reliance, economic independence and interdependence.



Port St Johns likely to get free port status

103

DURBAN — Transkei is likely to re-open Port St Johns as a harbour to serve as an Export Processing Zone (EPZ), which would make it southern Africa's first free port.

The project would cost billions of rands, but it is understood it can rely on the backing of financial interests in Hong Kong — possibly hedging against any change in Hong Kong's free port status when Britain's lease runs out in 1997.

Port St Johns operated as a harbour until the 1940s when coasters used to put in regularly. It still has its wharves but the harbour has silted badly since it fell into dis-

SATURDAY STAR CORRESPONDENT

use. *Star 26/11/87*

The EPZ scheme would require a massive upgrading — dredging, wharves capable of handling container cargoes and dockside equipment — plus a highly efficient and well-manned customs and excise force.

It would also require factories operating within a tightly sealed zone in the vicinity of the harbour and accommodation for the huge work force which would be involved.

The Port St Johns EPZ scheme has not yet been put officially before Transkei's ruling Military Council, but it has enthusi-

astic support at high level.

It is likely to be considered soon by the National Advisory Council,

Meanwhile, Transkei plans in the shorter term to create a Free Trade Zone (FTZ) in which entrepreneurs will be allowed to manufacture and trade without any bureaucratic interference.

This was hinted at in a recent speech in Johannesburg by Major-General Bantu Holomisa, chairman of the Military Council.

The location of FTZ has not yet been identified, but it would have to be at a reasonably well established centre.

(103) (103)
CPL Tink 6/12/88

Transkei court frees 3 on terrorism charges

UMTATA. — Two alleged members of the African National Congress and a Transkei doctor were acquitted in the Regional Court in Umtata yesterday on terrorism-related charges.

Mr Mhleli Madaka, who spent nearly three years awaiting trial, and Mr Lungisa Matutu had been charged with receiving military training in Angola, East Germany and Mozambique under the auspices of the ANC.

Dr Warren Zolile Nombe had been charged with possession of three AK-47 rifles, a handgrenade and ammunition and also of harbouring people believed by the state to be terrorists.

At the end of the three-week trial the magistrate, Mr S B Ndengezi, found that the state's case was full of contradictions and that policemen had contradicted each other.

He found there was not enough evidence to convict the three men. — Sapa

Firm liquidated after Transkei guaranteed loan' 103

UMTATA. — The Transkeian government guaranteed a R10-million loan to a building contractor whose company was later liquidated, a former credit director of Volkskas Bank, Mr J.P. Lubbe, has told the Supreme Court here.

Mr Lubbe was giving evidence in the trial of the former Transkeian Prime Minister, Chief George Matanzima, and the former Minister of Finance, Mr Sydney Qaba.

Chief George and Mr Qaba have pleaded not guilty to nine counts of corruption involving more than R1-million in building contracts for housing schemes in Umtata and Butterworth.

Mr Lubbe said that in 1985 Koen's Executive Contractors (KEC) were negotiating for a R10-million loan to set up a building project in Transkei.

Mr Koen, a Mr Opperman and Mr Herman Visser approached Volkskas in Pretoria with a letter signed by Mr Qaba as Minister of Finance to confirm the advancement of their negotiations with the Transkeian government.

Mr Lubbe said he and other senior Volkskas executives believed that the Transkeian government should not spend large sums of money on housing while there were other urgent national needs.

The Transkeian government had already had Volkskas guarantee a R5-million housing loan secured from a foreign country and could not again spend between R10-million and R30-million on a similar project.

"PROMISING"

Mr Lubbe said he went to Transkei to meet Mr Qaba and explain that too much capital was going into housing, to which Mr Qaba agreed.

In view of the R10-million loan request he also told Mr Qaba that before such a move was considered the contractor should first provide a performance guarantee.

Mr Lubbe said Mr Qaba told him the Transkeian government had already obtained a guarantee from Aegis Insurance Co.

He told Mr Qaba that the company could not give to themselves such a security but that the Transkeian government itself could guarantee such an amount to KEC.

Mr Qaba assured him that he knew the repercussions of such a guarantee, that the government had examined the project and found it to be promising.

Mr Lubbe said that after the negotiations he returned to Pretoria and such a guarantee was later made, a photocopy of which was sent to the bank's legal section and accepted.

The bank would have no control on how the money should be spent. — Sapa.

Star 21/2/88
Transkei pushed
into background 103

UMTATA — President of the Transkei Public Servants' Association Mr Gilbert Sineke said yesterday that his executive had noted with concern the growing disparity in salaries paid to Transkei civil servants and their counterparts in the newly independent states.

He was reacting to an announcement that Ciskei civil servants would receive a 15 percent pay rise next month after receiving a 17 percent increase in April this year.

Mr Sineke said there was a strong feeling among public servants in the Transkei that its independence was being used as a convenient ploy to push it into the background on matters affecting the SATBVC states. He called for urgent government attention to the matter. — Sapa.

Transkei to enliven (103) economy

By GRAHAM LINSOTT

UMTATA — Transkei's new military government has embarked on a programme of economic revitalisation which will involve privatisation, deregulation, land tenure reform, the breaking of monopolies and innovative schemes to promote manufacturing and exports.

The programme means a clean break with the policies of the Matanzima brothers and is being supported and promoted by the Transkei Development Corporation (TDC).

The TDC has recommended to the ruling military council that inhibitory regulations should be scrapped to promote free enterprise.

Two decrees have already loosened the land tenure laws, making it possible for non-Transkeians to hold business and residential property.

Transkei is also to seek investment by South Africa's large retail chains, which had been kept out of the country by the Matanzimas.

"This is a very important development," says Mr Piet Bosch, economic development general manager of the TDC. "For so many years Transkei's economy had been strangled by these monopolies. Prices were absurdly high, there was no real free enterprise.

"All that is going to change. The big chains are showing interest and for the first time we will have real competition."

Transkei is also considering two other schemes.

One is for a Free Trade Zone (FTZ) to be declared, where investors would be absolutely free of bureaucratic regulation. This would create high short-term growth in at least one part of the country.

The FTZ would have to be at some already established point and Butterworth seems the most likely, though nothing has been decided.

The second scheme (slightly longer-term) is for the establishment of an Export Processing Zone (EPZ), where raw materials could be imported duty free and finished articles would be exported, again duty free.

This would involve re-opening and upgrading Port St Johns as a harbour. Part of the rationale behind an EPZ is that manufacturers should be compelled to export.

Two held, two freed in Transkei

Star 7/12/88
UMTATA — Two Transkei civil servants have been detained while two others have been released, a Transkei police spokesman confirmed today.

Those held are Department of Education clerk Mr Xolani Malamlela and

(103)
General Hospital clerk Mr Mlindeli Majama.

Those released are Mr Michael Valifali, a clerk with the Department of Health, and Mr Mabandla Nginase of the Department of Education. — Sapa.

Tale of a R10-m guarantee

STW 2/12/85
UMTATA — The Transkei government guaranteed a R10 million loan to a building company which was later liquidated, a former credit director of Volkskas Bank, Mr J P Lubbe, told the Umtata Supreme Court yesterday.

Mr Lubbe was giving evidence in the trial of the former Transkei Prime Minister, Chief George Matanzima, and the former Minister of Finance, Mr Sydney Qaba. (103)

Chief George and Mr Qaba have pleaded not guilty to nine counts of corruption involving more than R1 million in building contracts for housing schemes in Umtata and Butterworth.

Mr Lubbe said that on August 6 1985 a Mr Koen, a Mr Opperman and Mr Herman Visser came to the Volkskas head office in Pretoria to negotiate a R10 million loan for Koen's Executive Contractors (KEC).

They carried a letter signed by Mr Qaba as Minister of Finance confirming their negotiations with the Transkei government.

Mr Lubbe said the feeling of himself and other senior Volkskas executives was not a favourable one. They felt that the Transkei government should not spend large sums of money on housing while there were other urgent national needs.

The Transkei government had already had Volkskas guarantee a R5 million housing loan

secured from a country abroad and could not spend so much money on a similar project.

The Transkei government had borrowed large sums of money from foreign countries and at the end of 1984 Volkskas had refused its help for a further loan.

Mr Lubbe told the court that in view of the R10 million loan request in 1985 for more housing, he met Mr Qaba and told him the contractor should first make available a performance guarantee.

He later told Mr Qaba that if the Transkei government insisted on the matter it should provide a guarantee that if things went wrong it would pay the money.

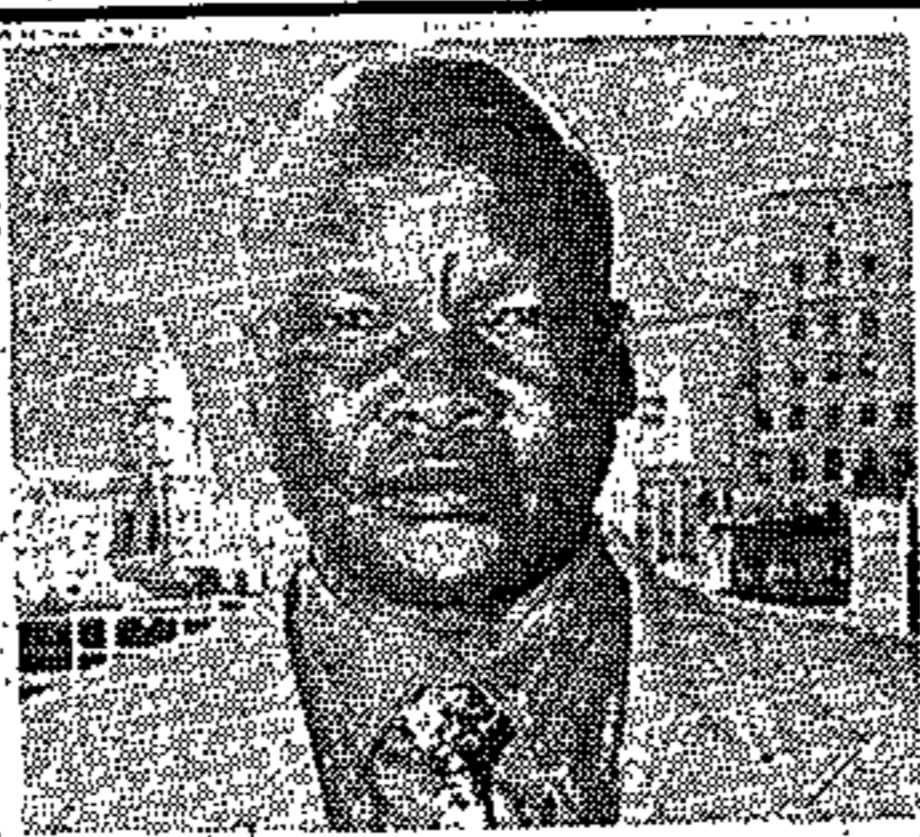
Mr Qaba assured him that he knew the repercussions of such a guarantee, that the government had examined the project and found it to be promising.

Such a guarantee was later made and accepted. The Transkei Bank was later informed of the approval by telephone and later in writing.

Mr Lubbe said that when the building company was liquidated, the bank thought that the Transkei government had put itself in trouble.

Mr Lubbe said he was also involved in the negotiations for a proposed building project in Butterworth, which was some time after the Umtata project.

News 8/12/88



Chief George

Chief tried to avoid double tax, court told

UMTATA. — An Elliot auctioneer, Mr DJ Andrews, told the Supreme Court he kept hundreds of thousands of rands for former Prime Minister Chief George Matanzima, because Chief George wanted to avoid double taxation.

Mr Andrews was giving evidence yesterday in the trial of Chief Matanzima and the former Minister of Finance, Mr Sidney Qaba, on corruption charges.

The two pleaded not guilty before the Chief Justice, Mr Justice Beck, to nine counts of corruption involving more than a million rands in building contracts for housing schemes in Umtata and Butterworth.

Mr Andrews said he received a cheque for R500 000 from Chief George on September 9 1985, with instructions to deposit it into a special account which he was to administer on Chief George's behalf. He would be paid one percent commission.

On March 5, 1986, a cheque for R250 000 from Chief George was delivered to him.

Mr Andrews said Chief George had told him that the money was his and that he did not want to pay double taxation.

He said the total of one bank transfer of Chief George's money from Elliot to Umtata was R275 750. Another total was R63 000, bringing the grand total of money transferred to Umtata to R348 750.

Mr Andrews said he was aware that Chief George had a farm at Bedford near Umtata.

He said that before he testified at the Alexander Commission of Inquiry on September 14, 1986, he had met Chief George who had told him to tell the truth about his account.

Under cross-examination by Mr De Waal Lubbe, SC, for Chief George, Mr Andrews said Chief George had never attempted to persuade him not to give evidence to the commission.

He admitted that he had earlier thought Chief George did not want him to give evidence to the commission because Chief George had told him there was no need to give evidence as the commission was to close down.

The hearing adjourned until March 3 next year. — Sapa.

Star 8/12/88

Chief George was 'trying to avoid double taxation'

103

UMTATA — Elliot auctioneer Mr DJ Andrews, told the Supreme Court yesterday that he had kept hundreds of thousands of rands for former Transkei Prime Minister Chief George Matanzima because Chief George wanted to avoid double taxation.

Mr Andrews gave evidence in the trial of Chief Matanzima and the former Minister of Finance, Mr Sidney Qaba, on corruption charges.

The two pleaded not guilty before the Chief Justice, Mr Justice Beck, to nine counts of corruption involving over a million rands in building contracts for housing schemes in Umtata and Butterworth.

Mr Andrews said he had received a cheque for R500 000 from Chief George on September 9 1985. Chief George instructed him to deposit it in a special account. Instructions from Chief George were that Mr Andrews administer the fund and pay out certain accounts.

TELEGRAPHIC TRANSFERS

Mr Andrews said he had known Chief George for between five and 10 years. He told the court he drew a schedule of payments made out from the account, which included telegraphic transfers of thousands of rands from an Elliot bank to Chief George's current account at the Bank of Transkei.

On March 5 1986, a cheque for a further R250 000 from Chief George was delivered to him.

The cheque, dated the previous day, was deposited the same day. Mr Andrews said Chief George had told him he did not want to pay double taxation.

Mr Andrews acknowledged certain letters of instruction he had received from Chief George, one of which referred to his nickname "Fish".

He said the total of one of the summaries of bank transfers of Chief George's money to Umtata was R275 750. Another total was R63 000, bringing the total transferred to Umtata to R348 750.

'TELL THE TRUTH'

Mr Andrews said he was aware that Chief George had a farm at Bedford near Umtata. He said that, before he testified at the Alexander Commission of Inquiry on September 14 1986, he had met Chief George, who had told him to tell the truth about his account.

Under cross-examination by Mr De Waal Lubbe, SC, for Chief George, Mr Andrews said Chief George had never attempted to persuade him not to give evidence to the commission. He admitted that he had earlier thought Chief George did not want him to give evidence to the commission because Chief George had told him there was no need to give evidence as the commission was to close down.

"My initial assumptions could have been wrong because Chief George then told me to speak the truth about his account.

"He never told me not to give evidence but merely said there would be no need to give evidence."

The hearing was adjourned until March 3 next year. — Sapa.

R24m challenge to casino cartel

S/Times 11/12/88 103

SPORTS promotor and former Western Province cricketer Andre Bruyns intends to challenge Sun International's casino monopoly in the Transkei.

With breathtaking chutzpah, he and partner Roy Meaker of Dekro Paints and Elgin Engineering fame have applied for permission to build a hotel-casino at Umzimkulu. The first phase will cost R24-million.

The proposed casino will be on the border of an "island" of Transkei territory in Natal on the main road from Maritzburg to Umtata. It will be closer to Durban and Maritzburg than the Wild Coast Sun.

Objection

Through a subsidiary, Trans Games, Sun International has objected to Mr Bruyns' application to start the resort.

Mr Bruyns says: "We investigated the legal position after the Alexander Commission was told of alleged irregularities connected with Sun International's monopoly of gaming rights. We concluded that the monopoly could be challenged. We have registered a company called Transleisure, which has applied for a licence in terms of the Transkelan Gambling Act of 1979.

"We have met Transkei leader General Bantu Holomise, who says his nation is looking for investment. We hope to create 800 jobs in the area.

By David Carte

"I have travelled the length and breadth of Transkei looking for a suitable site and now have an option on a beautiful farm about 105 minutes' drive from Durban and a little more than an hour from Maritzburg."

Mr Bruyns says Transkei is the only territory in which Sun International can be challenged.

"They have protected themselves pretty thoroughly in Ciskei and Bophuthatswana."

the returns in gaming are fantastic.

"All the indications are that the gambling market in Natal has been badly underestimated. The Wild Coast Sun has proved too small in spite of huge expansions.

"Another bull point is the day-tripper. The Wild Coast Sun and the Marula Sun near Pretoria have shown how big that market is. We hope to attract thousands. If most of one's trade consists of day trippers, there is a saving on the cost of building bedrooms."

Ruling

Mr Bruyns says the next step is for the Transkeian Government to get a court ruling on the application.

He acknowledges that neither he nor his partner has any experience in hotels or casinos.

"It is a specialised business full of pitfalls, but we will buy expertise. Remember, when he launched Sun City Mr Kerzner didn't know much about the business either."

Mr Meaker has guaranteed R6-million. The partners intend to raise the rest from institutions. For a second phase they could seek a listing on the JSE.

Mr Bruyns admits it will be difficult to compete against an entrenched operation such as the Wild Coast Sun. He expects to be resisted all the way — but analysis of the financial results of Sun International Transkei, Sun Bop and Kersaf shows that

Marketing

Mr Bruyns says his proposed hotel-casino will have a Mississippi theme.

"We are thinking of Bourbon Street, New Orleans. There will be a golf course and complete sporting facilities."

Mr Bruyns hails from Warburg near Maritzburg. While at Maritzburg College, he played Natal schools cricket and rugby and won a sports scholarship to Stellenbosch, where he majored in statistics and economics besides playing cricket with conspicuous success.

After graduating, he worked for several advertising agencies, handling brands such as Caltex and United Tobacco. Ten years ago he moved to Johannesburg and launched a TV advertising consultancy.

He promoted several SA grands prix. From Johann Rupert, an old Stellenbosch chum, he bought a share in

□ To Page 2

□ From Page 1

Casino bid

Vanda Cosmetics. He ran the company for three years before selling out.

For the past three years he has been a marketing consultant and has organised numerous sports promotions, notably indoor soccer, for his own account.

The Transleisure application provides an interesting

test case. If it is approved, the share prices of Trans Sun and its holding companies could weaken. If not, they should go better — and Transkei would be placing the future of its gaming industry squarely in the hands of Sun International indefinitely.

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12/12/88

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Spectrum

Transkei planning wide-ranging economic reform

TRANSKEI'S government has embarked on a programme of economic revitalisation which will involve privatisation, deregulation, land tenure reform, the breaking of monopolies and innovative schemes to promote manufacturing and exports.

The programme means a clean break with the policies of the Matanzima brothers and is being promoted by the Transkei Development Corporation.

The TDC has recommended to the Military Council that

loss-making operations such as the Government Garage be sold off to private interests while inhibitory regulations should be scrapped to promote free enterprise.

Two decrees have already loosened the land tenure laws, making it possible for non-Transkeians to hold business and residential property, but this is likely to be taken further through granting security of tenure to individuals as well as juristic persons (companies).

Transkei is also to seek in-

From Argus Special Correspondent GRAHAM LINSKOTT in Umtata

vestment by South Africa's large retail chains, which had been consistently kept out of the country by the Matanzimas. They instead protected existing trading ventures (many of which were owned by themselves or their suppliers).

"This is a very important development," says Mr Piet Bosch, general manager (economic development) of the TDC. "For so many years Transkei's economy had been

strangled by these monopolies. Prices were absurdly high; there was no real free enterprise.

"All that is going to change. The big chains are showing interest and for the first time we will have real competition, to the benefit of the consumer and the economy generally."

Transkei also has two exciting schemes under consideration:

One is for a free trade zone (FTZ) to be declared, where investors would be absolutely free of bureaucratic regulation. This would create high short-term growth in at least one part of the country and would demonstrate what could happen under true free market conditions.

The FTZ would have to be at some already established point and Butterworth seems the most likely, although nothing has been decided yet.

The second scheme (slightly longer term) is for the establishment of an export processing zone (EPZ), where raw materials could be imported duty free and finished articles would be exported, again duty free.

This would involve reopening (and upgrading) Port St Johns as a harbour and establishing a super-efficient customs and excise force. Part of the rationale behind an EPZ is that manufacturers should be compelled to export, winning foreign ex-

change for the country.

The Port St Johns scheme is being seriously explored. In the Matanzima days, attempts by a Middle East businessman to develop the harbour became a costly fiasco.

The current plan is understood to have the support of financial interests in Hong Kong, where the British lease is due to run out in 1997 and where there is a degree of uncertainty about Hong Kong's future as a free port when it falls under the control of Communist China.

Transkei 'considering' monopoly on gambling

5 4 15/12/88
UMTATA — Transkei's military government was seriously considering Sun International's exclusive gambling rights in Transkei, the secretary-general for the ruling military council, Mr HS Calaza, said yesterday.

(103)
Mr Calaza was asked to comment on reports that TransGames, a Sun International subsidiary, had objected to an application by a former Western Province cricketer, Mr Andre Bruyns, to build a hotel-casino at Umzimkulu. The

casino would be closer to Durban and Maritzburg than Sun International's Wild Coast Sun at Mzamba.

Mr Bruyns said he had investigated the legal position of the exclusive rights after the Alexander Commission into Gambling Rights in Transkei was told of alleged irregularities connected with the monopoly of gambling rights.

Mr Bruyns had said he had concluded that the monopoly could be challenged and then registered a

company, called Transleisure, which immediately applied for a licence in terms of the Transkeian Gambling Act of 1979.

The next step after negotiations with the Transkei authorities was to get a court ruling on his application.

In an interview, Mr Calaza said that while the government was still seriously considering the legal implications of the matter, no statement could be released. — Sapa.

R40-m Transkei investment

EAST LONDON — Ten new Taiwanese factories opening in the Transkei in the first half of next year will bring an investment of R40 million. (103)

Mr Marshall Swana, managing director of the Transkei Development Corporation, who has just returned from an investment promotion tour to Taiwan and Hong Kong, said this would be the

second largest investment group to locate to Transkei in 12 years.

The new industries will be allied to Sankei Speakers, which manufactures musical systems, and will make Sankei components. *Sw 19/12/88*

The bulk will be for export overseas, but South African and other African markets will be supplied. — Sapa.

9 killed in
faction fights
in Transkei

UMTATA. — At least nine people have died in faction fights in Transkei, police said yesterday.

Eight people were killed in fighting at Tabankulu at the weekend. The fight started at a tribal dance at Guburha and spread to Macwereni.

Assegais and bush knives were used in the clash between Singina and Sidakeni factions.

A police spokesman said order was restored by police and 19 people were arrested.

In a separate incident at the weekend, one person was stabbed to death in another faction fight at Upper Gqaga, Engcobo. — Sapa

Transkei military

Star 23/12/88
to retain power (103)

UMTATA — The handover of power to a civilian government would be premature at this stage, the chairman of Transkei's military government, Major-General Bantu Holomisa, said after a formal meeting with former State President Paramount Chief Kaiser Matanzima yesterday.

Chief Matanzima had earlier this week urged the military government to consider returning power to the people.

General Holomisa said today the open approach to his council by Chief Matanzima was highly appreciated. The present government did not derive its mandate from the public, but took upon itself the responsibility to put Transkei's house in order. — Sapa.

R40m invested in Transkei

103
Call Time 30/12/88
Financial Editor

TAIWANESE manufacturers are expected to invest about R40m in opening 10 new factories in the Transkei in the first half of 1989.

This was announced by the MD of Transkei Development Corporation, Marshall Swana, on his return from a promotional visit to Hong Kong and Taiwan on which he explained tax concessions and other incentives and the availability of low-cost labour.

However, Swana said, about 20 000 square metres of factory space and the necessary infrastructure would have to be ready by June to accommodate the incoming firms.

He said the new factories would be "allied

to Sankei Speakers", which manufactures musical systems in the Transkei. They would mainly manufacture components which are now imported and the bulk of their production would be for export.

Swana said 1988 had been "a bumper year" for the Transkei Development Corporation with the creation of almost 4 000 new jobs.

The Taiwanese were the second largest investment group to come to the Transkei in its 12 years of independence.

The largest were Italians who had recently started a chipboard industry. This, when fully completed, would represent an investment of R100m.

HOMELANDS — TRANSKEI — GENERAL

1989

JANUARY — JUNE

Transkei celebration

The Transkei military government celebrated its first anniversary of rule with speeches and gymnastics displays by police and prisons personnel at the weekend.

Also present at the celebrations held at the Independence Stadium were the South African Ambassador, Mr Gert Terblanche, and personnel from the South African Defence Force.

Absent from the celebrations were

former Transkei state president, Chief K D Matanzima, an opponent of military rule, and deposed premier Miss Stella Sigcau.

Sowetan

3/1/89

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The chairman of the military council, Major-General Bantu Holomisa, addressed the crowds, telling them the military government had concentrated heavily on improving the country's economic infrastructure.

January 1989

Pik invites leaders for talks

THE Minister of Foreign Affairs, Mr Pik Botha, has invited the leaders of the Transkei and Ciskei governments to come to Cape Town to discuss matters of common concern next week.

He said he had invited the chairman of the Military Council in Transkei, General Bantu Holomisa, and his advisers to come to Cape Town in the coming week and that a similar invitation had been extended to President Lennox Sebe in Ciskei. — Sapa

Harms Commission must first report

B/Day 4/1/89

Holomisa stalls fresh bids for ⁽¹⁰³⁾ casino licences

CHRIS CAIRNCROSS

CAPE TOWN — No more gambling or casino licences will be issued in Transkei until the Harms Commission — investigating trans-border corruption — has completed its probe into the alleged payment of bribes to former Prime Minister George Matanzima.

This was made clear yesterday by Transkei's military ruler, Bantu Holomisa, in an exclusive interview with Business Day.

He appealed to the commission to resolve the issue as soon as possible so that further casino development could proceed in Transkei.

Holomisa said his main concern now was to determine what had happened to the R2m allegedly paid to Matanzima in exchange for gambling rights in the territory, and called on Sun International chief Sol Kerzner and Cape Town lawyer David Bloomberg for assistance in determining the truth of the matter.

Both were called to give evidence before the Alexander Commission but failed to put in an appearance. Holomisa said he hoped they would both

assist the Harms Commission with its inquiry.

Holomisa said Transkeian law made no mention of exclusivity as far as gambling or casino rights were concerned.

He did not believe it would be healthy for the economy to permit such a monopoly situation to exist.

He was commenting on indications from Wild Coast Sun MD Alberto Chiaranda that objections would be lodged against any other party applying for a casino licence in Transkei.

Holomisa said a special committee had been established to look into gambling licence applications.

The decision to appoint the committee was taken to prevent bribery from taking place.

The committee was, however, only likely to advise on the issuing of more licences once the Harms Commission reported.

Holomisa said several approaches had been made to open casinos in Transkei.

All these would remain on ice until he got word from the commission.

More land to be given to 3 homelands

CADT 7/2/89 12/1/89
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Political Staff

THE independent homelands of Transkei, Ciskei and Bophuthatswana are to get more land from SA in terms of draft legislation tabled in Parliament yesterday.

The Borders of Particular States Extension Amendment Bill identifies tracts of farm land to be transferred to the three territories.

The additional properties going to the Transkei comprise portions of farms located to the west and south of the Elliot-Engcobo road reserve boundary and, according to an explanatory memorandum, are subject to transfer in order to ensure a more practical and acceptable boundary between the homeland and SA.

Three major properties for Bophuthatswana include SA Development Trust land, the farm Hoedspruit which had belonged to the Bafokeng tribe and a portion of Klipfontein farm previously transferred to the Bakgatla Ba Makau tribe.

Additional land to be handed over to Ciskei forms part of a compensatory package, in exchange for the corridor of SA land dividing Ciskei from Transkei.

It is located in the East London district and is bordered on one side by the Fort Pato-Glenfields road, and land south of the Hilltop-Michaeldene road.

Actual transfer of all these properties will become effective once the Bill is passed by Parliament, and on a date to be published in the Government Gazette.

South Africa, 12/1/89
**'Kei unbans
15 groups**

UMTATA. — Fifteen organisations banned in Transkei in 1980, most of them based in South Africa, Namibia and Zambia, were unbanned yesterday.

The organisations are: Institute for Black Studies, Young Christian Workers, Union of Black Journalists, Human Rights Committee of SA, United African National Congress, Zambian Economic Co-Operative, Unity Movement of SA, SA Council of Churches, SACC Dependents' Conference, Independent Churches of SA, SWA Foundation, World Council of Churches, SA Society of Journalists, Black Parents' Association and Christian Institute of Southern Africa.

Transkei's Mr

Clean

Civil servants brought to court as fraud information pours in

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News 15/1/89

CP Correspondent
THE vow by Transkei's "Mr Clean" to rid government departments in the "independent" homeland of corruption has already been a major success.

So far, no less than 70 civil servants are due to appear in Transkei courts on theft and/or fraud-related charges. The money involved in these cases runs into millions of rands.

When 33-year-old Maj-Gen Bantu Holomisa seized power from deposed Premier Stella Sigcau in a bloodless coup 12 months ago, he extended an open hand to anyone who had information on fraud or theft involving government money. Following this offer, information dating back as far as 1984 began pouring in.

This led to the appointment of a special unit of the commercial branch to deal with the bulk of the information. Cases that have already been

processed have led to brief appearances in various courts of former Premier Chief George Matanzima and his former Finance Minister Sydney Qaba, who face fraud charges involving R2-million.

Twenty-four Umtata Post Office employees were arrested in connection with the theft of clothing worth R76 000 from mail bags.

Eighteen clerks attached to the Umtata Magistrates Court have been charged with fraud involving nearly R126 000 in pension money.

The former director of Transkei Industries, Bongani Soldati,

has been charged jointly with a Qumbu businessman, Kenneth Magidigi, in connection with incentive monies amounting to R1.5-million, normally paid to industrialists.

Five policemen stationed in Umtata are facing charges of dealing in dagga and defeating the ends of justice.

Four senior Department of Health officials are facing fraud charges involving R150 000 allegedly fraudulently claimed in the course of their duties.

A white Matatielo bookshop owner, Michael Train, the principal of Maluti training college, Cosmo Mogole, and his wife,

Abigail, face fraud charges involving about R60 000.

Eight soldiers attached to the treasury section of the Transkei Defence Force in Umtata are due to appear in the Umtata Supreme Court next month on fraud charges involving over R80 000.

The soldiers are Mkhanyisi Nundu, Mandlenkosi Ngcibi, Vabaza Mzimvubu, Tobela Ngxawu, Vuyani Zweni, Mlungwana Kodwa, Tozamile Rasi and Mziwamadoda Ntabeni.

Four clerks from the Department of Education have been charged with selling matric examination question papers.



Major-general Bantu Holomisa... getting rid of corruption.

ARCAS 17/1/89

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Allegations: De Pontes blames politics

WASHINGTON. — The National Party MP for East London City, Mr Peel de Pontes, the target of a string of allegations by the Harms Commission, said that political pressure had caused the commission's "shock" findings.

"I deny in the strongest terms the commissioner's allegations as reported in the media."

In spite of the fact that the commission found seven possible avenues for prosecution against him, Mr de Pontes said he would not resign as MP.

He indicated he still had some hope that his name would be cleared in open court.

"I would welcome this opportunity to give the full facts unhindered and then to be judged on that," he said.

"There was obvious political pressure on either the commission or the people leading evidence before it," he said.

Mr de Pontes, who was clearly shaken by the findings, said what made the allegations "grossly unfair" was that the commission's findings were based on the opinion of the commissioner.

He said the findings of the commissioner were based on those facts which the commissioner himself decided to place before the commission.

There were no rules and procedures in a commission and much of the evidence led before it would be inadmissible in court. Much of it was hearsay, especially that of Vito Roberto Palazzolo, and the evidence was not tested in cross-examination, Mr de Pontes said.

He said he had first heard about the findings when a Natal newspaper contacted him for comment.

He then heard radio broadcasts of the findings, but in spite of repeated attempts his legal representatives were unable to obtain copies of the report. — Sapa.

Sol ¹⁰³ paid ^{50 we fan} Kei's ^{(8) 1/89} ex-PM R2-m

SUN International hotel magnate, Mr Sol Kerzner, had admitted he paid R2 million for the "ultimate benefit" of former Transkei Prime Minister George Matanzima.

This was revealed when the Harms Commission resumed in Pretoria yesterday.

In what was the first public admission by Mr Kerzner, he described the events in an affidavit.

"Towards the end of 1986, the Wild Coast Sun applied to the Transkei government for rights to build a hotel-casino complex in Umtata.

"At the same time the holders of the 55 percent shareholding in Transgames sold their shares to Wild Coast Sun, the transaction being conditional upon the rights for the Umtata project being granted."

Pressure

The affidavit further said: "Under undue pressure from the then-Prime Minister George Matanzima, R2 million of the funds available from this transaction were to my knowledge and to the knowledge of Mr Bloomberg, paid into the account of Mr G J Gouws for the ultimate benefit of Prime Minister G Matanzima."

The Harms Commission has heard evidence after a recommendation by the Alexandra Commission of Inquiry into gambling rights in the Transkei, that a South African specialist be appointed to follow up investigations into the roles of Mr Kerzner and former Cape Town Mayor, Mr David Bloomberg, in the gambling rights affairs.

According to a memorandum also handed to the commission yesterday the payment made to Mr Matanzima was not illegal under South African law, while the decision by the Wild Coast Sun to apply for rights for the Umtata project was in the best interests of both the Transkei and the Wild Coast Sun. — Sapa.

SI denied improper payments

By Dawn Barkhuizen

A year ago Sun International (SI) placed a full-page advertisement in national newspapers rejecting as "without foundation" suggestions it had been party to improper payments.

It said its conduct and that of Transkei Sun International Ltd (Transun) in the gambling rights deal was beyond criticism.

The advertisement stated that a report claiming SI transferred R2 million to lawyer Mr David Bloomberg, that he transferred this to Mr G. J. Gouws, and that Mr Gouws distributed the money on Chief George Matanzima's orders was misleading.

The advertisement further stated that if Mr Bloomberg dealt with R3 million remitted for business transactions in Transkei — transactions publicly disclosed in Transun's prospectus — SI and Transun were unaware of this.

Mr G A MacMillan, chairman and chief executive of Safren, the holding company of Kersaf, which is the holding company of SI, last night declined to comment.

"I am aware of the advertisement. We made our statement today. We have no further comment," he said.

Imbalance in mines' profit sharing claimed ¹⁰³

A claim that an imbalance existed in the sharing of South African mine profits was made yesterday by the chairman of the Transkei Military Council, Major-General H B Holomisa.

He said black homelands were supplying most of the labour, but benefits were going to only a few.

General Holomisa and senior Transkei government representatives yesterday completed a fact-finding tour of

the South African mining industry. They had been invited by the Chamber of Mines. *Star 18/1/89*

The party met representatives of the chamber, the Employment Bureau of Africa and of the black mining labour force.

General Holomisa said his government and the chamber would hold talks aimed at stemming faction fighting in the mining industry. — Sapa.

'Undue pressure' from Matanzima

B/Day 18/11/89

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Kerzner paid R2m bribe



● KERZNER

MANDY JEAN WOODS

HOTEL tycoon Sol Kerzner yesterday admitted to the Harms Commission that he and his business associate, Cape Town attorney David Bloomberg, had knowingly made a R2m bribe to former Transkei Prime Minister George Matanzima.

In a statement submitted with affidavits by Kerzner and Bloomberg, Matanzima is accused of abusing his "official and autocratic" position to threaten and extort R2m from Sun International.

In the affidavits, Kerzner and Bloomberg said "undue pressure" from Matanzima resulted in the payment being made.

Kerzner's affidavit: Page 2

How SI denied the bribe: Page 2

Comment: Page 8

Kerzner said: "I accept responsibility for this jointly with Bloomberg."

The two are not expected to be called to give further testimony before the commission.

The statement noted that at the time the bribe took place (late 1986, beginning 1987), Transkei was governed by politicians with a strong tribal influence in a traditional system "which rendered it acceptable to receive gifts

and distribute favours among their followers.

"The circumstances under which the payment was exacted by Chief George amounted to at least commercial extortion on the part of the then corrupt regime in the Transkei."

The statement said in the last quarter of 1986, Matanzima let it be known he was considering the grant of casino rights in Umtata to a group headed by Lexi Ceza and supported by SA financiers.



● MATANZIMA

The grant of such rights would have been in breach of the rights held by Wild Coast Sun (WCS) and Transgames and would have led to the fragmentation of the market to the detriment of Transkei and WCS.

In the circumstances — and in the face of a threat that the government would not respect its rights — WCS was forced, as a defen-

● To Page 2

Kerzner admits to paying R2m bribe

sive measure to protect its investment, to put forward a competing application for casino rights in Umtata.

"In truth, if anyone were to obtain casino rights in Umtata, WCS was the only party lawfully entitled thereto. The award of the rights to WCS would also have been the only commercially sound decision in the interests of Transkei and WCS."

The statement said Matanzima, requiring money to purchase a farm for himself, abused his official and autocratic position by threatening to override the legitimate rights and interests of WCS.

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● From Page 1

He thereby managed to extort — if not legally then certainly commercially — undue payment to himself.

In these circumstances, the payment may properly be regarded as having been made, not for obtaining benefits improperly, but rather — because of undue pressure — to protect rights which WCS and Transgames already held.

The payment was also to ensure that sound commercial policy was not overridden by the private ambitions of Matanzima, said the statement.

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MANDY JEAN WOODS

"REPORTS suggesting that Sun International (SI) had been a party to improper payments... are without foundation. The conduct of Sun International and Transun in regard to the transaction is beyond criticism," SI said in full-page advertisements in national newspapers almost a year ago.

The "transaction" was the payment of R2m to former Transkeian Prime Minister George Matanzima, allegedly by SI board member Sol Kerzner or Cape Town attorney and Kerzner's business associate David Bloomberg.

The reason for publishing the advertisement was a January 12 report in Business Day headed, Hotel group 'paid R2m', which detailed evidence heard the previous day before the Alexander Commission.

The report said SI transferred R2m to the trust account of Bloomberg in late 1986 and early 1987. Bloomberg then transferred the money to eastern Cape hotelier J G Gouws.

Gouws said he had received verbal instructions from Matanzima to divide the money into nine cheques

made payable to Transkei Development Corporation (TDC) MD Monty Ntloko, former Prime Minister Stella Sigcau, Matanzima, K D Matanzima, a motor dealer (for a Mercedes Benz for Matanzima), Umtata businessman Kenneth Magidigidi and former Foreign Affairs Minister Mtutuzeli Lujabe.

The commission heard Matanzima ultimately received R370 000 in several payments, which followed a series of meetings between the officials, SI and the TDC about the building of a hotel and casino in Umtata.

The report prompted strong reaction from SI which demanded that Business Day publish a retraction and an apology. These were published the next day, after consultations between company lawyers.

Shortly after the report was printed, Kerzner, Kersaf deputy MD Ian Heron and SI MD Ken Rosevear ap-

peared on January 21 to testify before the commission, which Alexander noted in his findings "was not necessary at this stage".

Alexander said, however, things changed drastically when, on February 17, Bloomberg arrived to give evidence at the request of the judge.

Bloomberg said then the R2m was paid to Gouws on the instructions of Kerzner.

Kerzner had earlier testified the R2m was part of the payment for the acquisition by SI subsidiary Transun of an additional 55% shareholding in Transgames, the company which was held to have exclusive gambling rights in the Transkei.

The gist of the SI advertisement said that if R2m was transferred by Bloomberg to Gouws, SI and Transun were "totally unaware of this".

The commission report said a dispute between the two parties ensued.

Sun International ads proved to be wrong

In late April, counsel for Bloomberg and Kerzner indicated there was insufficient time to complete the matter by the end of May, when the commission was scheduled to end. They requested a postponement as they said they felt a period of at least 100 days was necessary to "do justice to their case".

The Military Council declined to extend the deadline.

Alexander said: "There was ample time during the remaining days of May for those who may have wished to vindicate their standpoints to come forward..."

He said he could not resolve the conflict of evidence given by Kerzner and Bloomberg — which raised more questions than it answered — adding: "I believe they are of such fundamental importance to the issue that if justice is to be done, they cannot be left in the air."

He then recommended the SA witnesses be questioned by "whichever Attorney General may be designated to make the necessary investigations".

The Harms Commission was subsequently convened last August.

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Holomisa challenges SA to act on deal



● HOLOMISA

SUN International (SI) had further prejudiced its gambling rights in Transkei by withholding for so long the information that R2m had been paid to former Transkei Prime Minister George Matanzima, Transkei's ruling military council

B/Dam 18/1/89 (5)
DIANNA GAMES

head Bantu Holomisa said yesterday. Commenting on the statement by Sol Kerzner yesterday that he had paid R2m to secure SI's gambling rights in Transkei, Holomisa also called on SA to take action on the matter. The rights issue was raised at the Alexander Commission early last year.

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Holomisa challenges SA to act on deal

Holomisa said a special committee, set up to look into Alexander Commission recommendations, was still examining the question of exclusive gambling rights in Transkei and Kerzner's admission would make its work easier.

However, had the admission been made earlier, it could have saved the Transkei government large amounts in legal fees and hastened the process of dealing with the gambling rights issue.

Holomisa said military council members would also be pleased to hear the "truth has finally been told" as the question of 13 alleged bribes concerning gambling was one reason the council had staged the coup.

Last year Cape Town attorney David Bloomberg told the Alexander Commission the R2m was paid to eastern Cape hotelier J G Gouws on Kerzner's instructions.

Kerzner had earlier testified the R2m was part of the payment for the acquisi-

tion by SI subsidiary Transun of an additional 55% shareholding in Transgames, the company that was held to have exclusive gambling rights in Transkei.

Referring to SI's statement that the payment to Matanzima was not illegal under SA law, Holomisa challenged the SA government to look at amending a law he said could allow South Africans to encourage corruption in neighbouring states.

He added that SA was responsible for taking action on the matter as documents before the Alexander Commission showed the transaction had taken place in SA.

While he did not want to pre-empt the Harms Commission's recommendations, Holomisa said if the SA government did not take action, it would be seen to be assisting in corruption.

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From Page 1
B/Dam 18/1/89

R2M PRAWO FEF

Bloomberg, Kerzner admit casino bribe

Own Correspondent
JOHANNESBURG. — Chairman of Sun International and casino tycoon Mr Sol Kerzner yesterday admitted that he and his business associate, former Cape Town mayor Mr David Bloomberg, knowingly made a R2-million bribe to former Transkei prime minister Chief George Matanzima.

But Mr Kerzner denied that the payoff, to safeguard his casino rights, was illegal — and, in a memorandum to the Harms Commission, the boards of three companies in which he holds executive positions yesterday gave him their full support.

Mr Kerzner, managing director of Sun International, which operates hotels and casinos in Swaziland, Lesotho and Mauritius, was earlier named along with Mr Bloomberg in two inquiries into corruption in Transkei.

Chief George, who was toppled in a coup in September 1987, faces charges of siphoning millions of rand from the impoverished homeland.

"I accept responsibility for this jointly with Mr Bloomberg," Mr Kerzner's statement said.

The two are not expected to be called to give further testimony before the commission.

The statement noted that at the time of the pay-off (late 1986, early 1987) Transkei was governed by politicians with a strong tribal influence in a traditional system "which rendered it acceptable" to receive gifts and distribute favours among their followers.

"The circumstances under which the payment was

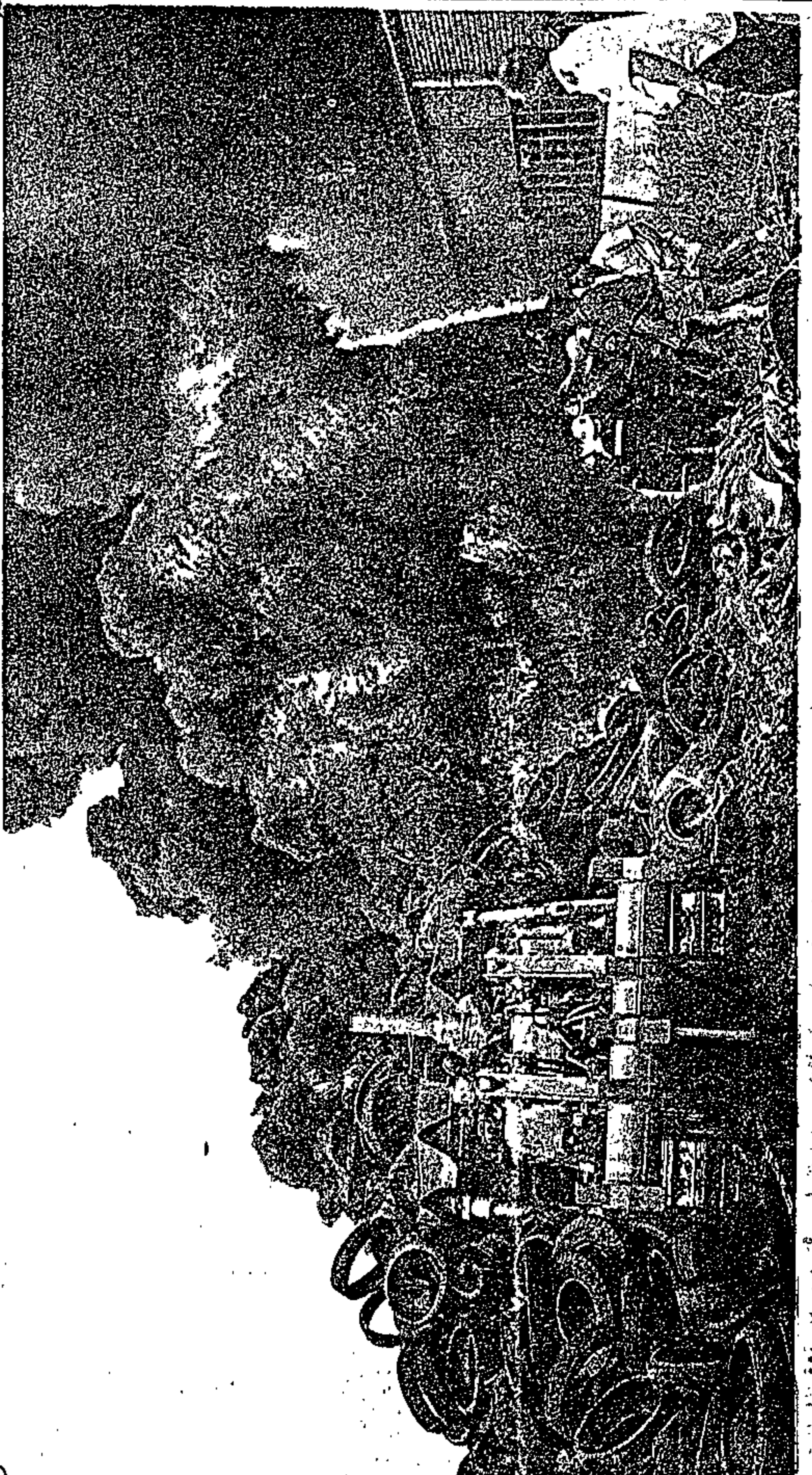
exacted by Chief George amounted to at least commercial extortion on the part of the then-corrupt regime in Transkei," the statement said.

In the last quarter of 1986, Chief George let it be known he was considering the granting of casino rights in Umtata to a group headed by Ms Lexi Ceza and supported by South African financiers, the statement said.

The granting of such rights would have been in breach of the rights held by Wild Coast Sun (WCS) and Transgames and would have led to the fragmentation of the market to the detriment of both Transkei and WCS.

"In the circumstances — and in the face of a threat that the government would not respect its rights — WCS was forced as a defensive measure to protect its investment to put forward a competing application for casino rights in Umtata," the statement said.

"In truth, if anyone were to obtain casino rights in Umtata, WCS was the only party lawfully entitled thereto. The award of the rights to WCS would also have been the only commercially sound decision in the interests of both Transkei and WCS."



FIRE HERO . . . The hero of yesterday's devastating Blackheath fire was bulldozer driver Mr Piet Rossouw who risked his life to move hundreds of flaming tyres away from adjoining buildings, in an attempt to save the properties from being engulfed by the blazing fireball. The fire ripped through a tyre storage depot, badly damaged a neighbouring machinery workshop and threw up a giant pall of black smoke over the Cape Flats. ● Hero "should get a medal" — Page 5.

Picture: RICHARD BELL

Bloomberg

I, the undersigned, Rupert David Bloomberg do hereby make oath and say that:

Towards the end of 1986, Wild Coast Sun (Pty) Ltd applied to the Transkei government for rights to build an hotel/casino complex in Umtata.

At the same time the holders of the 55% shareholding in Transgames (Pty) Ltd sold their shares to Wild Coast Sun (Pty) Ltd, the transaction being conditional upon the rights for the Umtata project being granted.

Under undue pressure from the then Prime Minister George Matanzima, R2m of the funds available from this transaction were, to my knowledge and to the knowledge of Mr S Kerzner, paid into the account of Mr G J Gourou for the ultimate benefit of Prime Minister G Matanzima.

I accept responsibility for this jointly with Mr Kerzner.



Kerzner

I, the undersigned, Solomon Kerzner do hereby make oath and say that:

Towards the end of 1986, Wild Coast Sun (Pty) Ltd applied to the Transkei government for rights to build an hotel/casino complex in Umtata.

At the same time the holders of the 55% shareholding in Transgames (Pty) Ltd sold their shares to Wild Coast Sun (Pty) Ltd, the transaction being conditional upon the rights for the Umtata project being granted.

Under undue pressure from the then Prime Minister George Matanzima, R2m of the funds available from this transaction were, to my knowledge and to the knowledge of Mr G J Gourou, paid into the account of Mr G J Gourou for the ultimate benefit of Prime Minister G Matanzima.

I accept responsibility for this jointly with Mr Bloomberg.



- On Page 6**
- Sun international boards backs Kerzner
 - Group 'put gambling rights in Transkei at stake'

Chief George, requiring money to buy a farm for himself, abused his official and autocratic position by threatening to override the legitimate rights and interests of WCS.

He thereby managed to extort — if not legally then certainly commercially — undue payment to himself, the statement said.

In these circumstances, the payment may properly be regarded as having been made, not for obtaining benefits improperly, but rather — because of undue pressure — to protect rights which both WCS and Transgames already held.

The payment was also to ensure that sound commercial policy was not overridden by the private ambitions of Chief George, the statement said.

Late yesterday, in an implied threat to SI Transkei's ruling military council head, Chief Bantu Holomisa, said the company had further prejudiced its gambling rights in Transkei by not admitting the R2-million bribe earlier.

He said the military council members would also be pleased to hear the "truth has finally been told" as the question of 13 alleged "bribes" concerning gambling was one of the reasons the council had staged the coup.

Mao's grandson the top fatty

PEKING. — The late Mao Tse-tung's only grandson admits to being the fattest student at a prominent Chinese university and says he looks forward to following his grandfather into politics.

Mr Mao Xin-yu, 19, who bears a striking resemblance to his grandfather, the man who founded Communist China, weighs a hefty 106kg. — UPI

Payoff: Sun backs Kerzner

Sun International yesterday issued the following memorandum in connection with affidavits made to the Harms Commission by Mr Sol Kerzner and Mr David Bloomberg.



Mr David Bloomberg

THE boards, having been informed of all the relevant matters inquired into by the commissions under the chairmanship of Mr G A Alexander SC and Mr Justice Harms respectively, and the circumstances relating thereto, have unanimously resolved that Mr Sol Kerzner will continue to enjoy their confidence and support.

Memorandum for the commission of inquiry into certain alleged cross-border irregularities:

1. The commissioner, the Hon Mr Justice Harms, has acceded to a request to place before him a memorandum which may assist the commission in reporting on the payment made to Prime Minister George Matanzima in the perspective of the then prevailing circumstances in Transkei.

2. The international perspective:

2.1 Multi-national companies across the world have to deal with officials of foreign states. The writ of the law of their own states does not run in foreign states, and is not able to protect their nationals in those foreign states. Such companies are wholly reliant on the administrative and other practices prevailing in those states, although these may not be conducted according to the same principles maintained in their own states.
2.2 According to an article in a November 1988 issue of the Economist, the United Nations in 1975 began

work on a proposed international prohibition on payments to officials of foreign countries. When account is taken of differences in established administrative procedures, business principles, and even moral attitudes prevailing in different countries, it is apparent that the question is a vexed one.

With a single exception, no country has passed any legislation in this regard. The legislation passed in the United States of America in 1977 followed on a report from the Securities and Exchange Commission that more than 300 American companies had made payments to foreign officials.

Even in the United States business interests have repeatedly requested that the 1977 Legislation be repealed or diluted. These requests have been based on the grounds that such payments are a necessary part of doing business in the third world, that business managers should not impose their own scruples on increasingly international shareholders to whom such principles may be alien, and that such receipts may in foreign countries not be frowned upon, legally or even morally.
2.3 The question whether it is appropriate for a state, whose nationals do business in other states, to seek to govern such business dealings with the administration of other states where it exercises no control and offers no protection to its nationals, remains unresolved everywhere, except in the United States of America.

3. The South African position:

In keeping with the aforesaid international position the Republic of South Africa has also not sought to extend the writ of its legal system to controlling the conduct of its nationals in their relations with the administrations of foreign states.

The legal argument addressed to this Commission and the findings in the De Pontes Report demonstrates that South African law does not render it an offence for a South African national to make a payment to a foreign official.

This is not merely a legal technicality, but indicates that it is not the policy of our law to seek to regulate the affairs of a foreign state over whose administration it has no control and where it offers its nationals no protection.

4. The Transkei situation:

4.1 At the relevant time Transkei was governed by politicians who also exercised a strong tribal influence in a traditional system which rendered it acceptable to receive gifts and distribute favours among their followers.
This appears clearly from the various findings of the Alexander Commission.
The abuse of this tradition is reflected in the following finding of the Alexander Commission:
... it is fundamental, if responsible government is not to be reduced to a contemptible farce, that decisions involving the common weal should stand to be

made honestly and fairly, without thought of personal aggrandizement or reward.
"Regrettably it has been my experience in both the present inquiry and that preceding it, that so often the very contrary has proved the case.
"There has been a subservience of officialdom to the whims of those holding power over them, made only understandable by the fears of dismissal should they be of mind to demur. A cult of the individual has been allowed to predominate". (Volume I paragraph 47 and 48)

4.2 The erosion of the regular functioning of the Transkei administration existed at the highest level of Government, namely that of Prime Minister Matanzima. The Alexander Commission referred to the interference of the Prime Minister, specifically in regard to the granting of gambling rights, in the following terms:
... judged by South African standards it may appear somewhat unusual to seek the blessing of the Head of Government where the application to be made is regulated by an Act of Parliament.
"This however appears to have been the way official business was often conducted in Transkei at the time. I think this practice is to be deprecated especially where rival applications are pending." (Volume I at page 194)

4.3 In his evidence before this Commission a former managing director of the Transkei Development Corporation, Mr G P Tarr, described the persistent efforts by Matanzima and other officials over a period of several years to manipulate the affairs of that Corporation to their personal benefit.
These included instructions to sell shareholdings at par value where the real value was considerably higher, to dispose of properties below market value, and generally related to the acquisition of rights through intervention and abuse of their high executive offices.
He described how he sought to resist this and how such resistance led to the summary dismissal of himself and ten of his senior officials.
He also described his efforts to draw attention to the wide-scale corruption prevalent in the Transkei, and the almost daily level of extortion by senior officials.
4.4 It is against this background that the events of December 1986 concerning the Umtata casino project should be viewed.

5. The threat to the lawful interests of Wild Coast Sun Ltd (WCS):

5.1 The market for the gaming industry in Transkei was too small to admit of fragmentation on a viable basis. An investor, prepared to spend tens of millions of rands on major developments which could attract tourists, offer large-scale employment, and through levies, dividends and taxes make a major contribution to State revenues, could not risk such investment unless the exclusivity of his market was assured for a limited but



Mr Sol Kerzner

sufficient period.

5.2 Such protection was afforded to WCS by three categories of rights granted by the Transkei Government.

5.2.1 The first was the grant of exclusive gaming rights for a period extended to 1 December 1996 within a 100km radius from the Wild Coast development.

On the strength of these exclusive rights WCS, a Transkeian company owned as to approximately one-third by the Transkei Development Corporation and two-thirds by the Sun International Group, progressively invested about R130 million in a hotel/casino complex at the Wild Coast.

5.2.2 The second was a right of pre-emption on casino rights anywhere in Transkei granted to Holiday Inns and acquired by WCS.

5.2.3 The third was the exclusive right to operate slot machines anywhere in Transkei, outside the said 100-kilometre radius. Granted to Transgames (Proprietary) Limited ("Transgames") in which latter company WCS held a 45 percent shareholding and a management contract, and had been offered the remaining 55 percent shareholding. (The installation of slot machines is an essential requisite for the viability of a hotel/casino company).

5.3 The infringement of the aforesaid rights would not only severely and unlawfully have prejudiced WCS's investment and prospects in Transkei, but would also have set a serious precedent in respect of

basis: An investor, prepared to spend tens of millions of rands on major developments which could attract tourists, offer large-scale employment, and through levies, dividends and taxes make a major contribution to State revenues, could not risk such investment unless the exclusivity of his market was assured for a limited but

Boards support Sol

Own Correspondent

JOHANNESBURG. — The boards of three companies in which Sol Kerzner holds executive positions have unanimously resolved to continue to support him, the Harms Commission heard yesterday.

Safmarine and Rennies Holdings Limited, Kersaf Investments Limited and Sun International Incorporated (SI) were all told of Mr Kerzner's affidavit submitted to the Harms Commission in which Mr Kerzner and his business associate, Cape Town attorney Mr David Bloomberg, admitted that they had made a payoff of R2 million to Chief George Matanzima.

Mr Kerzner is on the board of SI, vice-chairman of Kersaf and an executive director of Safmarine Rennies.

The boards "resolved that Kerzner would continue to enjoy their confident support", Mr Kerzner's counsel said.

contract, and had been offered the remaining 55 percent shareholding. (The installation of slot machines is an essential requisite for the viability of a hotel/casino company).

5.3 The infringement of the aforesaid rights would not only severely and unlawfully have prejudiced WCS's investment and prospects in Transkei, but would also have set a serious precedent in regard to the Sun International Group's interests in other independent states adjacent to South Africa.

5.4 In the last quarter of 1986 Matanzima let it be known that he was considering the granting of casino rights in Umtata to a group headed by Lexi Ceza and supported by South African financiers.

The grant of such rights would have been in breach of the rights held by WCS and Transgames and would have led to the fragmentation of the market, to the detriment of both Transkei and WCS.

In the circumstances, and in the face of a threat that the government would not respect its rights, WCS was forced, as a defensive measure to protect its investment, to put forward a competing application for casino rights in Umtata.

5.5 In truth, if anyone were to obtain casino rights in Umtata, WCS was the only party lawfully entitled thereto. The award of the rights to WCS would also have been the only commercially sound decision in the interests of both Transkei and WCS: It would, while avoiding economic fragmentation of the market, have provided additional State income by way of levies, dividends and taxes and have created substantial employment opportunities with a company having an excellent trading record in Transkei.

In addition, the public listing of Transun would provide an occasion for Transkei citizens to obtain a shareholding in that company at issue price which was likely to be lower than market price once the shares were listed on The Johannesburg Stock Exchange.

5.6 Matanzima, requiring money to purchase a farm for himself, abused his official and autocratic position by threatening to override the legitimate rights and interests of WCS.

He thereby managed to extort (if not legally, then certainly commercially) an undue payment to himself.

5.7 In these circumstances, it is submitted that the payment to Matanzima may properly be regarded as having been made not for the improper obtaining of a benefit, but rather under undue pressure to protect rights which both WCS and Transgames already held, and to ensure that sound commercial policy was not overridden by the private ambitions of Matanzima.

5.8 Lastly, it should be added that the price paid by WCS for the 55 percent which it did not already hold in Transgames was calculated to be, and has proved to have been, a commercially sound price — as was confirmed by independent uncontroverted evidence be-

fore the Alexander Commission.

WCS therefore expended no monies for which its shareholders did not receive full value.

To the extent that the vendors of the Transgames shares in the end result received a lesser purchase price, it may be kept in mind that the granting of casino rights (which would include slot machine rights) in Umtata equally threatened the rights of Transgames and the prospective value of those shares.

6. Summary:

Should the Commissioner be in agreement with the above analysis of the circumstances surrounding the payment to Matanzima, it is respectfully suggested that the events investigated would be placed in perspective if it were concluded, that:

6.1 The payment made to Matanzima was not illegal under South African law;

6.2 The decision of WCS to apply for the rights for the Umtata project was in the best interests of both Transkei and WCS and the price paid by WCS for the Transgames shares was a commercially sound price;

6.3 The circumstances under which the payment was exacted by Matanzima amounted to at least commercial extortion on the part of the then corrupt regime in the Transkei.

● The Sun International statement ended with signed affidavit by Mr Rupert David Bloomberg and Mr Solomon Kerzner.

Own Correspondent

JOHANNESBURG. — Sun International had further prejudiced its gambling rights in Transkei by withholding for so long the information that R2m had been paid to former Transkei prime minister Chief George Matanzima, Transkei's ruling military council head, Chief Bantu Holomisa, said yesterday.

The fact that SI chairman Sol Kerzner authorised a R2m payment to Chief Matanzima to secure SI's gambling rights in Transkei was raised at the Alexander commission early last year but it was only admitted in documents before the Harms Commission in Pretoria yesterday.

Chief Holomisa said a special committee, set up to look into Alexander Commission recommendations, was still looking into the question of exclusive gambling rights in Transkei and Mr Kerzner's admission would make its work easier.

However, had the admission been made much sooner, it could have saved the Transkei government large amounts in legal fees and would have hastened the process of dealing with the gambling rights issue.

The question of exclusive gambling rights was not provided for in Transkei law and the present government upheld that law, he said.

He said the military council members would also be pleased to hear the "truth has finally been told" as the question of 13 alleged "bribes" concerning gambling was one reason the council had staged the coup.

Last year Bloomberg told the Alexander Commission the R2m was paid to Mr G J Gouws on Mr Kerzner's instructions.

Mr Kerzner had earlier testified the R2m was part of the payment for the acquisition by SI subsidiary Transun of

Group 'put gambling rights in Transkei at stake'

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Trans
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an additional 55% shareholding in Transgames, the company which was held to have exclusive gambling rights in Transkei.

Referring to SI's statement the payment to Chief Matanzima was not illegal under SA law, Chief Holomisa challenged the SA government to look at amending a law he said could allow South Africans to encourage corruption in neighbouring states.

He added that SA was responsible for taking action on the matter as documents before the Alexander Commission showed the transaction, through an Eastern Cape hotelier, took place in SA and not Transkei.

While he did not want to pre-empt the Harms Commission's recommendations, he said: "If the South African law is silent, their authorities must look into amending it so we can live harmoniously as neighbours," he said.

If the SA government did not take action, it would be seen to be assisting in corruption, he said. South Africans had "purposefully and deliberately corrupted some of our leaders in the past," he added.

Sol's news has little impact

Investors were unmoved by headline news that Mr Sol Kerzner paid deposed Transkel Prime Minister chief George Matanzima R2 million in return for exclusive gambling rights in Transkel. On the JSE, yesterday, the four shares that might have been affected by the news were virtually unchanged at the close of trade. Transsun was steady at 240c; Sunbop was up 10c to 840c; Kersaf was steady at R14,50 and Safren was slightly firmer at R24,75. (Safren holds 76 percent of Kersaf. Kersaf has 43 percent of Sun International-Wild Coast; 43 percent of Transim and 43 percent of Transgames)

It is not that the market is indifferent to the whole affair but rather that this statement was expected and the market has already discounted possible consequences. When suggestions that Transsun may have been involved in "improper payments" to the former Transkel head of state were first mooted early in 1988 there was a sharp adverse reaction in the share prices. So the market, in its usual manner, has discounted bad news well in advance of its occurrence. In addition, it is still uncertain as to what the final outcome will be and this uncertainty is causing investors to adopt a wait-and-see attitude.

But the feeling in the market is that although Major General Bantu Holomisa seems bound to take some action on the matter he will be unwilling to risk destroying an operation that provides significant financial and employment benefits to Transkel. At this stage the view is that the Kersaf operations could lose the exclusivity of its gambling rights. Given the considerable barriers to moving in to this business, chief of which is the established dominance of the Kersaf group, it is difficult to see a serious long-term threat to the highly profitable Transkel operations. It is this view that is currently underpinning the share prices.

But the news may knock Kersaf through its international operations. It could add to the difficulties that Mr Kerzner is reported to be having in expanding the group's overseas operations. Kersaf management avails itself of section 15a of the Companies Act to avoid making public any information on its international operations. But analysts believe that these are not performing as well as expected and their contribution to group earnings is believed to have dropped to around 40 percent last year from a high of 50 percent.

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Diagonal Street

ANN CROTTY



15 unbanned in Transkei

EAST LONDON. — Transkei's President tutor Ndamase has lifted a nine year old ban on 15 organisations.

Most of the organisations are not based in Transkei.

They include the South African Council of Churches and its Dependents' Conference, the Unity Movement of South Africa and the World Council of Churches

Most organisations banned in South Africa are still banned in Transkei, including the United Democratic Front and all trade unions.

— ELNEWS

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SMK

19-25/1/89

Business leaders condemn bribery

Transkei to challenge Sol's gambling rights

DURBAN — The Transkei government is to test hotel boss Mr Sol Kerzner's claim to exclusive gambling rights in the homeland in the Umtata Supreme Court, according to the chairman of the ruling military council, Major-General Bantu Holomisa.

The move comes after Mr Kerzner admitted to the Harms Commission that R2 million was paid to former Prime Minister Chief George Mantanzima for exclusive gambling rights in the homeland.

General Holomisa said that after careful consideration of the various factors involved, his government had decided to challenge Mr Kerzner in the Supreme Court.

General Holomisa said that the

claim of exclusive gambling rights has prevented the consideration of any new applications for gaming licences.

"This move gives effect to the recommendations of the Alexander Commission based upon the findings that these rights are questionable and should be defined in court," General Holomisa.

Unfinished

"There should be an ending to this episode and it should not be left unfinished. I do not want to pre-empt the Harms Commission, but we will act as soon as the report is handed to us," he said.

As the furore over the pay-off continued, the decision by the three boards of companies in

which Mr Sol Kerzner holds executive positions to support him has come under fire from many sectors of the business community.

The companies — Safmarine/Rennies Holdings (Safren), Kersaf Investments (Kersaf) and Sun International (SI) — have come out in full support of Mr Kerzner, who is vice-chairman of Kersaf, a director of SI and executive director of Safren.

But this support was condemned as "outrageous" by a senior banking executive who did not want to be named.

"If anyone in our organisation was found to be guilty of a similar action, he would have been fired," he said.

Most senior businessmen approached by The Star had similar views.

"I was totally astonished to read of the boards' decision," an insurance executive said.

"We do a lot of business in Transkei and other homelands, but refuse to do it on this basis. Whenever the matter of payment is raised by officials, we immediately terminate all further negotiations unless these demands are dropped," he said.

Assocom chief executive Mr Raymond Parsons said: "Assocom does not believe bribery or corruption should ever be a legitimate business tool." — Own Correspondent-Finance Editor.

Transkei to test Sun International's 'sole gambling rights' in court

19/1/89
MANDY JEAN WOODS

THE Transkei government will challenge in court Sun International's claim to exclusive gambling rights in the country, Transkei Military Council chief General Bantu Holomisa said yesterday.

Holomisa said testimony given by Sun International executive Sol Bloomberg to the Harms Commission on Tuesday might have influenced the committee's decision.

Kerzner and Bloomberg jointly admitted paying former prime minister

George Matanzima a R2m bribe to guarantee them exclusive gambling rights in the Transkei.

Kerzner spoke briefly to Business Day yesterday but declined to comment on any aspect of the commission's evidence.

Holomisa said: "The committee has been waiting for the truth, and now it is privy to the people who want to invest in the Transkei."

He said this move gave effect to the recommendations made by the

Alexander Commission based on findings that these rights were questionable and should be defined in appropriate court proceedings.

"We must go forward, but at the same time we stand," he said.

The government attorneys must know where we stand, he said.

The general said the committee was screening several applications to initiate

applications for gambling rights, but he declined to say exactly how many.

According to previous reports, at least one company, Transleisure, has applied for gambling rights to enable it to build a casino at Umzimkulu, on the Natal/Transkei border.

The application was brought by former Western Province cricketer Andre Bruyns.

It was reliably learned that one of the companies of Pretoria attorney Albert Vermaas, Protea Trust and Finance, was part of a consortium which applied

for gambling rights for a casino at Umzimkulu.

The directors of the company — Vermaas, Gerald Grieverson, Michael Figg and J Senekal — were listed as directors on the application.

Grieverson said yesterday the application was made in October last year, but the participation of Protea Finance and Trust — and thus of the directors — was withdrawn after the Harms Commission had heard evidence on

bling rights, but he declined to say exactly how many.

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Holomisa lashes SOI

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Sowetan 19/1/89

The S.A. Institute of Race Relations INVITES YOU TO A SPECIAL BRIEFING

"Russia and South Africa: Evolving Soviet attitudes"

by STEVE FRIEDMAN, Policy Research Manager, MONTY NARSOO, Research Officer of the South African Institute of Race Relations

Steve Friedman and Monty Narsoo visited the Soviet Union on behalf of the Institute for discussions with the African Studies Institute and other organisations to learn at first hand what current Russian thinking about South Africa is.

DATE: Thursday, January 26, 1989
TIME: 20h15
VENUE: Rheinallt Jones Memorial Hall, 68 De Korte Street, Braamfontein

RSVP: Acceptances only to Ms Khose Mvabaza, tel. 403-3600 Ext. 243

Book will fuel Sanctions debate

By THEMBA MOLEFE

The debate about disinvestment and sanctions and the country's future is contained and developed further in a book, *Sanctions and the Alternatives*, published and recently released by the South African Institute of Race Relations.

"In recent years, however, the entire debate about South Africa's future has been strongly influenced by the issue of disinvestment and sanctions and the effect this will have on the economy, and the need for negotiation to take place as a matter of urgency to resolve the political impasse that has been reached in this country," says Mr Coggin.

Sanctions and the Alternatives is available from the Publications Department of the South African Institute of Race Relations, PO Box 31044, Braamfontein 2017, and is priced at R11,50 inclusive (R10 plus R1,50 postage and packaging).

The acting executive director of the institute, Mr Theo Coggin, writing in the preface to the book, says the debate on human rights in South Africa has been a fundamental issue in respect of the dismantling of apartheid.

Five kids gunned down

STOCKTON, California — The attack on a schoolyard by a gunman who blazed away with three automatic weapons, killing five children and wounding 39 before shooting himself, has renewed calls for gun control measures.

Many of the victims were children of Southeast Asian immigrants who came to the United States to escape violence.

The five dead children, aged six to nine, were all from Kampuchean and Vietnamese families. Besides the 39 youngsters wounded, one teacher was also injured.

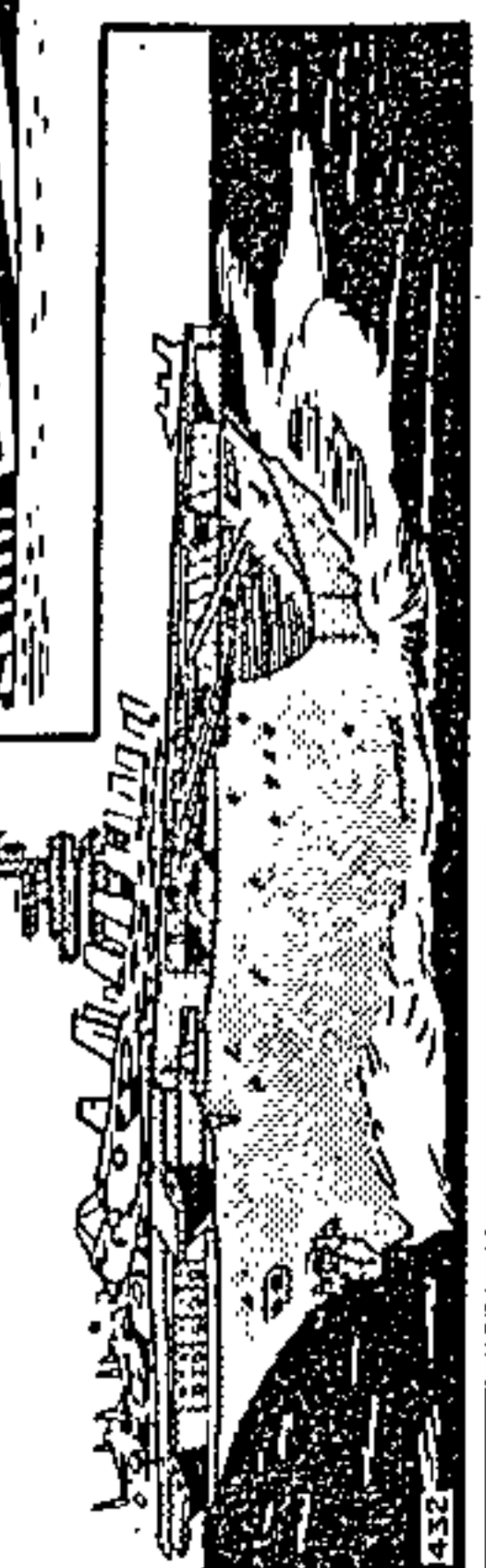
More than a dozen pupils remained in hospital yesterday, shot by Patrick Purdy (24), who marched into their crowded school playground in military garb at midday on Tuesday. — Sapa.

FACTFILE - by Norris McWhirter

THE WARSHIPS WITH THE LARGEST FULL LOAD DISPLACEMENT IN THE WORLD ARE THE NIMITZ CLASS US NAVY AIRCRAFT CARRIERS USS NIMITZ, DWIGHT D. EISENHOWER, CARL VINSON, THEODORE ROOSEVELT AND ABRAHAM LINCOLN AT 91,481 TONS. THEY ARE 1052 FT (322,9 m) IN LENGTH OVERALL WITH 473 ACRES (282,4) OF FLIGHT DECK.

HMS ARCTIC BECAME THE FIRST PROPER AIRCRAFT CARRIER, WITH A FLIGHT DECK EXTENDING THE WHOLE LENGTH OF THE SHIP LAID DOWN IN 1914 AS A LINDER. SHE WAS COMMANDED BY THE ADMIRALTY AND COMPLETED AS AN AIRCRAFT CARRIER IN 1918.

THE GREATEST NUMBER OF LANDINGS ON AN AIRCRAFT CARRIER IN ONE DAY WAS 602 PERFORMED BY THE US NAVY GROUP 6 OF THE 11TH AIR FORCE IN THE PACIFIC OCEAN. THE AIR CARRIER BECAME THE USS MATWIKIKAU ON 25 MAY 1945 BETWEEN 8 a.m. AND 5 p.m.



THE leader of Transkei's ruling Military Council, Major-General Bantu Holomisa, lashed out at casino tycoon Mr Sol Kerzner yesterday, claiming he was continuing to cover up facts behind a R2 million bribe for exclusive gambling rights in the Transkei.

Major-General Holomisa also accused Sun International boss Mr Kerzner of attempting to discredit tribal customs in the homeland.

He was reacting to Mr Kerzner's admission to the Harms Commission that R2 million was knowingly paid to former Transkei Prime Minister Chief George Matanzima for gambling rights.

Major-General Holomisa said he was "perturbed" by Mr Kerzner's statement that Transkei leaders at the time accepted gifts. The military chief saw this as a smear attempt.

"If they (Sun International) were honest, they should have said from the beginning that the R2 million was a gift. Why did they keep quiet? Why did they lie in the beginning?"

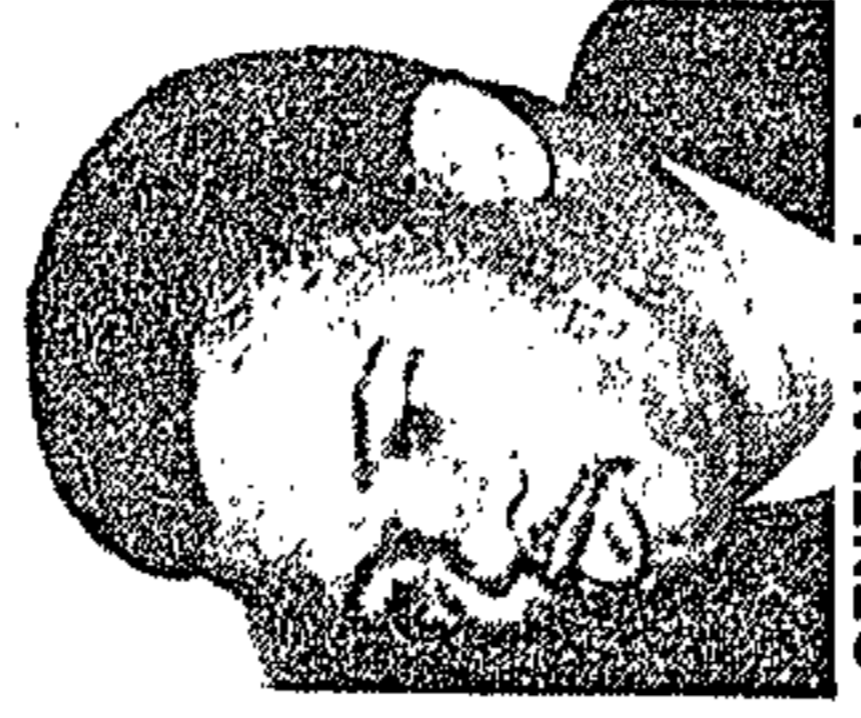
The traditional system of presenting tribal leaders with gifts to obtain "land or licenses" was "no excuse" for bribery, he said.

"One does not persuade somebody to give you a gift."

Major-General Holomisa said gifts were traditionally given to "show appreciation" after a deal had been clinched.

Repeated attempts to contact Mr Kerzner proved unsuccessful, with SI spokesmen refusing to say where he was.

The South African Department of Foreign Affairs said yesterday it would be inappropriate to comment on Major-General Holomisa's challenge to act against Mr Kerzner as the Harms Commission was still investigating the matter. — Sapa.



GENERAL Holomisa

Storm rages on over R2-m pay-off

Political Staff

CAPE TOWN — Mr Sol Kerzner could face extradition procedures if Transkei decides to take legal action.

This move could follow his admission that he and a Cape Town attorney, Mr David Bloomberg, had paid a former Transkei premier, Chief George Matanzima, R2 million for sole casino rights in Transkei.

In a statement admitting the payment, Mr Kerzner and Mr Bloomberg said they had committed no offence in South Africa.

A South African Government source said yesterday that no decision had yet been made whether to investigate any possible charges in South Africa.

The Government would await the final report of the Harms Commission on exchange control irregularities.

The source said it was likely that either the commission or the Government would refer the report in its entirety to the Attorney-General for consideration of possible charges of any of the matters dealt with by the commission.

The source said that extradition treaties existed with all four of the independent national states.

Transkei to try to have Kerzner extradited?

If Transkei decided to press charges it could apply for the extradition of the two to stand trial in Transkei.

The treaty was recently invoked in order to have Chief George Matanzima returned from his refuge in South Africa to face various charges of alleged corruption and maladministration.

Completed

Chief George Matanzima, however, had returned voluntarily before the extradition pro-

cess was completed.

Transkei's Attorney-General, Mr Christo Nel, said he was awaiting the completion of the Harms Commission report before deciding whether to bring charges against any South Africans who were involved in dealings with Chief Matanzima.

Mr Nel said he would study the commission's findings "with a view to determining whether any charges should be laid, against whom and whether extradition proceedings will be necessary".

Kerzner could be extradicted

(103)
Sowetan
20/1/89

CAPE TOWN — Hotel magnate, Mr Sol Kerzner, could face extradition procedures if Transkei decides to take legal action following his admission that he and a Cape Town attorney, Mr David Bloomberg, had paid former Transkei Premier, Chief George Matanzima, R2 million for sole casino rights in

Transkei.

In a statement admitting the payment the two men said they had committed no offence in South Africa.

A Government source said yesterday that no decision had yet been made whether to investigate any possible charges in South Africa.

The Government would await the final report of the Harms commission.

Charges

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Attorney-General for consideration of possible charges of any of the matters dealt with by the commission.

The source said that extradition treaties existed with all four of the independent national states and if Transkei decided to press charges it could apply for the extradition of the two to

stand trial in Transkei. Transkei's Attorney-General, Mr Christo Nel, said on Wednesday he was awaiting the completion of the Harms commission report before deciding whether to bring charges against any South Africans who were involved in dealings with Chief Matanzima.

— Sapa.

Transkei lifts ban

W/maill 20-26/1/89
TRANSKEI has lifted an eight-year ban on 15 organisations. 103

However, three of these have either never existed or stopped functioning at the time of their 1979 banning.

The other organisations either ceased to exist due to bans in South Africa or have never had much of a presence in Transkei anyway.

Among the few organisations that are still operating and which may take advantage of the lifting of the bans are the South African Council of Churches and the South African Society of Journalists. — Elhews

A lesson from Sol: it's OK if it's over the Kei

SOUTH African politicians and businessmen can be caught committing fraud and bribery and lying publicly — and survive. That's the message of this week's extraordinary series of corruption exposés.

Stories of corruption in South Africa have been rife for some time, particularly in relation to the homelands. This week, however, it became clear for the first time how acceptable these practices have become.

Hotel magnate Sol Kerzner this week blandly admitted giving R2-million to a homeland leader in order to secure casino rights in the Transkei. A year ago, he and his company had indignantly denied reports of this, and had forced one newspaper to withdraw such a report and apologise.

In an extraordinary move this week, the company boards on which Kerzner serves — Safren, Kersaf Investments and Sun International — resolved unanimously to give him their full support.

And the Johannesburg Stock Exchange said it would take no action against Kerzner. "We have a very limited jurisdiction," JSE president Tony Norton said.

The Harms Commission found, in its first report this week, that MP Peet de Pontes had abused his political influence and his professional position as an attorney, and recommended that criminal charges be investigated.

The commission said there was evidence that De Pontes had committed several crimes, including contraventions of the Immigration Act, fraud, corruption, theft of trust money and perjury.

De Pontes was booted out of the National Party, but he is still an MP — and there is no formal provision for throwing him out of parliament.

A similar situation exists with disgraced Hillbrow MP Leon de Beer. Found guilty of electoral fraud and sentenced to two years' imprisonment, he remains an MP while an appeal is considered.

Similarly, House of Delegates leader Amichand Rajbansi was directly implicated in corruption by the James Commission. He lost his cabinet post, but is holding on to his seat in parliament and his influence.

These four cases have raised a simple question: what do MPs and businessmen have to do to face the censure of their colleagues?

Kerzner has argued in his defence that it is not an offence to make a payment to a "foreign official" and that in terms of South African law it is not policy "to seek to regulate the affairs of a foreign state".

However, he could still be in trouble. Transkei's new anti-corruption leader, General Bantu Holomisa, said this week that the matter would be investigated fully.

Kerzner could be charged in the Transkei — and that territory has an extradition treaty with South Africa.

LOUISE FLANAGAN reports that an MP can be accused of abusing both his political influence and professional position, be facing civil claims and be thrown out of his political party — but remain in parliament.

Several top parliamentary officials believe both MPs' seats are still safe and none of them know of a parliamentary right to terminate an MP's membership.

Secretary to parliament, GPC de Kok, said the only method of disqualification was stipulated in the constitution — there must be a conviction.

In terms of the constitution, an MP automatically loses his seat if he is convicted of an offence and sentenced to more than a year's imprisonment without option of a fine.

Until this happens, the constitution does not allow for any action to be taken against him.

As another senior National Party parliamentary source who did not wish to be quoted explained, there are only four ways an MP can lose his seat: if he resigns, is voted out, is disqualified through a year-long prison sentence, or dies.

Hotel tycoon Sol Kerzner admitted to making a R2-million bribe this week — and no-one seemed to turn a hair. The moral seems to be that in the homelands, anything goes.



Sol Kerzner ... received unanimous support

The only action which officials claimed parliament could take is to suspend the MP from the relevant house, as happened to Amichand Rajbansi. There is no limit to the length of such a suspension.

Both National Party MP for East London North, Call Badenhorst, and Cape general-secretary for the party, Sakkie Pretorius, said that De Pontes was morally but not legally bound to resign.

However, there may be an informal provision, which could be used against De Pontes and De Beer.

Head of the PFP's research department Professor Nic Olivier said this week parliament has "the inherent right to terminate a person's membership."

"It's not provided for in the rules and orders," said Olivier, "but it's a convention." He said this convention had been used in both England and Australia.

Olivier said it was not clear whether all three houses of the South African parliament would have to act together, but he thought that a committee would have to be appointed as a result of a motion.

Such a committee would investigate allegations and then make recommendations.

Now PFP leader Dr Zac de Beer says his party may take advantage of this method.

"I think this is something we should study intensively and consider whether it's right to do something," he said.

East London City MP De Pontes has been at the centre of a row ever since allegations around his links with convicted drug smuggler Vito Palazzolo started last year. There have been repeated calls for his resignation.

De Pontes has refused to resign, saying he wants to clear his name in court. However, he has now announced that he will not stand for re-election.

He is also currently involved in a civil case being brought by another local lawyer, who alleges that De Pontes grossly overcharged some of his clients.

This week's developments also drove home the picture of the homelands as hotbeds of corruption.

Several other prominent East Londoners were also implicated in the Harms Commission report around activities in the Ciskei.

The report recommended that charges ranging from fraud to corruption also be investigated against Ciskei's former ambassador plenipotentiary Douw Steyn, former East London mayor Robert de Lange and former city councillor Phillip Rothbart.

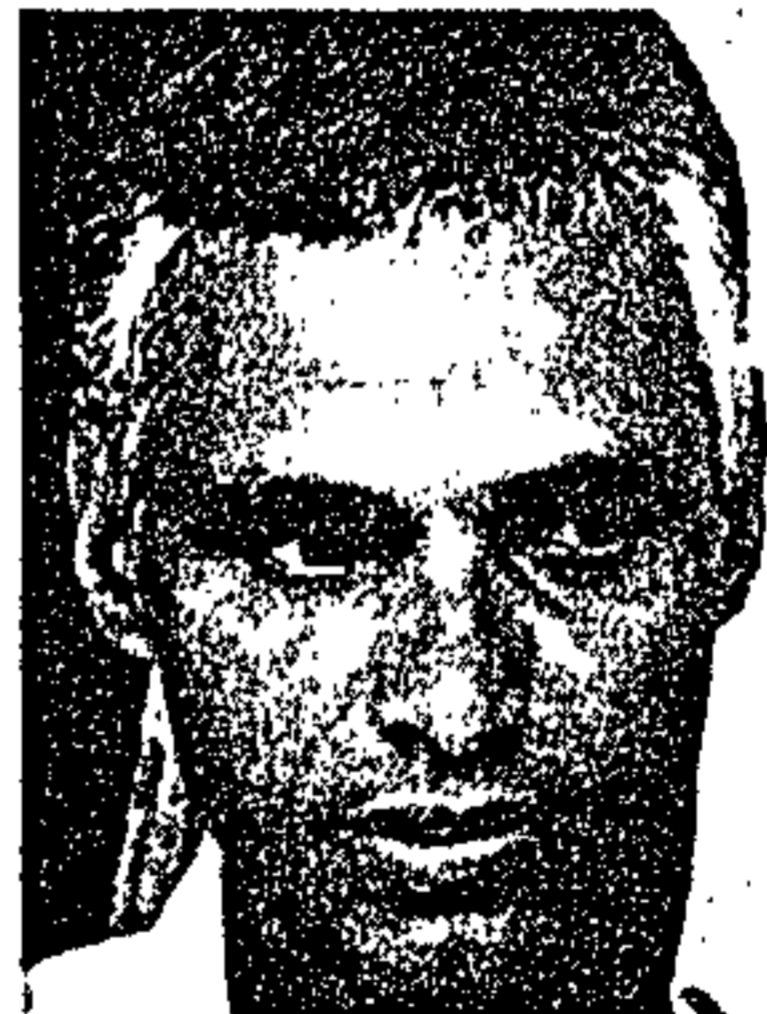
The report also slammed the apparent willingness of Ciskei officials to involve themselves in corrupt dealings. It said there was information pointing at "high level corruption" in Ciskei.

Kerzner's statement explaining his position was based on the argument that corruption was an accepted homeland practice.



The public face of private sorrow

Julle Wells, the common law wife of "Bethal" treason trialist and senior ANC member Ismail Ebrahim, digests the news that she faces a 20-year separation from her lover. American-born Wells, who is holding the couple's five-year-old daughter, Cassia, spoke to the press minutes after Ebrahim had been sentenced to 20 years in jail this week. Co-accused Mandla Maseko, an ANC guerrilla, was jailed for 23 years, while Simon Dladla, a Swazi found guilty of transporting Maseko on guerrilla operations, was jailed for 12 years.



Ismail Ebrahim ... a 20-year sentence.

The non-Mandela picture

which Mandela was transferred on his discharge after treatment for tuberculosis from a private Cape Town clinic last year, was "by all reports" big enough to accommodate them.

"Then none of this would be necessary," Omar said, referring to the unusual visit.

"They should be moved immediately out of Pollsmoor if the authorities are not prepared to release them immediately.

"They should be allowed to receive visitors, write and receive letters and have access to newspapers, radio and television on an unlimited basis.

Omar said he could not comment on rumours that Mandela had been receiving regular visits from Minister of Justice Kobie Coetsee.

"Nelson Mandela is the world's most famous political prisoner," he said. "It would be surprising if senior government

From PAGE 3

ministers were not interested in seeing him."

He hoped Prime Minister PW Botha's recent stroke would not affect government plans to release Mandela. "The fear is that the uncertainty created by Botha's illness could jeopardise things and cause a delay," he said.

Mandela's lawyer, Ismail Ayob, had visited Mandela last week and another visit was scheduled. He had "no idea" when next Winnie Mandela would be visiting her husband.

Prisons Service representative said: "As is generally known it is the policy of the SA Prisons Service not to comment on the incarceration, circumstances or activities of individual prisoners."

Invitation to dead activist seen as insult

By VUSI GUNENE

STUDENT leader Caiphus Nyoka, who was killed by police more than a year ago, was this week advised by the director of security legislation in Pretoria to make written representations stating why his name should not be entered on the consolidated list under the Internal Security Act.

The inquest into Nyoka's death is due to resume on March 6 this year at the Benoni Magistrate's Court.

His father, Moses Nyoka, told the *Weekly Mail* yesterday that the letter was an insult.

"The very same authorities who killed my son two years ago are sending me a letter that is intended to revive my sorrows.

"I was shocked and surprised to receive the letter, which was dated January 10. I think the authorities are mocking me."

Nyoka, former organiser of the banned Daveyton branch of the Congress of South African Students (Cosas), is among several former Cosas members to receive similar notices from the director of security legislation. He was shot dead by police on August 26 at his Daveyton home.

The letters advise the activists concerned to make representations which may relate to the fact that they "neither knew nor could reasonably have expected to know that the activities, purposes, control or identity of the organisation referred to were of such a nature as might render that organisation liable to be declared an unlawful organisation".

Other known recipients of the notice in Daveyton are the ex-chairman of the local Cosas branch, Sydney Zwane; its vice-chairman, Aubrey Nxumalo; its treasurer, David Hlabane; and its secretary, Lefa Monyokosedi.

The notice is also known to have been served on White Mohapi of Bloemfontein; Makhosonke Matshoba and Thomas Maleka, both from the Vaal Triangle; Lindi Dlamini, of kwaThema, near Springs; and John Siloshane Mlangeni of Duduza.

Lawyers told the *Weekly Mail* that if the activists were listed they would be subject to the following restrictions:

- They may not publish or be quoted in a publication.
- They will not be able to get passports.
- They will be prevented from practising as attorneys.

Cosas, the largest student organisation in South African history and the largest affiliate of the banned United Democratic Front at the time, was outlawed in August 1985.

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NEWS

Queue forms for Transkei gambling rights

Sec 21/1/89

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MORE than five South African and Transkeian corporations stand to win gambling rights in the Transkei should the agreement granting exclusive rights to Sun International be overturned in court.

Secretary-General of the ruling military council General Bantu Holomisa said yesterday more than five corporations had applied for gambling rights after his call for foreign investment in the Transkei last year.

The applications amounted to an investment worth more than R100,000.

The Transkei government this week announced its intention to

DAWN BARKHUZEN

challenge the exclusive gambling rights granted to Sun International (SI) by former Premier George Matanzima, after SI boss Sol Kerzner admitted paying R2 million to ensure exclusivity. Should the court rule against SI, all the applications were likely to be granted, General Holomisa said.

"Our government is against business monopolies and our law makes no provision for exclusivity. However we are honour-bound to acknowledge the rights granted to Sun International by the former regime.

"The only fair way to challenge this will be in a court of law," he said.

General Holomisa, an avowed enemy of corruption, has made several trips to South Africa since he took control of Transkei on January 6 last year.

Among the applications received is one from former Western Province cricketer Mr Andre Bruyns for a R24 million plus casino resort at Umzimkulu. Mr Bruyns, a Johannesburg businessman, said he had met with no hint of corruption in his dealings with the Transkei government.

He said he had met General

Holomisa, who was keen to obtain investment for the homeland. Mr Bruyns met numerous officials subsequent to the findings of the Alexander Commission.

"They consistently encouraged investment — but at no stage was there the slightest hint of irregularity.

"Everybody stuck strictly to the book."

Mr Bruyns lodged his application for a resort in November. He believed, that as a result of the findings of the Alexander Commission, the exclusivity of existing gambling rights could be challenged.



HAPPIER DAYS: Sol Kerzner and former Transkei leader George Matanzima.

Holomisa calls for TDC probe

24/11/81
UMTATA — A call for a government investigation into Transkei Development Corporation (TDC) activities was made by Military Council chairman Bantu Holomisa yesterday.

He said the issues he wanted investigated included TDC investments, debts, housing in general, involvement of TDC personnel in businesses and the outflow of capital repatriation of profits.

Among irregularities discovered were the letting of TDC houses by staff members at exorbitant rentals. Staff members also leased out their homes and then moved into TDC-subsidised houses or flats. Some staff members also enriched themselves by allocating loans and businesses to themselves.

Holomisa said some of the TDC's investments were questionable as they did not guarantee economic growth for the country. — Sapa.

Exiled man's ¹⁰³
home bombed _{sta 27} _{11/57}

PORT ELIZABETH, — The home of Mr Charles Sebe, exiled former head of Ciskei's State Security, was extensively damaged by two explosions in Umtata, Transkei, early yesterday.

Mr Sebe said the explosives had been placed in an obvious attempt to kill him and his family. Three rooms of the house were extensively damaged.

Mr Sebe would not speculate on the identity of the bombers.
— Own Correspondent.

Another 'Kei inquest delay (03)

27/1-2/2/89

By LOUISE FLANAGAN,
East London WMAPL

TRANSKEI authorities have been accused of trying to ensure that a magistrate sympathetic to the police preside over an inquest into the deaths of three men shot by policemen.

The three men, Zonwabele Mayaphi, Zolile Sangoni and MK Gift, were gunned down in broad daylight in an Umtata suburb in February last year. A fourth man was injured but survived the attack.

Mayaphi's brother is currently facing charges of murder and terrorism in connection with a 1986 blast at the Wild-Coast Sun, while Sangoni was the brother of the lawyer defending the case. Gift was identified by Transkei authorities as an African National Congress guerrilla.

Transkei Police only admitted responsibility some days later, and eye-witnesses claimed that two white men and a South African registered car were also at the scene.

The inquest was originally scheduled for October but was then postponed. A new date was immediately set for this week.

However, the Umtata authorities now say they don't have an available magistrate and have called for another postponement.

Local feeling is the state is waiting until a magistrate sympathetic to the police is available. Inquests into such incidents are rare and some people believe the authorities would only allow one to go ahead if they felt the outcome would be favourable.

Observers point out that the inquest date was decided on three months ago, which should have been enough time to allocate a magistrate.

Chief magistrate H Hooper said this week's date "didn't fit in with our working."

"We have enough magistrates but we didn't have one free for a whole week," he said. "Some are on sick leave, some are writing supplementary exams."

The inquest is now scheduled to start at the end of March. — Elnews

Sinking the Sun King?

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■ Further developments around the R2m Matanzima bribe are all too possible

The exoneration by the boards of Kersaf, Safren and Sun International (SI) of Sol Kerzner's R2m bribe to former Transkei PM George Matanzima in late 1986 raises some extraordinary implications. The bribe (for which Cape Town attorney David Bloomberg has accepted co-responsibility, though he was clearly simply an intermediary) was for monopoly gaming rights in the independent homeland; and Kerzner's defence is that it was necessary, given the corrupt officials with whom he was dealing, and that such payments smooth the way for deals in the Third World.

This, of course, is felt as a libel by Transkei current strongman, General Bantu Holomisa, who has said he will seek to break the monopoly enjoyed by Transun (controlled by Kersaf, behind which lies Safren and ultimately the Old Mutual). Referring to the affidavits presented last week to the Harms Commission into cross-border corruption and irregularities, Holomisa said: "The committee has been waiting for the truth, and now it is out we must move forward and not deprive the people who want to invest in the Transkei."

Clean administration should bring clean business, he is saying.

Holomisa's course of legal action could take several routes. He could have Transun's licence revoked, in which case there would be any other number of bidders for those monopoly gaming rights. Or he could simply break the monopoly, through court action, leaving the Wild Coast Sun operation intact — it does after all pay royalties to Transkei and provides work where there would otherwise be few job opportunities.

If, however, he feels sufficiently antagonised by Kerzner and Bloomberg's comments on, specifically, the social conditions of the Transkei (essentially excusing sleazy behaviour because of sleazy and crooked administration) he could seek to have them extradited in terms of the criminal code relating to bribery and perjury. How SA would respond to such a request is impossible to say, though it was done in the case of George Matanzima himself.

The affidavit to the Harms Commission says "the payment made to Matanzima was not illegal under SA law." Here one needs to consider certain provisions of the Companies Act:

□ Section 424 ("Liability of directors and others for fraudulent conduct of business")

states: "When it appears . . . that any business of the company was or is being carried on recklessly or with intent to defraud creditors of the company . . . any person who was knowingly a party to the carrying on of the business in the manner aforesaid, shall be personally responsible, without any limitation or liability . . ."

Prima facie, this would seem to exclude Kerzner — who, after all, bribed Matanzima in order to benefit his shareholders. There would have been an immediate financial penalty if the concession had gone to any other bidder or briber.

However, the payment was obviously predicated on the belief that Matanzima would remain in control of Transkei for the foreseeable future. There was no anticipation that he (and then Stella Sigcau) would be overthrown by Holomisa, or that Holomisa would then rigorously attack corruption in his state. George Matanzima is on bail awaiting trial in the Transkei.

And if, as a result of the revelation about the bribe (and speculation about other, related matters), Transun is to lose its licence, or even if the monopoly is broken, perhaps then the shareholders will indeed have been prejudiced by, at the very least, "reckless" commercial behaviour. Never mind the ethics.

It should also be pointed out that the bribe is nowhere reflected in the Transun prospectus (the company was listed in 1987 and is the only Transkei company on the JSE); and no mention of it is to be found in the Kersaf accounts for the relevant period. But then, it wouldn't be, would it?

The details of the bribe and the creation of Transun are very complex. Many parties were involved, and there were share ex-

changes as well as cash considerations. However, when the first hints of the bribe surfaced before the Alexander Commission (which preceded Harms) SI saw fit to take out full-page ads in January last year. These were disclaimers — stating that, as one leg of the agreement, a payment of R3m in cash was made by Transun to Transgames (which had the slot machine franchise for the territory) and that "if indeed, Mr Bloomberg dealt with the R3m remitted to him in a manner which differed from the allocation referred to above (that is, in SI's details of a complex but kosher financial acquisition), SI and Transun were totally unaware of this."

The ad concluded that reports to the contrary, "that SI had been a party to improper payments," were "without foundation."

Yes, but . . . now that Bloomberg and Kerzner have come clean, it must be asked why they did not do so a year ago — and whether the relevant boards knew in advance, or were consulted about, the bribe.

Unfortunately, the wording of the supporting statement for Kerzner from SI, Safren and Kersaf is a little ambiguous: "The boards, *having been informed* of all the relevant matters inquired into by (judges Alexander and Harms) . . . have unanimously resolved that Mr Sol Kerzner will continue to enjoy their confidence and support."

The boards appear to have known last November, but the timing of the announcement of confidence, as well as Kerzner's and Bloomberg's identical affidavits, was deferred for reasons which remain unclear. If share prices would have been affected last year, what's different now? Perhaps it is significant that Harms is soon to issue a report on the matter — within two to three weeks, the *FM* understands.

Then again: *when* did he tell them, if they didn't get the facts from some other source? If he did — and even if he didn't — does this mean that figures such as Alistair Macmillan (Safren), Ken Rosevear (on SI boards, and the approved signatory of the Transun prospectus), JG van der Horst and others approve of this way of doing business? Not so, it seems, judging by a weekend response to a questionnaire sent out by *The Sunday Star*, the respondents dissociated themselves from "bribery and corruption." And such behaviour would obviously not be tolerated in, say, Old Mutual's operations in "Third



Kerzner . . . paying the price of a monopoly

(103)

World" areas if some or another dictator asked for cash.

Yet Kerzner does seem to be viewed as a man whose activities in at least some grey areas continue to command support from the boards associated with him.

The discrepancy — between denouncing corruption yet apparently supporting a specific bribe — remains unresolved and unsatisfactory. Safren's Macmillan, who had agreed to see the *FM* on the matter last Monday, cancelled the appointment on the day, his secretary apologising that he was "out of town." She did not know where, but said he might be back on Wednesday (the *FM* goes to press on Tuesday night).

□ Section 266 of the Companies Act ("Initiation of proceedings on behalf of a company by a member") may also present problems for Kerzner and his associates. Provision is made for a minority shareholder who feels his interests have been prejudiced "as a result of any wrong, breach of trust or faith committed by any director or officer" of the affected company, to take certain legal steps.

The point here is that the Transkei Development Corp (TDC) has an interest in the matter. As the Bloomberg-Kerzner affidavit explains, the gaming operation at the Wild Coast Sun would be seriously prejudiced by any fragmentation of the monopoly (the threat that Matanzima is said to have held over Kerzner, to extract the bribe). However, Wild Coast Sun Ltd (WCS, as it then was) had secured certain rights from the Transkei, including exclusive gaming rights to December 1 1996 within a 100 km radius of the development. "On the strength of these exclusive rights WCS, a Transkeian company owned as to approximately one-third by the TDC and two-thirds by the SI Group, progressively invested about R130m in a hotel-casino complex at the Wild Coast," the affidavit states.

Another gaming development at Umtata was in the offing as a further facet of the deal.

If — once Holomisa has set out to revoke the licence or end the monopoly — the TDC feels it has been prejudiced by Kerzner's action, it could, for example, make out a case for the recovery of forgone earnings "notwithstanding that the company has in any way ratified or condoned any such wrong, breach of trust or faith or any act or omission relating thereto."

But what else was Kerzner to have done? There is no international agreement or code

of conduct when a multinational is compelled to deal with a corrupt administration in order to carry on business. The UK Department of Trade and Industry says the conduct of UK companies or individuals abroad is determined by the law of the country concerned.

A misdemeanour might arise if the bribe/deal was done in the UK itself — but otherwise the way of the world prevails.

Interestingly, the Confederation of British Industry (CBI) is explicit about this: "The CBI would never condone anything that went beyond the law but there can be circumstances where companies are dealing with countries where local custom will prevail."

Under the Matanzimas, bribery and corruption clearly were "local custom" in the Transkei. Whatever Holomisa may be doing now to clean house, that fact remains, and it is in Kerzner's favour. On the other hand, the farm which George Matanzima is reported to have been aiming to buy with his laundered R2m is in Ugie, in SA. And though Transkei is "independent" in terms of SA law, budgetary subventions to the statelet (and its companions) muddy the issue, to say the least.

In the US, where a law was passed in 1977 to outlaw bribery of foreign officials — at the instigation of the Securities and Exchange Commission — business pressure has been building up ever since to ease up on practices that many view as an essential part, however they may wring their hands over it, of doing business in the Third World, and indeed in parts of Europe and the Mideast (see box).

Kerzner would not have got where he is today (an international figure) without bravado, stamina and an eye for the main chance.

When he turned 50 in 1985 he told the *FM*: "I'm not stupid enough to believe you can't make a mistake in judgment, or that plans can't come unstuck. And I have made mistakes, and certain deals haven't worked out as I would have liked. I've taken risks . . ."

Bribing a dictator on the skids was evidently one such "mistake." But Kerzner did not choose to be as clear about the matter, or as candid, or as quick, as the evidence before the Alexander and Harms commissions indicates he should have been. Depending on the ramifications of the affair, in the longer run the various affected boards may have yet again to decide whether they will continue to place their utmost trust and confidence in him.

Peter Wilhelm



Macmillan



Van der Horst



Rosevear

A LAW THAT KICKED

In one of the early flowerings of Jimmy Carter's "new morality," the US government in 1977 enacted the Foreign Corrupt Practices Act (FCPA). This came in the wake of revelations by the Securities and Exchange Commission that 450 US corporations had made questionable or illegal payments of more than US\$300m in various bids to bribe or kick back money to foreign government officials to win valuable energy, engineering or weapons sales contracts.

Since the contracts were worth billions of dollars, the American business community had long considered such bribes part of the normal cost of winning new business overseas from competitors who were also busy handing out cash.

The law was a backlash over-reaction to the Watergate scandal revelations of the too-close relations between the Richard Nixon administration and the major defence and energy companies of the US and various key allied governments in the Third World — especially those of the Middle East. What particularly irked the American public at the time was the picture of Kuwaiti and Saudi princes growing fat on rising oil revenues which were bolstered by further bribes to buy American-made heavy weapons systems via payments to key American defence officials back home.

The FCPA established criminal sanctions for both individual managers and firms who bribe or attempt to bribe foreign officials to obtain business, and there was an argument that if America led the moral way, other major European powers would follow suit.

The trouble was that the penalties were light and the language of the 1977 law was vague enough to be relatively unenforceable. The individual penalty was two years in jail or a \$10 000 fine; the corporate fine was \$1m. Some banks such as Citibank and some oil field equipment firms paid minor fines. The big losers were American energy and construction engineering firms such as Bechtel which suddenly found themselves losing big dollar contracts in the Mideast to competitors from Europe, Asia and Latin America. By 1980, US engineering firms were in 11th place in the world contract derby, behind countries such as South Korea, Brazil and Yugoslavia.

The Reagan administration tried without success to soften the Act, but it has remained part of the law and part of the cost of American firms doing business overseas. It has been impossible for the government to say with certainty that bribes have stopped but the issue is no longer politically important, so neither tightening nor loosening is likely during the George Bush administration.

BUSINESS BRIBERY

The burden of integrity

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Whatever the culpability of Sol Kerzner may yet prove to be for attempting to protect his company's gaming monopoly in the Transkei by bribing George Matanzima, the matter should not be brushed aside on the grounds of expediency.

To say, as the big shareholders in his undertaking appear to be doing, that they understand why he did it, but don't condone bribery, is to flirt with duplicity. That is precisely the trick leftwing clergymen use to avoid condemnation of the ANC. If Old Mutual's Jan van der Horst and Safren's Alistair Macmillan adhere to that line, they will have about as much credibility as Archbishop Tutu enjoys among reasonable informed people.

It may yet be shown (see page 32) that Kerzner did not act in the best long-term interests of his shareholders and, as a large shareholder himself, that he did seek his own short-term interest. Moreover, he did not tell the truth until he had virtually no option.

There are enough examples in Africa to show that capitalism and economic growth are not fostered by bribery and corruption. To seek justification on the grounds that bribery is the African way of doing business, is to acknowledge participation in a process that has brought widespread penury.

Having said that, we do have some sympathy for the position in which Kerzner found himself. After all, he need scarcely seek justification from African ways when so much bribery and corruption is almost daily being exposed by the Harms Commission and others in this country. Perhaps that is why our foreign minister tells us that we are part of the

Third World.

Corruption is inevitable when government interferes too much in the lives of ordinary people. That is what socialist governments did in emergent Africa. It is what government is doing now. Part of that process is the suspension of the rule of law in favour of official discretion. That is what is happening in the administration of our lives, from tax collection to political expression.

It is the cause, too, of foreign currency smuggling. How a government that professes to be capitalist and acknowledges the individual's right to own property can justify directing where that property has to be held is not only a contradiction but an abrogation of the rule of law. But that is precisely what has happened.

Unfortunate officials are given the task of deciding who may — or who may not — in the national interest own assets abroad. It invites special pleading and bribery. Hence we are just about to embark on another exchange control witch-hunt, in which misdemeanour will do doubt be confused with felony and bureaucracy flourish.

There is another reason for our sympathy. To beat increasing trade sanctions, those that resort to bribery will claim to be acting in the national interest — and that may well be true and necessary.

In these harsh circumstances, integrity may increasingly become simply a commercial burden. A code of conduct agreed between government and organised business may help lighten it — but it is a burden that civilised men must bear. ■

Cape Times 28/1/89. 103

Ciskei-Transkei war threat

Own Correspondent

BISHO. — A Transkei military invasion of Ciskei was being planned and was at an advanced stage, the Ciskei government said in an official statement yesterday.

Ciskei security forces had been put on alert and citizens had been warned of a possible war, said the statement, issued by the directorate of communications.

There was no reaction yesterday from Transkei's military government, but South Africa's Minister of Foreign Affairs, Mr Pik Botha, immediately called for restraint and offered South Africa's services as an "honest broker".

The Ciskei statement warned that the strained relations between the two national states between September 1986 and September 1987 still existed.

In his reaction to the statement, Mr Botha said he had taken note of Ciskei's declaration and confirmed that South Africa's ambassadors in Bisho and Umtata were in touch with both heads of state.

The South African government trusted that Ciskei and Transkei would exercise restraint, and South Africa would gladly act as mediator if the two governments so desired, Mr Botha said.

Ciskei's statement follows bombing incidents in both states this week.

Earlier in the week, two bombs blew up and damaged the home of the exiled former commander of Ciskei security forces, Mr Charles Sebe, at Fort Gale near Umtata. Mr Sebe said the bombers were not from within Transkei.

On Wednesday night, three bombs damaged a Ciskei aircraft factory barely 200 metres from Ciskei's international airport.

Ormande Pollock reports that Mr Pik Botha said in response to inquiries last night that the South African government had mounted a diplomatic initiative to smooth down the growing trouble between Ciskei and Transkei.

State of emergency censorship restrictions apply to a wide range of reporting, comment and publications

Landmark ruling in Potsdam case

CP Correspondent

NEWS that Potsdam residents can stay in South Africa without a permit, following a landmark court ruling, has been received with mixed feelings.

There was jubilation, feelings of relief and sad memories of life under Ciskeian homeland rule last week when the Grahamstown Supreme Court ruled that three Potsdam residents could stay in SA without any permit or ex-

emption.

Although the interdict was brought by only three residents - Nellie Nozewu, Popo Ntwanambi and Vele Dasi - the ruling is expected to affect the entire community of several thousand.

Potsdam residents have been trying to escape homeland rule ever since they were forcibly moved there five years ago. They staged several unsuccessful flights from the Ciskei but were trucked back

each time. 29/1/89. Said Nozewu: "We want to move (to SA) immediately. We have pregnant people who need to go to hospital soon, but it's difficult because they don't have Ciskei documents and we do not pay tax."

"One of our committee members was assaulted by vigilantes just a day after the ruling. When the schools opened there were shouts that people should not forget their Ciskei

National Independence Party cards. We don't have these, and these are some of the reasons why we want to move out of here, and very soon - even if it would mean going near the road (where the group fled previously), as long as it is outside Ciskei."

According to Nozewu, victory cannot be denied - even by the local vigilante group, which was formed at Potsdam after one of the community's unsuccessful flights. - Elnews

Ciskei refuses to talk until Sebe returned

AP/645 30/1/89
Political Staff

(10) (15)

CISKEI is not prepared to meet Transkei while dissidents, including the brother of President Lennox Sebe, are being given refuge in Transkei.

However, diplomatic sources in Bisho today dismissed claims by Ciskei that an invasion by Transkei was imminent.

The latest row between the two countries erupted last week when a bomb flattened the home of former Ciskeian security chief General Charles Sebe, who has been in refuge in Transkei since Transkeian forces sprung him from a Ciskeian jail in 1986.

He had been jailed for plotting a coup against his brother.

Ciskei has insisted that Charles be returned, as well as a number of other dissidents.

Last week's bomb attack has been blamed on Ciskei.

"NOT INTERESTED"

Ciskei has told the South African government it is not interested in the invitation of the Foreign Minister, Mr Pik Botha, to hold talks to resolve the difficulties.

President Sebe told the South African Ambassador to Ciskei, Mr C van Aardt, that he was not interested in talks with Ciskei until the dissidents were returned.

Mr Botha has been attempting to resuscitate the trilateral commission established in 1986 to bring calm to the area.

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SA offers help in 'Kei issue

PRETORIA — Foreign Minister P. W. Botha called on Transkei and Ciskei to exercise restraint after Ciskei warned of impending war between the two homelands on Friday.

Botha further offered the SA government's services as mediator for possible talks between Ciskei and Transkei, Sapa reports. (103/102)

Our Correspondent in Bisho reports the Ciskei had issued an official statement on Friday saying a Transkei military invasion of Ciskei was at an advanced stage and Ciskei security forces had been put on alert.

Transkei military council chairman Gen Bantu Holomisa said he could not comment on Ciskei's allegation as he had not yet seen the statement. However, judging from media reports on the matter, he regarded it as a "serious allegation". Our Correspondent in East London reports. b10am 30/11/89

Fruit factory rehires fired nectarine eater

AN employee sacked for pinching a nectarine from the Stellenbosch fruit factory where he has worked for 10 years, was reinstated yesterday.

Now the Stellenbosse Koöperatiewe Vrugtepakery (SKV) is considering the introduction of a fruit ration for its workers.

Mr Wilson Nyibithi, a tractor driver at SKV, was reinstated yesterday following an appeal by the Food and Allied Workers' Union, a union spokesman said.

Asked to comment yesterday, SKV spokesman Mr Charl van der Merwe said the company had not reached a final decision about fruit rations.

Corruption report in

By CHRIS CAMNCROSS

THE Harms Commission's second report about corruption — which may trigger prosecutions of Mr Sol Kerzner and Cape Town attorney Mr David Bloomberg — has been completed and submitted to the State President.

The 38-page report focuses on the circumstances surrounding the R2-million bribe paid to former Transkeian prime minister Chief George Matanzima by Sun International (SI) supremo Mr Kerzner in exchange for

exclusive gambling rights in the territory.

Transkei attorney general Mr Christo Nel has indicated that he is now only waiting for a copy of the report to decide whether to bring charges against Mr Kerzner and Mr Bloomberg, who has also admitted complicity in the bribe.

If charges are preferred against the two, it could also set in train extradition proceedings should they refuse to return voluntarily to Transkei to contest the action against them.

Duo survive battle with cyclone

TWO battered French yachtsmen rescued near Durban yesterday told of their battle for survival against 15m-high swells and

of Concarneau, France, described four harrowing days as his yacht, an 11m French-designed Melody, rolled three times, lost

“When Nath rolled for the first time all our equipment was wrecked and we had to spend the next 14 days navigating by the

for on

B/Day 31/1/89

Ciskei banishes Transkeians as 'war' fever rises

BISHO — The Ciskei government, accusing Transkei of provoking a "war", yesterday ordered all Transkeians to leave the territory by March 31 while the Transkei Military Council battled to defuse the tension.

Both sides have rejected mediation efforts by SA Foreign Affairs Minister Pik Botha.

"Ciskei has had enough," said foreign affairs deputy general Headman Somtunzi, who warned that the "war" between the two territories could spill over into SA.

He said although Ciskei had previously ordered all Transkeians to leave without enforcing the command, this time it was "for real".

Sapa reports that Somtunzi warned people to take the order seriously because "the war could be on a large scale" and could spill over into SA, particularly the mines.

He said he also feared for the safety of Transkeians in Mdantsane.

Somtunzi said the action had been taken because of the "aggressive" stance adopted by Transkei towards Ciskei.

He said a 1987 tripartite agreement signed between SA, Transkei and Ciskei had not been adhered to by Umtata.

Our Political Staff reports from Cape Town that the Transkei Military Council said yesterday it had received no official invitation to a mediation meeting with Ciskei in Cape Town — and in any event it had no intention of attending.

At the weekend, the Ciskei govern-

ment said it would not attend the meeting.

The council said the allegations of war with Ciskei were "unfounded" and slammed the SABC's "sensationalism" in reporting the so-called impending war between the two homelands.

In a statement issued in Umtata yesterday, the council said it had learnt "with shock" of allegations of an impending invasion of Ciskei by its security forces.

Discussions

It said it was particularly amazing that the allegations came at a time when the military government had gone out of its way to assure President Lennox Sebe "it has no reason whatsoever to harbour, as some previous regime perhaps did, feelings of ill-will against the people and the government of Ciskei".

The statement said the Transkei government was still looking forward to discussions between the presidents of the two homelands that had been mooted recently.

It said the SABC's coverage "smacks of a ploy by someone to gain political mileage out a fabricated story" and was "an evil ploy to portray the present military government in a very negative manner for reasons that will one day be revealed".

The statement said the military government "assures the people of Transkei that the allegations of war with Ciskei are unfounded".

Harms report sent to PW

CAPE TOWN ^{8:15 am 31/1/89} The Harms Commission has completed and submitted its second report dealing with corruption to President P W Botha.

The 38-page report focuses on the circumstances surrounding the R2m paid to former Transkeian Prime Minister George Matanzima by Sun International (SI) chief Sol Kerner in exchange for exclusive gambling rights in the territory.

Publication of the report could trigger off a series of events in a saga which has been on the boil for more than two years.

Transkeian Attorney-General Christo Nel has indicated that he is now waiting only for a copy of the report to decide whether to bring charges against Kerzner and Cape Town attorney David Bloomberg.

If charges are preferred against the two, it could also set in motion extradition proceedings, should they refuse to return vol-

untarily to Transkei to contest the legal action against them.

A precedent in this regard was established last year when Matanzima, in hiding in SA, was forced to return to Transkei to face corruption charges.

Now also under threat are the gambling rights which SI still maintains belong exclusively to the group in Transkei.

Transkei military council leader Gen Bantu Holomisa has made clear he intends contesting this exclusivity claim.

It is understood this matter has been held over pending the receipt of the Harms report.

Others apparently eagerly waiting for this issue to be resolved are several major developers, some based in Cape Town, who have applied for gambling rights in Transkei.

CHRIS CAIRNCROSS

Corruption report in

Cape Times 3/11/89 (103)

By CHRIS CAIRNCROSS

THE Harms Commission's second report about corruption — which may trigger prosecutions of Mr Sol Kerzner and Cape Town attorney Mr David Bloomberg — has been completed and submitted to the State President.

The 38-page report focuses on the circumstances surrounding the R2-million bribe paid to former Transkeian prime minister Chief George Matanzima by Sun International (SI) supremo Mr Kerzner in exchange for

exclusive gambling rights in the territory.

Transkei attorney general Mr Christo Nel has indicated that he is now only waiting for a copy of the report to decide whether to bring charges against Mr Kerzner and Mr Bloomberg, who has also admitted complicity in the bribe.

If charges are preferred against the two, it could also set in train extradition proceedings should they refuse to return voluntarily to Transkei to contest the action against them.

SA keeps watch on 'Kei tensions

By TOS WENTZEL, Political Correspondent
MAG 31/1/89 (102/10)

SOUTH Africa is closely watching the tensions building up between Transkei and Ciskei and will not allow the two homelands to invade each other across South African territory.

The South African government does not want to be seen to be interfering in the domestic affairs of the two states but it is prepared to mediate.

This was the impression in Department of Foreign Affairs circles following further threats and counter-charges in the row between the two.

SPURNED

President Lennox Sebe of Ciskei and General Bantu Holomisa of Transkei have spurned a South African suggestion that they should come to Cape Town for discussion on matters of common concern.

It was understood that General Holomisa had earlier asked to come to Cape Town for discussions.

Ciskei has alleged that Transkei is planning to invade it. General Holomisa has expressed shock at the allegations.

The Ciskei government has in turn dismissed General Holomisa's statement, saying he was "denying the undeniable".

The feeling in South African government circles is that the row will blow over and that it is mainly a clash of personalities.

South Africa will also apply diplomatic pressure on the two to settle their dispute.

Bad feeling has through the years been building up between the two and in 1986 South Africa had to mediate.



Gen Bantu Holomisa

Mr Pik Botha

Mr Lennox Sebe

Ciskei expels Transkeians

CHOTENIS 31/1/89

103 108

CISKEI yesterday ordered all Transkeians to leave the country by March 31, following renewed tension between the two homelands, and warned that the "war" could spill into South Africa.

Ciskei's Deputy Director-General of Foreign Affairs, Mr Headman Somtunzi, said that although his government had previously ordered all Transkeians to leave without enforcing the command, this time it was "for real".

The country's security committee had been enrolled to identify all Transkeians living in Ciskei, and to make sure the order was carried out.

Mr Somtunzi warned people to take the order seriously because "the war could be on a large scale" and could spill over into South Africa, particularly on mines where citizens of both homelands lived and worked.

Meanwhile, the Transkei govern-

ment said yesterday that it had not received an invitation from SA Foreign Minister Mr Pik Botha to a "mediation" meeting with Ciskei in Cape Town, and in any event had no intention of attending such a meeting.

It also said the allegations of war with Ciskei were "unfounded" and slated the SABC's "sensationalism" in reporting the so-called impending war between the two homelands and accused it of concentrating on "stories about blatantly evil rumour and disgusting gossip".

"The whole thing smacks of a ploy by someone to gain political mileage out of a fabricated story the South African government knows does not exist. It is an evil ploy to portray the present military government in a very negative manner."

Earlier, Ciskeian president Mr Lennox Sebe said he would not attend a meeting with SA and Transkei to discuss deteriorating relations. — Staff Reporter and Sapa

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80 000 people face expulsion in Kei conflict

From PAT CANDIDO
Staff Reporter

BISHO.— The decision by Ciskei to expel all Transkeians could affect the lives of 80 000 people causing concerned community leaders who are desperately worried about the deteriorating situation between Ciskei and Transkei, to call for South African government intervention.

The East London City Council met representatives of commerce and industry yesterday to discuss the situation.

Implications

The mayor of East London, Mr Donald Card, said today there were at least 80 000 Transkeians living in Ciskei — many of them highly skilled.

He said the Minister of Foreign Affairs, Mr Pik Botha, would be informed of the serious implications of the Ciskei government's decision.

The loss of qualified people would be disastrous, he said.

A businessman who did not want to be identified said the South African government was "soft-peddling on security" between Ciskei and Transkei.

He said the recent exposures of corruption and the ill-use of government money made people reluctant to invest.

Most people felt there were far deeper reasons for the problems and that members of the Sebe family could be involved.

Ciskei deputy director of Foreign Affairs and Information, Mr Headman Somtunzi, admitted the intention to expel Transkeians would affect a large number of people.

He said Ciskei had a right to deport foreigners.

Meanwhile, the chairman of Transkei Military Council, Major General Bantu Holomisa, said in East London last night that Transkei would expect South Africa to make provision

for the expulsion in its budgetary assistance to Transkei.

Special provision would have to be made by South Africa to assist Transkei if all Transkeians were forced to return home.

Back-firing

The South African government and the East London municipality were to be reminded that their decision to move Transkeians from Duncan Village in East London to Mdantsane (in the Ciskei) before Ciskei's independence was now back-firing.

He said Transkei was considering taking court action against the South African government and the East London municipality over the original removal of Transkeians from Duncan Village to Mdantsane.

General Holomisa said it was possible Mr Charles Sebe, fugitive former commander of Ciskei security forces, was a key element in the current dispute.

ARCUS 2/2/89

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Ciskei watchdogs to enforce expulsion

From PAT CANDIDO, Staff Reporter

BISHO. — A security co-ordination committee has been established to ensure that all Transkeians are out of Ciskei by the end of March, according to Mr Headman Somtunzi, Ciskei's deputy director-general of foreign affairs.

In an interview Mr Somtunzi said his government was deadly serious about expelling Transkeians and there would be no reversal of this decision.

Though he refused to say how many people would be affected, he conceded that once they had been moved there would be thousands more homes and jobs for Ciskeians.

Asked how Ciskei was going to manage the logistics of moving thousands of people, he said that was why the committee was formed.

Asked whether Ciskei had ruled out discussions, he said his government was not interested in talking to people who sheltered those with criminal records.

If Transkei was interested in negotiation or discussion it should immediately return the former head of Ciskeian security forces, Charles Sebe, to complete his jail sentence, and his brother, Namba Sebe.

He denied that the removal of what some estimate could be 80 000 people would have a serious effect on Ciskei's economy.

He said many people who lived in Mdantsane worked in East London.

He had no doubt that Transkeians would begin moving once they realised they could not stay. Those who intended to ignore the ultimatum would be made to move.

He denied the move could be damaging to Ciskei, but admitted it would be "some problem" for Transkei and South Africa.

He said Ciskei had the labour force to replace Transkeians who were living in Ciskeian houses and holding Ciskeian jobs.

Transkeians were reluctant to return to Transkei because the standard of living and conditions were much higher in Ciskei.

Mr Somtunzi said security had not been increased since the dispute began.

● The South African government has said it does not intend to step up security in the border corridor between Ciskei and Transkei because it does not believe Transkei will attack Ciskei.

Row over floating ads

PARIS. — Floating billboards advertising a radio station have appeared on the Seine river in Paris and the city is calling on the government to remove them. — Sapa-AP.

Atlantic oil spill operation starts

KEEFEUD TO HIT 80 000 PEOPLE

THE decision by Ciskei to expel all Transkeians could affect the lives of 80 000 people.

Concerned community leaders who are desperately worried about the deteriorating situation between Ciskei and Transkei, have called on the South African Government to intervene.

The East London City Council met representatives of commerce and industry this week to

discuss the situation.

The mayor of East London, Mr Donald Card, said yesterday there were at least 80 000 Transkeians living in Ciskei — many of them highly skilled.

He said the Minister of Foreign Affairs, Mr Pik Botha, would be informed of the serious implications of the Ciskei government's decision.

He said Duncan Village was full and those forced to move would

have nowhere to go but to Transkei. The loss of qualified people would be disastrous.

A businessman who did not want to be identified said the South African Government was soft-peddling on security matters between Ciskei and Transkei.

He said the recent exposures of corruption and the ill-use of government money made people reluctant to invest.

Meanwhile, the chairman of Transkei Military Council, Major General Bantu Holomisa, said in East London that Transkei would expect



GEN HOLOMISA

South Africa to make provision for the expulsion in its budgetary assistance to Transkei.

He said the South African Government would have to take note of the implications the Ciskei move would have on Transkei's budget.

The South African Government and the East London municipality were to be reminded that their decision to move Transkeians from Duncan Village in East London to Mdantsane (in the Ciskei) before Ciskei's independence was now back-firing.

Fears that Sebe can't back down

Argus 6/2/89

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From PAT CANDIDO of The Argus Bureau, Port Elizabeth

THERE is mixed reaction to the mounting tensions between Ciskei and Transkei as newspaper headlines tell of threats of war, the expulsion of thousands of people from Ciskei and bombings.

While businessmen and people in Bisho tend to poo-poo the latest outbursts as rhetoric or something they have heard before, others believe that the President of Ciskei, Lennox Sebe, has put himself in a position where he cannot back down without losing credibility.

Those in the Transkei believe that the outbursts from the President of Ciskei that Transkei is about to invade and the expulsion is simply a cover-up to detract from the other ills which have been highlighted in Ciskei recently.

One person who takes the threats very seriously is the Mayor of East London, Mr Donald Card.

He said he was extremely concerned about the worsening relations between the two countries. The economic future of Ciskei, Transkei and Border were closely inter-linked and could not be separated.

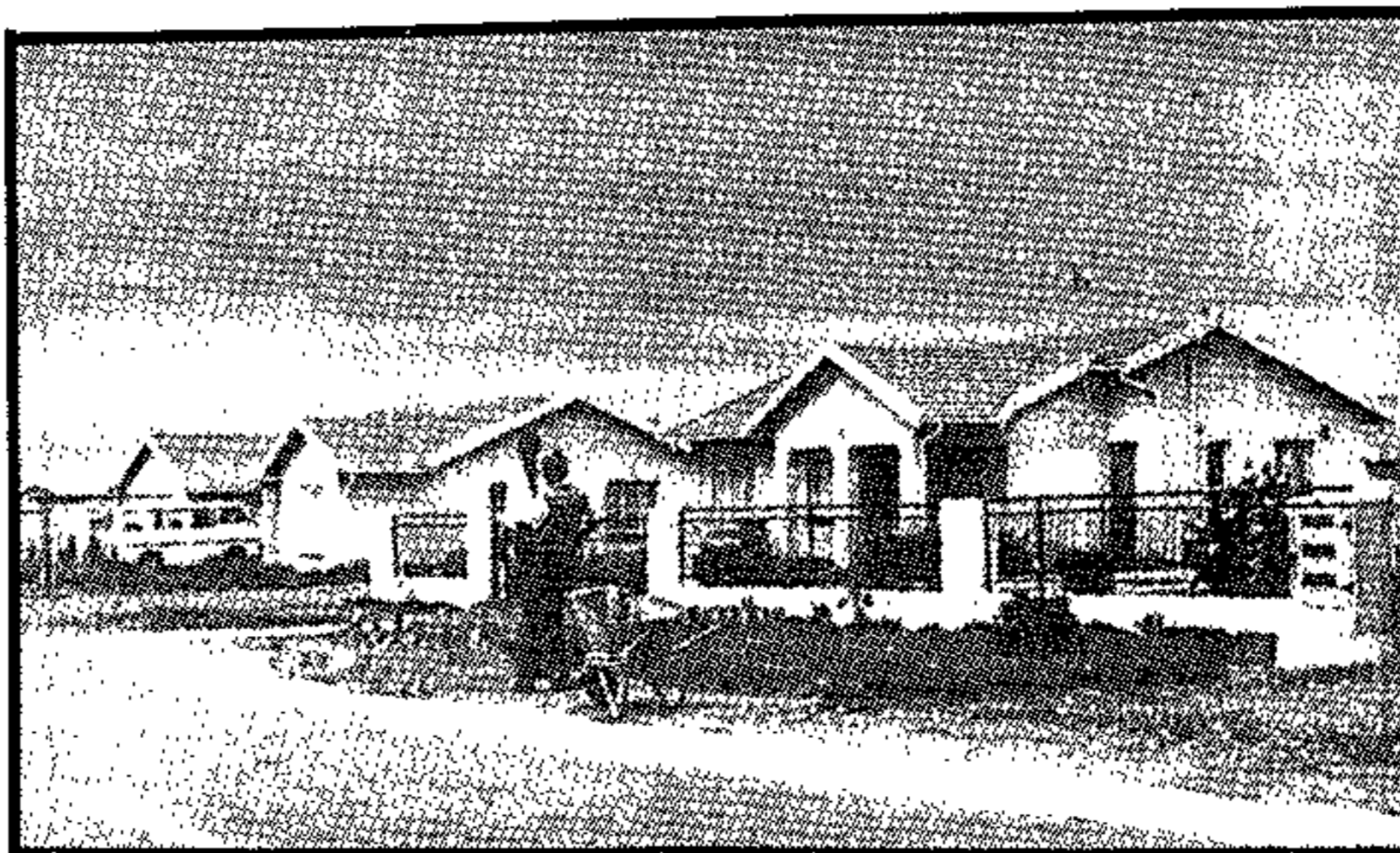
While one could draw political lines it was extremely difficult to draw economic ones. If Transkeians were forced to leave Ciskei, there could be a crisis.

He said Duncan Village was overcrowded and had a huge squatter problem. There was no way more Transkeians could be housed there.

But, he said, this time he could not see President Sebe stepping down and not carrying out his threats.

The City Council had invited members of the Chambers of Industries and Commerce and the Sakekammer to discuss the matter. They had called on the Minister of Foreign Affairs, Mr Pik Botha, to intervene urgently and were now adopting a wait-and-see attitude.

But businessmen in Bisho felt there was little that could be done to remove forcibly 80 000 families. As one businessman, who did not want to be identified, put it, the gov-



SUBURBAN: The Ciskei government is deeply aware of the need for a strong middle class and has embarked on programmes to provide adequate housing. A suburb of Bisho with its neat streets and attractive homes.

ernment did not have the manpower to remove those who refused to go. The sheer logistics of identifying Transkeians made it virtually impossible for any follow-up action.

He also pointed out that many Transkeians held top positions in the teaching profession and would be replaced with difficulty. He said he hoped the storm in the tea cup would blow over before any serious harm was done to the economy and future investment in Ciskei.

But among government officials in Ciskei feelings are running high. The Sebe family feud which goes back many years, is having serious repercussions.

Ciskei rulers cannot forgive or forget that Transkei is harbouring refugee brothers, Charles and Namba Sebe.

They desperately want them back so that Charles Sebe, former head of Ciskei security forces, can complete his prison sentence.

But political observers believe the chance of Transkei returning the two Ciskeians is absolutely out of the question. So the stalemate continues.

It is also believed the chairman of the Transkei Military Council, Major-General Bantu Holomisa, is deeply upset by the bombing of Charles Sebe's home outside Umtata last week.

Ciskei is equally upset about three bombs which rocked a Ciskei aircraft fac-

tory about 200 metres from Ciskei International Airport at Bulemba recently.

The factory manufactures Austrian-designed Scanliner and Hobbyliner Aircraft. Work returned to normal after a short break.

The chief spokesman for President Sebe, Ciskei's deputy director-general of foreign affairs and information, Mr Headman Somtunzi, told me Ciskei would have no discussions whatsoever with Transkei while that country harboured refugees and criminals.

"Ciskei has had enough," he said. "People had better take this seriously. We have set up the Security Co-ordination Committee and it is their task to get rid of these people who are a drain on our housing and economy.

"We have told them to go and we trust that they will do as they are told before the end of March otherwise we will have to take action.

He said Ciskei was tired of the aggressive stance adopted by Transkei.

In 1987 when there was discord between the two homelands, a tripartite agreement signed between South Africa, Transkei and Ciskei had not been adhered to by Transkei.

Recent bombings were only a part of the problem. He said his government had information concerning a "pending Transkei invasion" long before the bombing incidents.

Other government officials said many had not forgotten that Transkei still had ambitions of incorporating Ciskei.

Even when Ciskei was granted independence the then Prime Minister of Transkei, Chief Kaizer Matanzima, did not attend the celebrations.

Though people in the capital, Bisho, are going about their business as if nothing much is happening, they are hoping there is not going to be a major outbreak of violence if forced removals are to take place.

Though Ciskei maintains adamantly that the problem has nothing to do with the South African government, many are waiting for the South African government to do something.

Transkei has said it is considering taking court action against the South African government and the East London municipality over the removal originally of Transkeians from Duncan Village to Madantsane.

General Holomisa is on record having said that if Ciskei carried out its threat to expel all Transkeians, South Africa would have to make provision for this in its budgetary assistance to Transkei.

Some observers, however, believe it is all a smokescreen to distract from recent disclosures of corruption and fraud and squandering of public money in Ciskei.

They fear the preliminary findings of the Harms Commission, and evidence still to be pronounced upon, should be enough to jolt the weary taxpayer into looking at Ciskei afresh.

Then there has also been the Palazzo affair, the Eurobank scandal and allegations of irregular financial transactions.

Meanwhile, life goes on with even Transkeians living in Ciskei not sure whether to take the threats seriously.

As one Transkeian living in Bisho said: "We will wait and see ... perhaps they will forget about us and we will be able to get on with life."

Perhaps.

stew/6/2/89 (103)

Transkei forests to be surveyed

DURBAN — Mr Keith Cooper, director of conservation of the Wildlife Society, is to carry out a survey of Transkei's 100 000 indigenous forests.

The Wildlife Society and the SA Nature Foundation, which will provide financial help, have combined forces for the project. It is to be undertaken at the request of the forestry branch of the Transkei Department of Agriculture.

Mr Cooper said in a statement issued by the Wildlife Society that Transkei still had some of the best and most important indigenous forests in southern Africa. Many were teeming with a great diversity of plants and animals.

The Transkei forestry branch had done an excellent job in safeguarding most of their indigenous forests, but these were coming under new pressures, so new strategies and priorities had to be established.

Of the 100 000 ha of indigenous forests in Transkei, about 70 000 ha are demarcated and controlled by the forestry department. This area comprises more than 1 000 separate forest patches.

— Own Correspondent.

Transkei's military govt declared lawful

UMTATA — The Appellate Division has upheld a decision by the Supreme Court declaring Transkei's military government lawful.

The ruling defeats the last legal effort by former State President, Paramount Chief Kaiser Matanzima, to have the military government declared unlawful.

Paramount Chief Matanzima was joined in the action by the former commander of the Transkei Defence Force, Para-

mount Chief Zondwa Mtirara.

The Chief Justice, Mr Justice Beck and two judges of appeal, Mr Justice Goldin and Mr Justice James, dismissed the appeal with costs.

The three judges concurred in endorsing the findings of the Supreme Court that the military government was legitimate.

The respondents were the State President, Paramount Chief Tutor Ndamase and the chairman of the ruling military council, Major-General Bantu

Holomisa.

After tracing the judgment of the Supreme Court in October last year, Mr Justice Beck referred to a similar challenge to the legality of the Lesotho government recently heard in the High Court of Lesotho.

The Lesotho case as well as legal theories advanced by the courts in many different countries had led judges to the acceptance of a doctrine of what had been called "The Successful Revolution". — Sapa.

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News in Brief

Ciskei restrictions

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8/2/88 103*

JOHANNESBURG. — Ciskei has imposed restrictions on Transkeians intending to travel to Ciskei, SABC radio news said.

Off the Hook?

Harms puts ball in Transkei court

THE Harms Commission into cross-border corruption yesterday recommended no South African prosecutions arising from the payment of R2 million in the Transkei gambling rights bribery affair.

But last night a question still hung over Sun International chief Mr Sol Kerzner and former

Cape Town mayor Mr David Bloomberg with the commission's second report saying that "sufficient extradition proceedings exist if required by Transkei".

General Bantu Holomisa, chairman of the Transkei's ruling military council, said last night that the Transkeian government would expect South Africa to extradite the two men if the Transkeian attorney-general decided to prosecute them.

"We are prosecuting our former head of state. Who do these people think they are, that they will not be prosecuted just because they have a lot of money and are well known."

General Holomisa said the report would be referred to the Transkeian attorney-general for a decision on whether to prosecute.

"The South African government will be approached to extradite certain people if the attorney-general decides to prosecute. No one is immune from prosecution in our country."

Mr Justice Louis Harms's one-man



SUN CHIEF ...
Mr Sol Kerzner



FORMER MAYOR ...
Mr David Bloomberg

commission found that matters flowing from the commission related to the bribery and corruption investigation should be referred back to Transkei. That country's attorney-general could liaise with his counterpart in South Africa over any possible prosecutions, said the judge.

False prospectus

Mr Justice Harms also recommended that former Cape Town mayor Mr David Bloomberg's role as an attorney in the pay-off to Transkei's ex-prime minister, Chief George Matanzima, be referred to the Law Society for appropriate action.

The commission found that Sun International published a false prospectus for Transun in January 1987 before its listing on the JSE.

The commission said it was not disputed that Mr Bloomberg transferred an amount of R2 million to Mr G J Gouws, a hotel keeper and farmer in

To page 2

LOVE ON SAME AIRWAVE



NP row brews on 'coloured' influx' 8/2/89

By BARRY STRECK
Political Staff

CONFLICT within the National Party has emerged about the implementation of the Group Areas Act in the Maitland area of Cape Town — and the MP for the area, Mr Kent Durr, conceded yesterday that Nationalists were "upset" about influx of coloured people into the area.

The renewed tension manifested itself at a closed National Party meeting in Milnerton on Monday night when Mr Durr, who is also the Minister of the Budget in the House of Assembly, was strongly questioned about the number of coloured people in the white areas of Milnerton and Brooklyn.

One of the NP representatives at the meeting, Mr C N J Nicol, said that about half of the approximately 40 people at the meeting walked out at the end because they were so upset with Mr Durr's replies.

Mr Nicol also said a branch secretary told the meeting that a number of Nationalists in the area were refusing to pay their membership dues because the government had failed to enforce the Group Areas Act to pre-

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C.M. tips. 8/2/89



R2-m payoff: Sequel in SA unlikely

By TOS WENTZEL
Political Correspondent

THE Harms Commission of Inquiry into alleged cross-border irregularities has recommended that no prosecution should be instituted in South Africa in respect of bribery or corruption to do with Transkei gambling rights.

The second report of the one-man commission was issued yesterday.

It did not recommend that the involvement of Mr Sol Kerzner or Mr David Bloomberg be referred to the South African Attorney General for a possible prosecution of bribery and corruption.

Whether their payment in South Africa would amount to a crime in Transkei was not a matter for the commission to consider.

It also recommended that:

- The Law Society consider the action of Mr Bloomberg and take whatever steps it considered appropriate;

- The question whether perjury, bribery or corruption was committed in terms of the law of Transkei be left to the Transkei Attorney General; and

- The matter flowing from a prospectus for Transun, which was found to contain several false statements, be referred back to the Transkei government for a decision as to the appropriate action to be taken.

In affidavits to the commission, chairman of Sun International Mr Kerzner and his business associate, Cape Town attorney Mr Bloomberg, admitted having made a R2-million bribe to former Transkei Prime Minister Mr George Matanzima.

Mr Kerzner denied the payoff, to safeguard his casino rights, had been illegal.

The report pointed out that the bribing of a foreign official was not a crime in South Africa.

LITTLE CONSEQUENCE

This legal conclusion, it said, made the identity of the briber of little consequence in terms of South African law.

The validity of the allocation of the gambling rights was also not affected by the identity of the briber.

Referring to the activities of Mr J Trickey, who tried to market a plan for an hotel and a casino in Umtata, the report said it did not appear as if he had committed an identifiable misdeed in South Africa.

The report pointed out that the affidavits presented to the Harms Commission were in accord with the evidence given before the Alexander Commission.

The report said the Transun prospectus, issued in January 1987, contained some false statements.

It said Transun held the exclusive gambling rights for the area within a 100 km radius of Umtata, including Butterworth.

Of the R5,5-million payable in cash and ordinary shares in Transun, it represented a consideration paid in respect of goodwill.

The vendors, it maintained, were the Etablissement Sports Et Loisirs (ESL), which would receive R1 667 000 in ordinary shares in Transun and R2 037 500 in cash.

These statements were false in the following respects:

- Transgames did not hold valid exclusive gambling rights;

- The R5,5-million did not represent payment in respect of goodwill but in part represented a bribe;

- The R2 037 500 was not intended for the ESL, but, in the main, for Mr Matanzima.

The report said that although the prospectus was issued primarily in Transkei, it was also registered at the Johannesburg Stock Exchange and at the Registrar of Companies in Pretoria.

The false representations were therefore not only of concern for Transkei, but also for South Africa.

Regard had to be paid to the situation then in Transkei. It was then being governed by politicians who abused their position.

Mr Matanzima, who needed money to buy a farm, abused his official and autocratic position by threatening to override the existing rights and interests of WCS.

It could also be asked to what extent Mr Kerzner and Mr Bloomberg were not consenting victims if it was assumed the other group who could have been offered casino rights could not pay.

The report stressed that its recommendations did not mean that it condoned what had happened, and that it was not making a finding on many submissions.

The report mentioned the possibility of supra-territorial commissions appointed by the two countries.

It also referred to evidence before the Alexander Commission which indicated that ESL was controlled by or a vehicle of Mr Bloomberg, his father and/or partners, and that funds were transmitted abroad in a way that may have transgressed the exchange control regulations.

This evidence was disputed before that commission by Mr David Bloomberg.

A "witness for the prosecution" — a Mr R Kurland, who lives in Australia — was scheduled to have appeared before the present commission but he disappeared at the crucial moment.

It had been decided not to proceed with this matter, not only because of this, but because the evidence available had been at the disposal of the Alexander Commission.

A finding by the commission on that material would add little and would be of no practical consequence.

It now appeared as if Mr Kurland could again be available.

'Too many politicians in SA'

Parliamentary Staff

SOUTH AFRICA had too many politicians, and not enough statesmen, parliamentarians have been told.

And all the politicians were interested in was the next election, said Rev E J Manikkam (Independent, Rylands).

Making a plea for a united approach to a united South Africa of which all citizens could be proud,

In brief . . .

THE government should set a timetable for the orderly scrapping of the Group Areas Act, the Deputy Minister of Local Government, Housing and Agriculture in the House of Delegates, Mr Samaroo Pachai, told the joint sitting.

He appealed to the Acting State President, Mr Chris Heunis, to order local authorities not to "police" the Act.

■ ■ ■

Mr Godfrey Leeuw (LP Southern Free State) said that for as long as blacks were excluded the LP would consider the constitution as "cosmetic." And for as long as they were excluded, South Africa would be considered the skunk of the world.

■ ■ ■

The Administration of the House of Delegates had been responsible for Group Areas evictions of about 30 coloured families in Cato Manor near Durban, said Mr Jac Rabie (UDP Reiger Park).

■ ■ ■

The Minister of Local Government and Agriculture in the House of Delegates, Mr S V Naicker, appealed to western industrialised countries not to apply sanctions against South Africa.

■ ■ ■

The time had come for the activities of the Advocate-General to take place in public, said Mr Casper Uys (CP Barberton).

(Reports by Sapa).

MP insulted Zulu king — Dalling



King Goodwill Zwelethini



Colonel S G Bloomberg



Mr David Dalling

Parliamentary Staff

NATIONALIST MP for Bezuidenhout, Colonel S G Bloomberg, was accused in Parliament of making rude remarks about Zulu King Goodwill Zwelethini at a mayoral banquet in Johannesburg in November last year.

His conduct, Mr David Dalling (PFP, Sandton) said, was a reflection of the "low political standards" that had become the "norm" for the NP.

Mr Dalling said: "In November last year the Mayor of Johannesburg held a formal banquet in honour of King Goodwill.

"At one of the tables there was an interesting combination of guests. One person, probably not knowing who his table companions were, had difficulty in disguising his animosity towards the guest of honour.

"When the King's praise-singer started up at the King's entry, this person said to his table companions: 'Have you noticed how peasants always make the most noise?'"

"Later, referring to the Queen, who was with King Goodwill, he said: 'I wonder what a coon sees in a woman like that.'"

Mr Dalling said: "This person who made these remarks is not a member of the AWB, nor even of the CP. He is none other than the mild-mannered, apparently tolerant honourable member for the constituency of Bezuidenhout (Colonel Bloomberg).

"We now realise what a massive task of correction and reconstruction awaits the new leader of the NP."

'Threshold of a new era'

Parliamentary Staff

SOUTHERN Africa is on the threshold of a new era that bodes well for a peaceful future of the region, Foreign Minister Mr Pik Botha told Parliament in a speech on the Namibian settlement.

And, through its firm negotiation, the South African government had secured a number of significant advantages.

He said that when Resolution 435 was first approved in 1978, the Cuban withdrawal was not linked to it.

"We have succeeded in negotiating that and it is an important advantage which has far-reaching implications for the peaceful development of South Africa."

Important constitutional safeguards for Namibia had been secured in negotiations, as well as the entrenchment of principles guaranteeing an independent judiciary, free and fair elections and the protection of human rights.

Mr Botha said he considered the settlement a "major victory of historic importance" which had earned South Africa "favourable publicity".



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'False statements in prospectus'

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Sol Kerzner may face extradition

B/Dam 8/2/89

CAPE TOWN — Sun International (SI) executives, including Sol Kerzner, face the prospect of Transkei bringing extradition proceedings against them for their involvement in launching Transun onto the JSE in 1987 with a prospectus containing false statements.

This emerges from the second Harms Commission report on corruption tabled in Parliament yesterday. The report dealt mainly with the circumstances surrounding the R2m bribe Kerzner and Cape Town attorney David Bloomberg admitted in affidavits to having paid former Transkei prime minister George Matanzima to protect SI's gaming rights in Transkei.



● KERZNER

Mr Justice Harms recommended that no prosecution for bribery or corruption should be brought against the two in SA, and added it was not for the commission to consider whether the payment — made in SA — should amount to a crime in Transkei. That should be left to the Transkeian Attorney-General.

But he did recommend the Law Society should review Bloomberg's involvement with the bribe and take whatever steps it considered appropriate.

Mr Justice Harms said the matter did not end with the bribe, but was also

CHRIS CAIRNCROSS

concerned with three false statements carried in the Transun prospectus. One claimed Transgames — in which the Wild Coast Sun held a 45% stake and a management contract — had exclusive gambling rights in Transkei.

He said: "Transgames did not hold valid exclusive gambling rights."

A second statement referred to a payment of R5,5m in cash and ordinary shares in Transun, of which R5,2m "represents the consideration paid in respect

● What Harms said: Page 4

of goodwill". The R5,2m did not represent payment in respect of goodwill but, in part, also represented a bribe.

The third statement referred to vendors ESL — a Europe-based company allegedly controlled by Bloomberg — which was to receive R2 037 500 in cash. This statement was false as this cash amount was not intended for ESL but was in the main intended for Matanzima's bribe.

Mr Justice Harms said although the prospectus was issued primarily in Transkei, it was also registered at the JSE and at the Registrar of Companies. "The false representations are, therefore, not only a matter of concern for Transkei but also for SA."

He recommended all matters flowing from the prospectus should be referred

● To Page 2 →

Sol Kerzner may face extradition

back to the Transkei government for a decision as to what appropriate action be taken. "Its Attorney-General can liaise with the relevant Attorney-General in SA. Sufficient extradition proceedings exist if required by Transkei."

□ PETER DELMAR reports that Transkei leader Gen Bantu Holomisa said his government would expect SA to extradite Kerzner and Bloomberg if its Attorney-General decided to prosecute them.

Holomisa said the commission's report would be referred to the Transkeian Attorney-General for a decision on whether to prosecute.

Should it be decided to prosecute, "the SA government will be approached in order to get or to extradite certain people if the Attorney-General decides to prosecute them. No one is immune from prosecution in our country."

□ Our Political Staff reports from Cape Town that PFP leader Zach de Beer said action should and probably would be taken against people implicated in the commission's reports but this was treating the symptoms rather than the causes.

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● From Page 1

Kerzner may face extradition

Transkei to decide on Sol Kerzner to bribe probe

Star 8/2/89
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By Peter Fabricius and Dan Side
Cape Town

The Transkei government would await the full report of the Harms Commission before making a decision on whether to launch an investigation into possible charges of bribery and corruption over gambling rights in the Transkei, Attorney-General Mr Christo Nel said from Umtata today.



Mr Sol Kerzner... no criminal charges recommended in South Africa.

The Harms Commission yesterday recommended that no criminal action be taken in South Africa against casino magnate Mr Sol Kerzner or Cape Town lawyer Mr David Bloomberg for paying former Transkei Prime Minister Chief George Matanzima R2 million to secure casino rights in Umtata.

In reply to a recommendation from Mr Justice Louis Harms that it be left to the Attorney-General of the Transkei to decide whether charges should be laid against Mr Kerzner and Mr Bloomberg, or whether extradition proceedings should be launched against them, Mr Nel said he would have to see "if the facts justified criminal action being taken".

Extradition

He said, however, that Transkei's extradition of Chief George from South Africa proved Mr Justice Harms's statement that there were sufficient extradition procedures if Transkei wanted to make use of them.

In his second report tabled in Parliament yesterday, Mr Justice L.T.C. Harms recommends that the question of whether any bribery or corruption was committed in Transkei be left to that country's Attorney-General to decide.

The Attorney-General could liaise with the relevant Attorney-General in South Africa.

Mr Justice Harms makes it clear that the Alexander Commission — which investigated the R2 million bribe in the Transkei — was wrong in not forcing South African witnesses to testify.

He also recommends that the Law Society decide whether Mr Bloomberg's involvement requires further action.

His report says the Alexander Commission — which recommended that action be taken in South Africa — did not realise the bribing of a foreign official was not a crime in the Republic of South Africa.

The Alexander Commission complained that it could not legally force South African witnesses to testify or get documents from South Africa.

But there was no reason why it could not have invoked provisions of the Supreme Court Act to examine witnesses and evidence in South Africa, Mr Justice Harms said.

"What action would we take now?" he asked. "Suspend the listing?"

The commission found that three statements made in the prospectus of Transun were false.

These statements were:

- That Transun held exclusive gambling rights within a radius of 100 km around Umtata.

- That R5.2 million of the cash and ordinary shares of Transun had been "paid in respect of goodwill". This amount was in part a bribe, the commission found.

- That R2 037 500 of this amount was to go to a company called ESL for shares in Transun.

This amount was mainly intended as a bribe for Mr Matanzima.

The commission said that the Alexander Commission had not established whether the company ESL (Etablissement Sports and Loisirs) was a genuine foreign concern or "nothing but a sham concealing the personal interests of the Bloombergs, inter alia, behind its facade, thereby enabling the unlawful transmission of funds overseas for their benefit" — as claimed by Mr R Kurland, a former partner of Mr Bloomberg.

The Harms Commission said it had not proceeded with this matter as all the evidence was before the Alexander Commission and the main "witness for the prosecution", Mr Kurland, had disappeared to Australia.

The Harms Commission has rejected a suggestion that special legislation be introduced for the appointment of "supra-national commissions or the appointment of advocates-general with extra-territorial powers", reports Sapa.

The report also recommends that false statements made in the prospectus of the company Transun, in which Mr Kerzner had interests, should be referred to the Transkei government to decide if further action is needed.

Mr Tony Norton, president of the Johannesburg Stock Exchange, said today the Harms Commission's recommendation for investigation into false statements made in the prospectus of Transun, fell under the jurisdiction of the Government.

"If there is a breach of the law, then aggrieved parties must go through the law, to seek restitution under the Companies Act."

He said the JSE took every precaution to ensure the accuracy of the prospectus of a new listing, but in the end accuracy depended on the integrity of the directors.

Detainees' lawyers for meeting at hung

By Janet Heard

Law and Order Minister Mr Adriaan Vlok was still considering today a request from the lawyers of emergency detainees on hunger strike to meet them tomorrow at Diepkloof Prison where the strike began.

The detainees, some of whom are into their 16th day of protest, are demanding they be charged or unconditionally released.

LETTERS

Letters from the detainees, explaining their plight and making their demand, were sent to Mr Vlok in January and at the beginning of this month.

Mr Vlok said last night he had received a letter from a group of lawyers requesting him to meet them at Johannesburg's Diepkloof Prison tomorrow.

The matter was receiving attention and he would complete the reply as soon as possible.

A number of the emergency detain-

ees are now into their 16th d hunger strike protest against continued incarceration. More people — many of whom have detention for more than two have joined the strike. Acc parents, they will continue meals until their demand is m

Detainees on hunger strike last much longer than two m fore dying. Dr Helen Schneid National Medical and Dental tion said yesterday at a pres ence called by parents of deta ger strikers.

The conference was held light the desperate plight" of dren, some of whom are in 4 year of detention

Nine legal representative Diepkloof detainees said yest they requested the meeting Minister so that he could "oh himself the mental anguish teriorating physical condition clients.

The Bookie's Bet

Gold gains \$3

Gold bounced back yesterday and

Harms: Transkei should decide on prosecutions

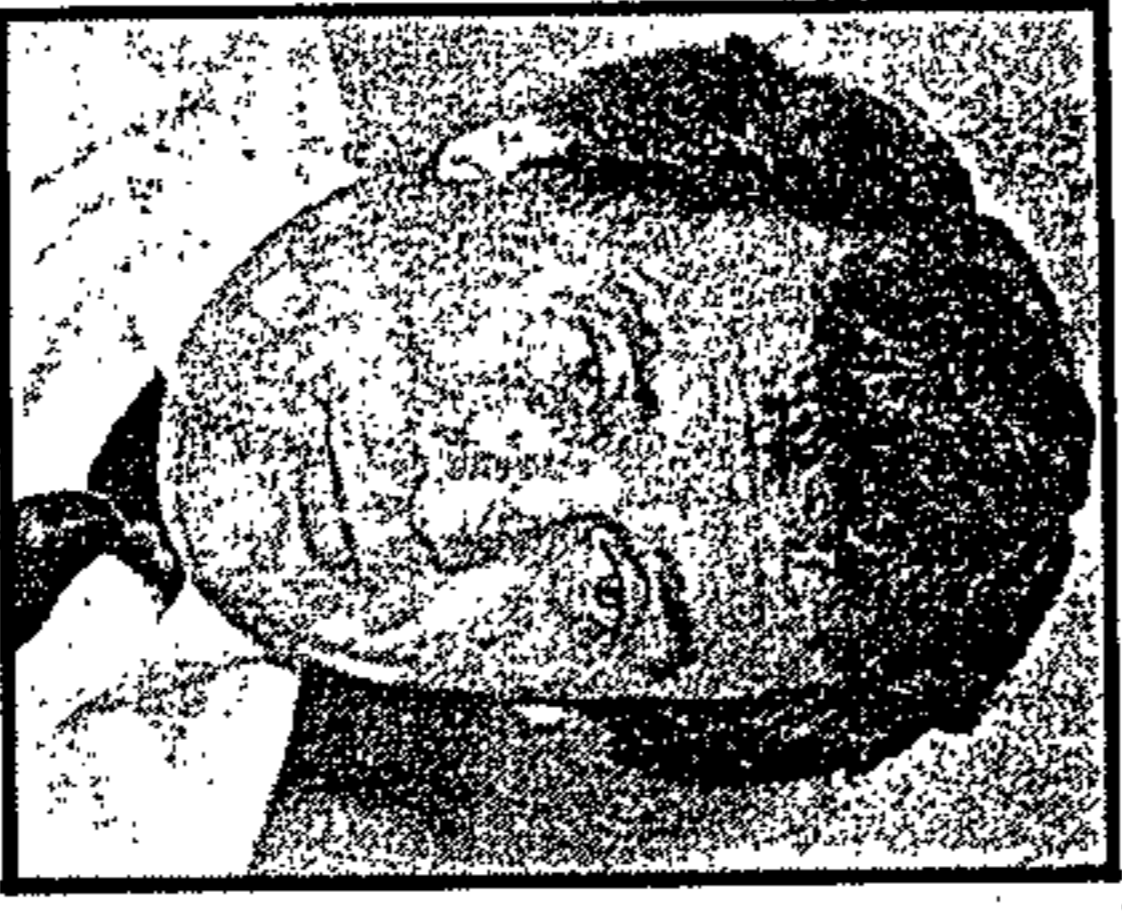
(103)
B/Daw 8/2/89

CHRIS CAIRNCROSS in Cape Town

ALTHOUGH Sun International (SI) chief Sol Kerzner and Cape Town attorney David Bloomberg had freely admitted they paid a R2m bribe to former Transkei Prime Minister George Matanzima, the Harms Commission has decided not to refer the incident to a South African Attorney-General for possible prosecution on bribery and corruption charges.

In his second report tabled in Parliament yesterday, one man commissioner Mr Justice Louis Harms concluded that whether this payment, made in SA, should amount to a crime in Transkei, was not a matter for his commission to decide.

"The question whether perjury, bribery or corruption was committed in terms of the law of Transkei (should) be left to the Transkei Attorney-General," Mr Justice Harms stated.



□ SOL KERZNER

contract) had not held valid exclusive gambling rights.

A second statement found to be false was that which declared that of R5.5m payable in cash and ordinary shares in Transun, R5.2m represented the consideration paid in respect of goodwill.

Mr Justice Harms concluded that this was untrue because the R5.2m had not represented payment for goodwill only, but in part had represented a bribe too.

The third statement found to be false was that which maintained the vendors were Etahissement Sports Et Loisirs of Bolt Postale 461, P.O. 9490 Vaduz (a company which, it was claimed in evidence, was controlled

three types of protection to gaming rights by the Transkei government, the commission said. The first was exclusive gaming rights extending to December 1996 in a radius of 100km.

On the strength of these rights WCS, a Transkeian company owned jointly by the Transkei Development Corporation and SI, progressively invested R130m in the casino complex on the Wild Coast.

The second form of protection was a right of pre-emption on casino rights anywhere in the Transkei granted to Holiday Inns and acquired by WCS. The third was the exclusive right to operate slot machines anywhere in Transkei, granted to Transgames, in which WCS held 45%.

The commission observed that Matanzima let it be known in 1986 that he was considering granting casino rights in Umtata to a group headed by a Transkeian woman, Lexi Ceza. These would have been in breach of the rights held by WCS and Transgames.



□ DAVID BLOOMBERG

to by the commission was the "threat to the interests of Wild Coast Sun" posed by Matanzima's actions in attempting to interfere with the granting of gaming rights.

It was submitted that the market for the gaming industry in Transkei was probably too small to admit fragmentation on a viable basis. It was further submitted that an investor, prepared to spend tens of millions of rands on major developments which could attract tourists and offer large scale employment, could not risk such investment unless the exclusivity of his market was assured for a limited but sufficient time.

The Wild Coast Sun was afforded

He stated: "Its Attorney-General can liaise with the relevant Attorney-General in SA. Sufficient extradition proceedings exist if required by Transkei."

Mr Justice Harms also recommended that the Law Society should review Bloomberg's involvement in the bribery affair and take whatever steps it considered necessary.

Dealing with the Transun prospectus, the commission listed three statements which it concluded were false and stated that although the prospectus was issued primarily in Transkei, it was also registered on the JSE and at the Registrar of Companies in Pretoria.

The false representations were therefore not only a matter of concern for Transkei but also for SA.

Mr Justice Harms concluded that the claim in the prospectus that Transun held exclusive gambling rights for the area in a 100km radius of Umtata, including Butterworth, for a period of 15 years, as well as exclusive rights to slot machine operations for the whole of Transkei was untrue because Transgames (in which the Wild Coast Sun held a 45% shareholding and a management

by Bloomberg), "who will receive R1 667 000 (in) ordinary shares in Transun, and R2 037 500 in cash..."

"The R2 037 500 was not intended for the vendor of ESL, but was in the main intended for the bribee, George Matanzima," the commission concluded.

In considering what recommendations to make concerning the falsified prospectus, Mr Justice Harms noted there were some factors of a mitigatory nature.

The party mainly affected was the Transkei government and any prosecution ought to be considered primarily by its Attorney-General.

In so far as crimes such as fraud or contraventions of the Companies Act were concerned, the self-same act would have constituted the same crime in Transkei and SA. It would therefore be unlikely that successful prosecutions could be instituted in both countries on the same facts or, if they could, that on the second conviction any material sentence would be imposed.

A second mitigatory factor was the conditions existing in Transkei, a territory ruled at the time by politicians who abused their position.

"The erosion of the regular functioning of the Transkei administration existed at the highest level of government, namely that of Prime Minister George Matanzima."

A third mitigatory factor referred

The commission stated that if anyone were to obtain casino rights in Umtata, WCS was the only party entitled to them in the light of the existing undertakings.

"Matanzima, requiring money to purchase a farm for himself, abused his official and autocratic position by threatening to override the existing 'rights' and interests in WCS. There is reason to believe that he managed to extort in the commercial sense an undue payment to himself," the commission stated.

Mr Justice Harms concluded that, taking into account all the factors and without making a finding on the submissions, and without in any sense wishing to condone what had occurred, it was recommended that no prosecution be instituted in SA.

Instead, it should be left to the Transkei Attorney-General to decide whether perjury, bribery or corruption was committed in terms of Transkeian law, and that the Law Society consider Bloomberg's actions and take whatever steps it deemed appropriate.

SOL Kerzner

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HOTEL magnate Mr Sol Kerzner yesterday resigned his directorships in three major South African companies.

He quit as chairman of Sun International, as deputy chairman of Kersaf and as a director of Safren.

Mr Kerzner came under fire in media and business circles in mid-January after he and Cape Town attorney Mr David Bloomberg conceded to the Harms Commission that they paid R2 million to former Transkei prime minister Chief George Matanzima to secure exclusive gambling rights in Transkei.

Sapa reports that Safren said in a statement that the boards had accepted Mr Kerzner's resignation realising that "he has come to this decision in what he regards as to the best interests of the companies concerned". Mr Kerzner gave no reasons for the resignation.

It was understood the resignations were made at an extraordinary board meeting in Johannesburg which had been planned "for about a week", sources said. The source said Mr Kerzner had been under "absolutely no pressure" to resign.

'Confidence and support'

Mr Kerzner made his admission of the bribe in camera to the commission in November last year, but the information was only made public in January because of concern by the companies of the effect of the information on share prices.

When the acknowledgement of the bribe was made public, the boards of the three companies said: "After being fully informed of all the relevant matters of the Harms and Alexander commissions we have unanimously resolved that Mr Kerzner will continue to enjoy our confidence and support."

Safren said last night: "The board's decision of support was based on the significant contribution that Mr Kerzner made, not only to the companies concerned but to the economies of Southern Africa as a whole."

This support in no way condoned the "unfortunate events which emerged at the Harms Commission of which we were previously unaware".

In a report released on Tuesday, Mr Justice Louis Harms recommended that neither Mr Kerzner nor Mr Bloomberg be prosecuted for bribery or corruption in South Africa. He said, however, that the Transun prospectus contained three false statements and referred that to the Transkei government.

Speculation last night was that Mr Kerzner would make his permanent base in London to oversee his foreign interests.

Mr Tony Norton, president of the Johannesburg Stock Exchange, said the commission's recommendation for investigation into false statements made in the prospectus of Transun, fell under the jurisdiction of the government.

The commission found that three statements made in the prospectus of Transun were false:

- That Transun held exclusive gambling rights within a radius of 100km around Umtata.

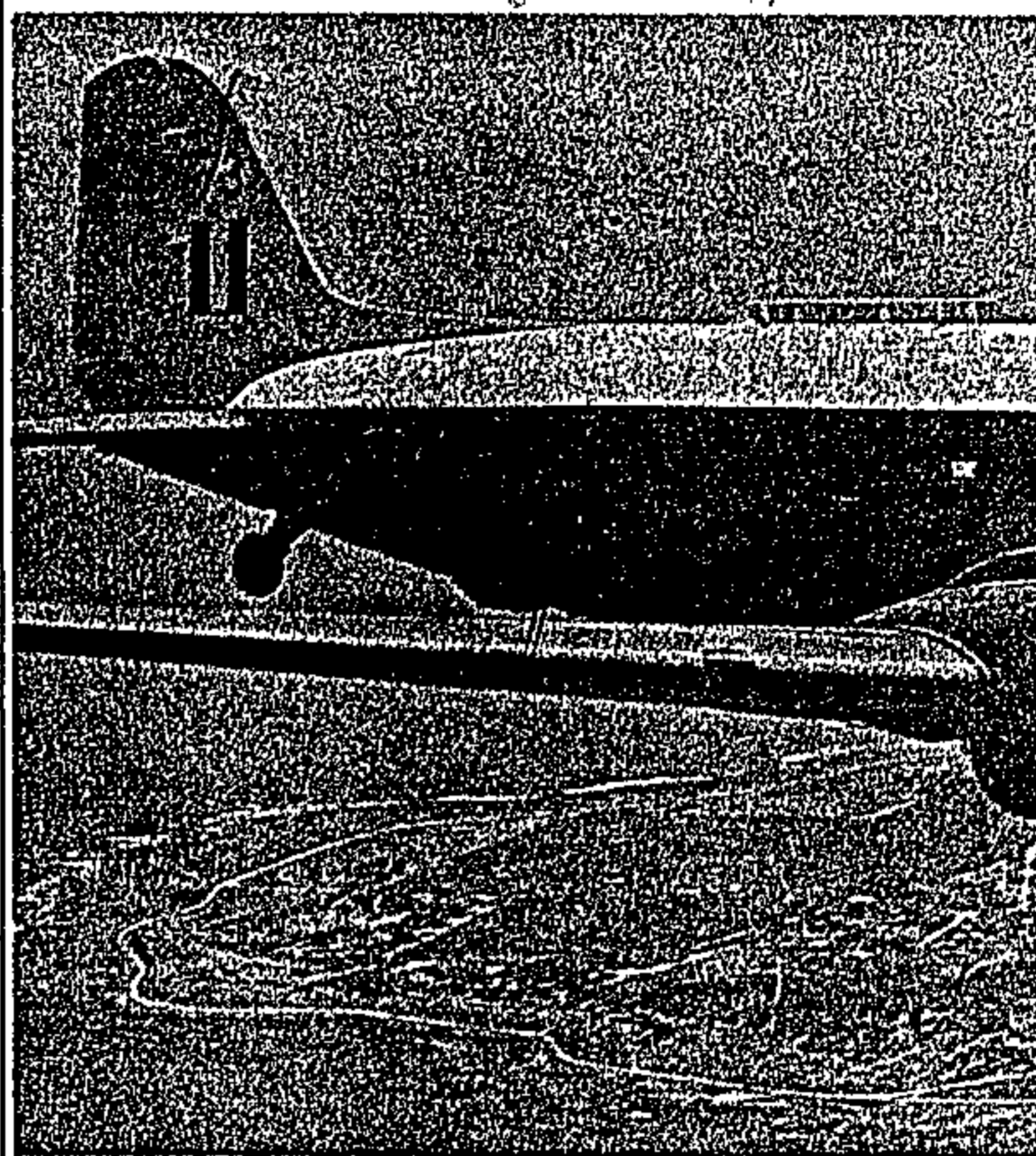
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This amount was mainly intended as a bribe for Mr Matanzima.

The commission said that the Alexander Commission had not established whether the company ESL (Etablissement Sports and Loisirs) was a genuine foreign concern or "nothing but a sham concealing the personal interests of the Bloombergs."

Own Correspondent, Staff Reporter and Sapa



300 now on hunger

CHE Tmp 9/2/89

ALMOST 300 emergency detainees are now believed to be on hunger strike in two major prisons, saying they will starve themselves to death if necessary.

But Mr Adriaan Vlok, Minister of Law and Order, said last night that the state could not allow itself to be threatened by such protests.

He was replying to an invitation to meet lawyers and their hunger-striking clients today at the Johannesburg Prison after 105 detainees at St Alban's prison in Port Elizabeth issued a letter saying they were joining the hunger strike started by 20 Johannesburg prisoners 16 days ago.

Mr Vlok's reply came amid reports that at least seven of the group which initiated the protest had been taken to Hillbrow Hospital.

On Tuesday, 118 black prisoners in Johannesburg Prison published an open letter to the government saying they were refusing food. They joined 53 prisoners who started fasting more than a week ago.

The latest groups of strikers in Johannesburg and St Alban's prisons began refusing food on Monday.

Some of the prisoners have allegedly been held for up to 30 months under emergency detention.

CHINON CM-7 R CAMERA OUTFIT

mm ZOOM LENS

OUR SPECIAL PRICE **849**

Heunis made to wear Hani's hat

Political Staff

THE acting State President, Mr Chris Heunis, is a popular member of the ANC particularly among the radicals and the youth, because he is opposed to the "politics of compromise".

That is, according to the leading French-language African magazine Jeune Afrique.

In a classic misprint, Jeune Afrique mixed up Mr Chris Heunis, the Cape leader of the National Party and a key figure in the government's strategies of negotiation and compromise, with Mr Chris Hani, the deputy leader of the ANC's armed wing, Umkhonto we Sizwe.

Yesterday, Mr Heunis merely laughed when shown the Jeune Afrique boob.

Boy hurts arm in tumble drier

DURBAN. — A 17-year-old boy badly hurt an arm when it became entangled in a tumble drier.

Nico Basson was admitted to hospital for surgery late on Monday night, with severe open fractures. A spokesman said Nico, who spent five hours in theatre, was still "quite ill and shocked".

He said that from what he understood, Nico had tried to dry his hand in the drier. — Sapa

Driver survives car's 7-m plunge

Staff Reporter

AN elderly man survived a seven-metre plunge down an embankment on Constantia Nek Road last night, after the car was driving hit other car and left road.

Rescue workers said man was driving Constantia Nek F when his car swerved into the path of an oncoming car, glared off it and went down the embankment.

The man, said to have serious injuries, was removed from the car and was taken to Military Hospital Wynberg.

The driver of the other car was uninjured.



Sol Kerzner quits as director of 3 companies

ARGUS 9/2/89 103

The Argus Correspondent

JOHANNESBURG. — Casino magnate Mr Sol Kerzner has dropped a bombshell with his announced resignation from his directorships of Safmarine and Rennies Holdings (Safren), Kersaf Investments and Sun International.

The boards of the three companies recently expressed support for him after his admission to the Harms Commission about a R2-million payment.

Mr Kerzner could face extradition proceedings following his admission that he paid the then-Prime Minister of Transkei, Chief George Matanzima, just over R2-million for exclusive gambling rights.

A spokesman for Safren said last night his replacement had not been decided on.

Mr Kerzner, who is away on business in London, was the managing director of Kersaf, the holding company of Sun International, of which he was chairman and managing director.

An official statement last night said the boards had accepted his resignation "realising that he has come to this decision in what he regards as the best interests of the companies concerned".

Transkei Attorney-General Mr Christo Nel said from Umtata yesterday that his government would await the full report of the Harms Commission before deciding whether to investigate possible charges of bribery and corruption.

The Harms Commission has

recommended no criminal action be taken in South Africa against Mr Kerzner or Cape Town lawyer Mr David Bloomberg for paying Chief Matanzima the R2-million.

Mr Nel said he would have to see "if the facts justify criminal action being taken" before deciding whether extradition proceedings should be launched against the two men.

Mr Justice Harms also recommended the Law Society decide whether Mr Bloomberg's involvement required further action.

Unsatisfactory

In response, Ms Ingrid Hoffman, director of the Cape Law Society, said "the matter would be considered in the light of the report", which had not yet been received.

Meanwhile Transkei leader General Bantu Holomisa said last night Transkeians and South Africans alike had been "sadly denied" the opportunity of hearing Mr Kerzner and Mr Bloomberg cross-examined during commission sittings.

The head of Transkei's ruling Military Council said he found the answers put forward by both men in affidavits unsatisfactory.

He was personally dissatisfied with Mr Kerzner's affidavit stating that "Third World officials had to be bribed in order to do business".

But the Military Council would not interfere with the duties of the Attorney-General, Mr Nel.

● See page 21.



Picture: HANNES THIART, The Argus.

OYSTER OFFSPRING: Mr Jack Etherington holds up an adult oyster while balancing a 7 mm baby on his nose.

A million baby oysters

Rokshure nutting

By ANTHONY JOHNSON
Political Correspondent

A SOUTH AFRICAN-based company was selling Juba beer to children in Transkei, the homeland's ruler, General Bantu Holomisa, claimed yesterday.

The alleged practice, which he said had sparked an outcry among chiefs in the rural areas, forms part of growing row over importation of sorghum beer into Transkei.

Gen Holomisa said in an interview that the selling of beers from delivery trucks to school-children was one of the reasons Transkei had decided to suspend the importation of traditional beer.

Another was that Transkeian-based companies now had the capacity to supply the homeland

SA firm 'selling beer to Transkei children — claim

GMG 10/2/89 103



Gen Holomisa

with its traditional beer needs.

Local companies provided employment and contributed significantly to the tax base in Transkei, he said.

Transkei stood to lose "millions of rands" each year because South African beer did not bring in any tax revenue.

Gen Holomisa said he was prepared to allow competition from South African-based beer companies if they were prepared to establish factories in Transkei.

"We have the national interest

to protect," he said.

However, a Durban-based company, Delmac Agencies, is taking the Transkei government to court over the decision to bar their traditional beer apparently because the move is seen as contravening Custom's Union provisions.

The South African government has been asked to defuse the row — but so far without success.

Gen Holomisa emphasised yesterday that there was free traffic for all other consumer goods coming from South Africa.

Voluntary exile for Kerzner?

Own Correspondent

JOHANNESBURG. — The board of Royale Resorts International (RRI), Kersaf's offshore partnership, was still considering hotel magnate Mr Sol Kerzner's offer of resignation, Kersaf managing director Mr Ian Heron said yesterday.

Mr Heron said Mr Kerzner would be available for comment in London today on the outcome of his resignation offer.

He said Mr Kerzner's resignation from the boards of Safren, Kersaf and Sun International would not create immediate problems.

Mr Kerzner resigned his directorships this week following the tabling in Parliament of the second Harms Commission report on cross-border irregularities.

Mr Kerzner arrived in Britain from South Africa yesterday, a spokeswoman for Sun International said.

She said Mr Kerzner had visited South Africa as part of a scheduled trip via Maritius and had departed from Lanseria Airport as planned.

Meanwhile, it was speculated yesterday that Mr Kerzner may enter voluntary exile from South Africa if Transkei decides to prosecute him and Cape Town attorney Mr David Bloomberg for paying

From page 1

Kerzner

former Transkeian prime minister Chief George Matanzima a R2m bribe.

"As far as the Southern Africa and Mauritius businesses are concerned, Mr Kerzner had not been really involved for two years and we have built up our own management team which will now carry on," Mr Heron said.

The chairman of Transkei's ruling military council, General Bantu Holomisa, said yesterday his government would ensure that Mr Kerzner and Mr Bloomberg were extradited to face criminal charges in Transkei.

He said Mr Kerzner and Mr Bloomberg should not believe they were too rich or important to be extradited.

The attorney-general of Transkei, Mr Christo Nel, said he had called for, but had not yet received, the Harms report. He declined to comment when asked whether he had discussed the matter with General Holomisa.

Legal experts said yesterday that Transkei would have little difficulty starting extradition proceedings against Mr Kerzner and Mr Bloomberg, but that it was unlikely they would be delivered to Transkei if they were outside the republic.

Transkei leader vows to extradite Kerzner

Star 10/2/89 103

By Dan Side and Tim Cohen

Major-General Bantu Holomisa, chairman of the Transkei's military council, vowed yesterday to extradite "Sun King" Sol Kerzner,

General Holomisa said yesterday that his government would make certain that Mr Kerzner and Mr David Bloomberg, a Cape Town attorney who was also allegedly involved in payment of a R2 million bribe, would be extradited.

"If we can prosecute our own country's leader,

George Matanzima, for corruption, then we can do the same with them," he said.

He said Mr Kerzner and Mr Bloomberg should not believe they were too rich or important to be extradited.

"No one is immune. We have promised our citizens that corruption is going to be wiped out and we must keep that promise," he said.

It was reliably learnt yesterday that casino resorts tycoon Mr Kerzner had personally resigned from all directorships within the group, including 75 percent-owned Kersaf — the one that gave him control over the London-based and Bermuda-registered Royale Resorts International (RRI).

Mr Kerzner said on Wednesday night that he had quit the boards of Safren, Kersaf and Sun International. He departed from Lanseria Airport in his corporate jet for his London base yesterday, not on Wednesday, as reported earlier, and could not be reached for comment.

He was understood by fellow Sun International directors to have also resigned from Interleisure, the company controlling most cinemas and a large proportion of fast food outlets in the Republic.

Kersaf managing director Mr Ian Heron said yesterday that, as he understood it, Mr Kerzner had resigned "basically from all boards", but there was "no question" that the founder of Sun International casino resorts was asked to leave.

Diminishing role

Mr Heron said yesterday Mr Kerzner would be missed because he was "a very, very talented man".

"But we do have a strong management team and we will carry on the good work."

Mr Kerzner, whose resignation came in the aftermath of an admission to the Harms Commission that he was responsible for a R2 million bribe to Chief George Matanzima in exchange for gambling rights in the Transkei, ironically played a diminishing role as his empire burgeoned.

Mr Heron is now expected to assume even greater responsibility in the group.

Mr Alistair Macmillan, chief executive of Safren, the ultimate holding company of Sun International, said last night that Mr Kerzner's resignation had not come as a shock, despite the fact that his board had recently expressed their support for Mr Kerzner in the wake of the bribe scandal.

Mr Macmillan said he did not expect either Sun International or its holding company Kersaf to be affected by Mr Kerzner's departure. Mr Kerzner had been out of the country for the last two years and the companies had done very well in that period.

"Of course, a man of Mr Kerzner's standing will be missed," Mr Macmillan said.

The markets had not reacted significantly to the news of Mr Kerzner's resignation, he said, because they had probably anticipated the possibility and discounted it. Mr Kerzner had not been replaced on the Safren board and may not be.

Regarding Mr Kerzner's overseas interests, Mr Macmillan said: "That is a delicate situation which we do not discuss."

Steps being taken to liquidate Matanzima's estate

Transkei govt tries to track down R2m bribe

103 10/2/89

B/Dm 1/1

CAPE TOWN — Considerable controversy, together with the possibility of future litigation, still surrounds the whereabouts and legal ownership of the R2m former Sun International executive Sol Kerzner and Cape attorney David Bloomberg paid as a bribe to former Transkeian prime minister George Matanzima.

This follows from the still incomplete steps being taken by the Transkei authorities to liquidate Matanzima's estate, the ramifications of which have spread through to SA.

A Transkeian Supreme Court spokesman said the only progress made so far in the liquidation was the identification and continuing disposal of Matanzima's immovable properties, which included at least two farms and houses in the territory.

Little progress had been made in locating his movable or liquid assets, including the R2m, which the liquidators have maintained was paid for gambling rights in the territory and

CHRIS CAIRNCROSS

should thus be the legitimate property of the Transkeian state.

Six cheques from the account of Cape farmer and hotelkeeper G J Gouws and amounting to about R500 000, which were part of the R2m but paid to officials in the Transkei at Matanzima's request, had been recovered by the liquidators. But it was not yet clear how much of the cash they represented had also been recovered.

The spokesman said liquidators were now intent on recovering the remainder of the R2m, R1,4m of which Matanzima paid to Gouws as the purchase price on his farm in Ugie.

The Harms Commission declared this sales contract was invalidated in view of the fact the property was within SA and, in



● KERZNER

terms of group areas legislation, could not be sold to Matanzima or any other black person.

Evidence led before the commission and contained in the report tabled in Parliament this week, showed that Gouws and Matanzima went through all kinds of machinations to cover up the nature of the transaction. But, eventually, legal transfer of the property never took place and the property was apparently still in Gouws's name.

The spokesman said Gouws had also not returned the R1,4m that was involved and all attempts to have it returned to Matanzima's estate by the liquidators had failed. Difficulties were being experienced in taking legal action against him.

SA's administration had not exactly been helpful in this regard and responses to requests for assistance had also been disappointing.

Usually, such requests would be channelled through the Foreign Affairs Department. But a spokesman said yesterday it was not aware any request had been made.

Transkei vow to have Kerzner extradited

The Argus Correspondent

JOHANNESBURG. — Major-General Bantu Holomisa, chairman of Transkei's Military Council, has vowed to have Sun king Sol Kerzner extradited.

General Holomisa said his government would make certain that Mr Kerzner and Mr David Bloomberg, a Cape Town attorney who was also allegedly involved in payment of a R2-million bribe, would be extradited.

"If we can prosecute our own country's leader, George Matanzima, for corruption, we can do the same with them," he said.

He said Mr Kerzner and Mr Bloomberg should not believe they were too rich or important to be extradited.

WIPED OUT

No one is immune. We have promised our citizens corruption is going to be wiped out and we must keep that promise," he said.

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FOOD OUTLETS

He was understood by fellow-Sun International directors to have also resigned from Interleisure, the company controlling most cinemas and a large proportion of fast-food outlets.

Kersaf's managing director, Mr Ian Heron, said he understood that Mr Kerzner had resigned "basically from all boards", but there was "no question" that the founder of Sun International casino resorts was asked to leave.

Mr Kerzner, whose resignation came in the aftermath of an admission to the Harms Commission that he was responsible for a R2-million bribe to Chief George Matanzima in exchange for gambling rights in the Transkei, ironically played a diminishing role as his empire burgeoned.

Police detonate bomb in city

Weekend Argus Reporter

QUEEN Victoria Street in the centre of Cape Town was still cordoned off today following the detonation of a limpet mine by police in the street outside the back entrance of the Supreme Court.

Police liaison officer Lieutenant Denise Benson said a security guard at the Supreme Court was on patrol at about 11.30 last night when he saw an odd-looking parcel lying on the court steps.

He notified the police and within minutes several blocks surrounding the area were cordoned off to traffic and pedestrians.

Adjoining buildings, including the City and Civil Service Club, were evacuated.

Just after midnight the police bomb disposal unit dragged the mine, with its detonator intact, to the centre of Queen Victoria Street.

Watched by a large crowd that had gathered behind their barriers, the police detonated the mine at about 12.30pm.

Sort out Border corridor trouble plea to Pik

Weekend Argus Correspondent

EAST LONDON. — An urgent appeal has been made to the Minister of Foreign Affairs, Mr Pik Botha, to visit the Border to study the effects of the dispute between Ciskei and Transkei.

The appeal was made by the East London City Council on behalf of local authorities in the Border corridor.

The council said in a letter that the dispute between Ciskei and Transkei needed to be settled as urgently as it was "reaching serious proportions".

The letter said several people driving Transkei-registered cars had been refused entry into Ciskei.

"The action has a detrimental effect on industry and commerce, especially in King William's Town, where business

activity is being severely disrupted," the letter said.

It said many people turned away at roadblocks were Transkeian businessmen and company directors who were prevented from attending meetings and keeping appointments in King William's Town.

The letter was a follow-up to an earlier one sent to Mr Botha's office by East London City Council expressing concern about the dispute.

East London's Mayor, Mr Donald Card, said the council had received a reply that the government was taking steps to resolve the matter.

"But now that cars are being prevented from entering Ciskei the matter has become even more urgent," Mr Card said.

Mr Card was also concerned about Ciskei's demand that all Transkeians leave the country by March 31.

A car skid and death of a girl

Family feud over the Kei

A FAMILY feud in Ciskei is still threatening the immediate future of thousands of Transkeians, while South Africa is still avoiding direct involvement in the conflict.

This week Ciskei government spokesman, Headman Somtunzi, said all Transkeians were still expected to leave his territory by the end of March. Ciskei has announced it will deport them after this date.

The tension between the two nominally independent homelands centres around a long standing feud in Ciskei's ruling family. Quite simply, Ciskei wants Transkei to hand over Charles Sebe and his supporters, who are living in exile in Umtata.

Charles Sebe, once the head of the Ciskei security forces and one of the most powerful and feared men in the territory, was jailed several years ago for plotting to overthrow his brother, president Lennox Sebe.

IN 1986 Charles Sebe escaped from the Middle-drift Maximum Security Prison and fled to Transkei. He joined up with several other dissidents, who have been linked with an organisation calling itself Iliso Lomzi ("Eye of the Nation").

Ciskei has repeatedly called for his return ever since.

Observers feel the latest dispute — sparked off last month when Ciskei claimed Transkei was planning to invade — is simply a renewed attempt

to get hold of Sebe. Ciskei is also accusing Transkei not only of sheltering Sebe, but also giving him material support.

Transkei flatly denied the invasion allegation and has refused to hand over Sebe.

In response, Somtunzi said the Transkeians would be deported whether there was an invasion or not. There are believed to be about 80 000 Transkeians in Ciskei, many in the civil service and holding professional positions.

THIS year's troubles seem remarkably similar to the Kei squabbles of 1987.

The 1987 tension started with verbal mud-slinging on both sides, progressed to mass deportations of Transkeians from Ciskei and culminated in the abortive Transkei military raid on President Lennox Sebe's palace in Bisho.

South Africa eventually stepped in to help smooth things over.

Much of the earlier dispute also revolved around Ciskei calls for Charles Sebe to be returned. However, the current dispute has been affected by the change in power in Transkei.

by LOUISE FLANAGAN
Weekend Argus Correspondent
Dateline: EAST LONDON

The 1987 dispute took place while the Matanzima brothers were ruling Transkei. An important factor in this tension was the repeated call by the Matanzimas for Transkei and Ciskei to amalgamate to form a single "Xhosa nation", an idea vehemently rejected by Ciskei.

Since then, Major-General Bantu Holomisa's military government has taken over Transkei and he seems far less likely to get involved in such a dispute than his Matanzima predecessors.

GENERAL Holomisa, who was second in command of the Transkei Defence Force (TDF) at the time of the first conflict, missed it as he had been detained by the Matanzimas at the time.

After he came to power he criticised the Transkei attack as being masterminded by the unpopular former Selous Scouts, employed as advisors to the TDF at the time.

The new military rulers also did much to tie up the ends of the crisis — organising for the return of the body of the Transkei soldier killed in the raid and his injured colleague, and helping to re-new diplomatic ties between the two territories.

There is also a feeling among high-ranking Transkeians that the Ciskei invasion allegations were made simply in order to stir up trouble and divert attention away from the recent Harms Commission report. The commission alleged high level corruption in Ciskei.

Own Correspondent
LONDON. — Hotel tycoon Mr Sol Kerzner yesterday defended the operations of his Transkei Sun company, which has been accused by the Harms Commission of issuing a listing prospectus containing false information.

Speaking the day after his arrival here, he said the material issue in the whole affair was not the listing of the company, which operates the Wild Coast Sun resort in Transkei, but the fairness of the price paid for it.

"That price can be fully justified," he said. "I never did any deals that were commercially unsound."

A cautious and guarded Mr Kerzner reiterated his belief that the financial transactions which led to his resignation were not criminal either in SA or Transkei.

He was consequently unperturbed about suggestions made in certain quarters that his residence status in the UK might now come under scrutiny by immigration authorities.

Regarding his resignation from the board of Royale Resorts International, the UK-based partnership between Sun Hotels International and British & Commonwealth Shipping, Mr Kerzner said this had yet to be approved.

"The letter of resignation is on the table. The board will consider it. Meanwhile, I will finish off properly and responsibly any work with Royale."

He said this could take up to a month as he could not just walk in, clear his desk and leave.

Kerzner: My deals were fair

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Bloomberg 'very bitter'

By SYBRAND MOSTERT

MR David Bloomberg, the former mayor of Cape Town implicated with casino tycoon Mr Sol Kerzner in the Transkei corruption scandal, is "bitter" about the affair.

"He has been made the fall guy and is very bitter," a relative said.

"He was forced into the situation, and has never changed his evidence since the commission started. He has been made the whipping boy."

Mr Bloomberg, who has been overseas with his wife Toby since early December, will be returning to the city from London within two weeks.

Mr Kerzner, who has resigned three directorships since admitting to the Harms commission that he gave a R2m bribe to Chief George Matanzima for exclusive gambling rights, arrived in London on Thursday.

Blast hits Jo'burg army building

Own Correspondent

JOHANNESBURG. — A limpet mine exploded outside an army HQ in Braamfontein yesterday, slightly injuring 12 people.

The blast outside the Witwatersrand Command medical headquarters during lunch hour damaged a shop and broke windows in the area.

The seven-storey building — which

is routinely patrolled by SADF troops and additionally protected with revolving exterior remote-controlled cameras — was the scene of this year's first bomb blast in Johannesburg.

Police said the limpet mine was placed on a ledge of the building on the corner of Melle and Ameshoff streets. Damage to the building was minimal.

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Lawyers find 60 on death row in Umtata

UMTATA. — More than 60 people are awaiting execution in Umtata Prison, the Umtata and District Lawyers' Association (Udla) said in a statement.

Udla called on President Tutor Ndamase to commute the sentences of all condemned prisoners, particularly those sentenced in cases involving witchcraft.

Udla's chairman, Mr Dumisa Ntsebeza, said in a statement that research by the association had revealed there were over 60 people on death row.

If they were all in single cells it was difficult to imagine how Umtata Prison could accommodate so many on death row.

Many had been given the death sentence on the strength of a section of the Criminal Procedure Act which stipulated that witchcraft could not be held to be an extenuating circumstance in murder trials.

Repealed

The section was recently repealed by a decree of the military government.

"A practical way open for government to reduce the number of prisoners currently awaiting execution would be for the president to commute all death sentences which had been specifically imposed on the strength of section 283 of the Criminal Procedure Act," Mr Ntsebeza said.

He said the military council's repeal of the section should give judges a free hand in deciding each case on its merits.

In a society like Transkei, where 80 percent of the population was still illiterate or semi-literate, it was irresponsible for any administration to introduce legislation such as section 283. — Sapa.

R4-billion black granite mine comes on stream in Transkei

Business Staff

BLACK granite, in short supply on world markets and much sought after by the building industry, is now being mined at Willowvale in Transkei near the wild coast fishing resort of Cobb Inn.

The granite, which when polished is a flawless black colour of excellent quality, is being exported to Italy where it yields US\$650 per cubic metre.

Tony Barradas, chairman of Transkei Pioneer Mining Company (TPMC) which after two years of prospecting has obtained mining rights to the granite deposits, estimates that there are reserves of approximately 750 000 cubic metres.

When the company is in full production it will export 5 000 cubic metres a year which at current prices will yield approximately R13-million.

Overall deposit value is estimated in the region of R4-billion.

"The logistics of getting the huge 30-ton cuboid blocks to the market are not as formidable as one would think," said mine manager Mike Zappa.

"They go by road from the mine to Idutywa, by rail to East London and from there they are shipped to Italy."

Work to date has barely peeled the top off the mountainside, which is expected to have a mining life-span of 150 years at the current production rate.

TPMC plan to open a granite polishing base in umtata to supply the transkei and south african markets which will employ about 100 people.

The granite find, coming after Transkei's discovery of coal and deposits of heavy titanium

bearing mineral sands, has renewed hope that the geological survey to be undertaken in the near future may reveal a wealth of unsuspected minerals.

It is also reported that Gen-cor has recently had consultations with the Transkei government with a view to reopening the nickel mine, at Mount Ayliff.

Transkei's first coal mine is due to be officially opened by the head of the ruling military council, General H B Holomisa on Thursday, February 16.

Acquittal in PAC trial

UMTATA — One of the six trialists in the marathon Transkei Pan African Congress trial in the Umtata Regional Court was acquitted this week.

(10.3)

Mr David Sankey, for the State, informed the court that Mr Vivian Swaartbooi had no case to answer and that he could be discharged.

The magistrate Mr R N Micklesfield acquitted Mr Swaartbooi.

His co-accused are Mr Leo Kantolo, Mr Salakatya Simuku, Miss Nomthandazo Lusizi,

15/2/89
Mr Victor Zamela and Mr Synod Madlebe. The seventh accused, Mr Sggibo Mpendulo was acquitted earlier this year. — Sapa.

Extradited man in 'Kei court

By CHRIS MABUYA

FIVE months after his extradition to the Transkei, an alleged former commander of the ANC's military operations in the Western Cape appeared in the Umtata Supreme Court this week for the first time.

Mzwandile Vena, 28, charged with the sabotage of an Umtata bulk fuel depot in 1985, appeared with his two cousins, Mzimkhulu Tukela, 26, and Sonwabo Mbekela, 27. They are both charged with harbouring Vena and another guerrilla, Attwell Maqhekeza, between January 1984 and September 1985.

Vena is alleged to be one of the Umkhonto weSizwe saboteurs responsible for the bomb which left the whole of Umtata without electricity for several days in June 1985. The bulk fuel depot was totally destroyed and the main Umtata power station

and water mains were sabotaged at the same time.

Maqhekeza was shot dead in hospital in Maseru by an unknown gunman while recovering from an earlier assassination attempt. He had fled to Lesotho after operating in the Transkei for at least three years.

Vena, who has been in custody since September 1987, was extradited to the Transkei on request from the homeland government. An appeal against his extradition failed. His cousins have been in custody since January last year.

When the three men appeared in court this week, they were not asked to plead. Their trial was postponed until May 8. — Elnews

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ther any contraventions of criminal law occurred in SA and/or Transkei. After admitting the bribe a statement by Kerzner that the payment was into a "Third World" situation has muddied the issue.

It has been suggested that payment can be justified because it evidently led to gains by Transun, not losses. Perhaps the most crucial legal issue, yet to be raised, relates to *ultra vires* — where a director or a board acts in a way beyond the powers given them by shareholders. In a nutshell, was Kerzner empowered by shareholders to pay a bribe? On the face of it, there was no explicit or implicit empowerment.

There is no decided case on the point in SA. But a recent UK case — and UK commercial law decisions are highly influential in SA — hit directly on the point. In *E Hannibal & Co vs Frost* (Court of Appeal), it was held that a director who gave a bribe, even though its purpose was to secure work for the company, would be liable to repay the money to the company unless all the shareholders had authorised him to do so.

The defendant argued that because he was MD, and having regard to the gain in business secured by the bribe, the payments were legitimate. The court said that payment of the bribe was *ultra vires* until it was authorised by shareholders. In the event, whatever the outcome of the bribe, the director in question would be obliged to repay it to the company, from his own pocket. Crucially, this means that a bribe paid *ultra vires* is considered by law to be a *loss* to the company — regardless of its commercial outcome.

This has significant consequences. For a start — assuming *Hannibal* holds in SA law — it gives shareholders an opening via Section 266 of the Companies Act, which empowers a shareholder to institute proceedings against a director (present or past) where a company "has suffered damages or loss or has been deprived of any benefit as a result of any wrong, breach of trust or breach of faith ..."

Second, *Hannibal* affects the position of auditors, who by law are obliged to draw to public attention only something that consti-

3) 17/2/89 FMML

tutes a *material irregularity* that results in a *loss* (all three elements must be present). So far, the effect of the alleged bribe has been fudged in that it is seen to have resulted in a *gain*, not a *loss*, for Transun.

But, not to belabour the point, if the alleged bribe was paid *ultra vires* it amounts *ipso facto* to a loss to the company.

The Harms Commission — which gathers evidence according to civil and not criminal procedure — stated that three statements in the Transun prospectus were false. One was that of R5,5m payable in cash, R5,2m represented consideration paid for "goodwill."

Mr Justice Harms found that this was untrue, because the R5,2m represented payment not only for goodwill, but in part a bribe too.

Clarity will only be brought if a shareholder sets into motion the procedural law, whether under S266 or the general rules related to *ultra vires*. That way the case can become an important precedent in commercial law.

Court proceedings will at least bring some certainty into the case. For some insist that Kerzner was blackmailed into paying the alleged bribe and should thus be exonerated from any liability or moral turpitude; but this is irrelevant to the question of *ultra vires*.

Moreover, to suggest that Kerzner was not "personally enriched" is untrue. He is a shareholder in Transun; if the alleged bribe was indeed material to the success of Transun, Kerzner was enriched by dividends and capital appreciation.

Even those who attempt to justify the use of bribery in a Third World context must consider the contrary view, as enunciated this week by Stanbic's Henri de Villiers: "The business community will be unable to promote the market system by arguing its manifest advantages so long as the disturbing decline in standards of business morality, now apparent, is allowed to continue." ■

TRANSUN (103) FMML 17/2/89

Sol and Hannibal

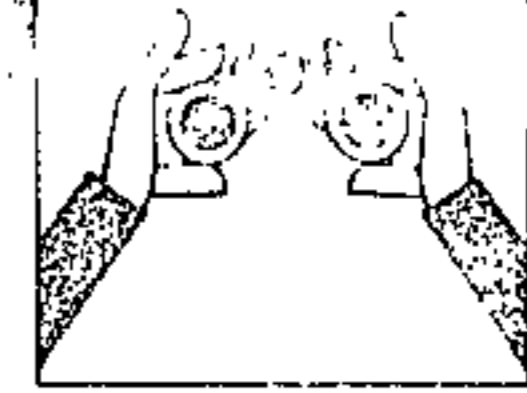
The R2m bribe allegedly paid former Transkei PM George Matanzima by ex-Sun International supremo Sol Kerzner and Cape Town attorney David Bloomberg remains a major talking point. Kerzner is now in the UK after resigning from all his SA boards, but further complicated issues arise.

So far the issue has been confounded by questions of jurisdiction — whe-



The roots of corruption

(103)



If Sol Kerzner had paid a bribe to show movies on Sundays, I would have shouted "Bravo!" Even if he were granted monopoly rights, we'd be better off because it would give us more choice of what we do.

Contrary to popular thought (or lack of it), bribery is not inherently "bad." In socialist countries, bribery and other forms of "corruption" have become necessary tools of survival. When governments interfere with the natural conduct of trade and production, they hurt a person's ability to achieve his full potential and to earn a living. Who can blame a person for wanting to get around restrictions on his freedom?

The tougher the restrictions, the greater the incentive to break the law. That's why countries with the most official corruption also have the most government.

It should be no surprise that as the power of the SA government (and the homelands) grows, perceived corruption is also growing.

The vast majority of corruption cases revolve around the abuse of government power. Government regulations have artificially created whole new classes of "criminals." For example, exchange control violations cannot occur in a free market — because such controls wouldn't exist.

In paying the bribe, Kerzner went along with the system instead of martyring himself in what most people see as a hopeless fight for government "morality."

The envious have pounced on Kerzner's

mistake as an example of the evils of capitalism — but the bribes occurred because of government power, not market freedom.

Most people have ignored the crux of the problem. Instead of asking: "Did Sol Kerzner pay a bribe?" we should ask: "Why did Matanzima have the power to decide who can run a casino?"

I ♥ BRIBES

On this side of the border, why does government have the power not only to regulate business but to outlaw non-aggressive activities such as gambling and Sunday filmgoing. We force people either to break the law or travel to another country to partake.

In addition, by making gambling illegal here, SA has made Transkei's gambling business even more lucrative. History is rife with meddling missionaries who impose their own version of morality on everyone and make life worse for honest people. The well-intentioned ladies of the American temperance movement sought to save souls by pushing Prohibition. The result was a windfall for the likes of Al Capone.

Government claims to promote free enterprise, but makes lawbreakers of people who operate cinemas on Sunday, buy foreign exchange without the permission of Big Bro-

ther, or run an efficient telephone service.

The worst aspect is that it's perfectly legal to use bribery in the name of "democracy." Not only does big government encourage bribery, it harnesses it to retain power. Democracy, as exercised in most of the world, consists of buying votes:

- When you hold down interest rates until after an election, that is bribery;
- When you take tax money from one group to give to another as a subsidy to get votes, that is bribery; and
- When you create government monopoly companies to give jobs to government supporters, that is bribery.

Calls for government to "do something" about an economic situation opens the way for bribery. So don't get indignant and self-righteous when examples are exposed. You asked for it.

This is why we should give priority to a constitution that prevents parliament or bureaucrats from interfering in any economic activity. Instead of babbling about "power sharing" we should be *reducing* power.

Those who talk about democracy and freedom, but don't say how they'll protect property from a supreme parliament, expose themselves as fascists. Without economic freedom, there'll never be any other freedom.

Do you really want to reduce corruption? You *must* reduce government. Its only justifiable activity is national defence. Anything else is a blatant payoff to special interests.

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Transkeians can stay Sebe

THE Ciskei government has withdrawn its demand that Transkeian citizens must leave the country by March 31.

This undertaking was given to Mr Pik Botha, the Minister of Foreign Affairs, during six hours of negotiations between the two independent Xhosa states and South Africa in East London yesterday.

A statement issued by Mr Botha's office in Cape Town said the talks had been "open and constructive" and that President Sebe had withdrawn his demand "in the best interests of the region".

The curious squabble of Kei and Kei

THE war between the two neighbouring "independent homelands", Transkei and Ciskei, is a psychological one.

South Africa has offered to act as mediator between the two territories but their leaders are refusing to sit together and hold peace talks.

Ciskei's reasons were made public a fortnight ago by the deputy director-general for foreign affairs and information, Headman Somtunzi.

"Ciskei has continued to be a target of Transkei's unprovoked aggression

The war between Ciskei and Transkei has not moved beyond mudslinging, but tension remains high.

NHLANHLA MBATHA reports

despite earlier talks, so we have no reason to believe these talks will achieve anything," said Somtunzi.

And Transkei's military government, through its chairman, Major-General Bantu Holomisa, said it had not received an invitation to meet the Ciskei government.

The Transkei/Ciskei saga, which began when the two "homelands" became independent in the 1970s, resurfaced late last month after the bombing of Ciskei fugitive Charles Sebe's house in Umtata, Transkei.

Ciskei then alleged that Transkei was planning an invasion of its neighbour. Transkei has denied this, saying the claims were "unfounded" and that Ciskei should have verified them first before going to the press.

Shortly after this the aircraft factory near the Ciskei international airport

was bombed.

Early this month the Ciskei government ordered all Transkeians living in Ciskei to leave the country by March 31. All cars with Transkei registration plates trying to enter Ciskei, were being turned back by the "homeland's" authorities.

The Holomisa regime has since remained quiet but cautious regarding the tension between the two territories. The streets of Umtata, capital of Transkei, are being patrolled by army personnel.

'X' marks a Kei spy, so I get sent away

So tense are soldiers at the Ciskei border that I was stopped and accused of spying because my car had a Transkei registration, says NHLANHLA MBATHA

LAST week I was ordered out of Ciskei by soldiers and told not to return.

I had gone there on a news assignment to monitor the increasing tensions between Transkei and Ciskei. I found out just how much hostility there was. Ciskei recently threatened to expel 80 000 Transkei citizens and accused Transkei of planning a military invasion.

I had just crossed the Kei River and driven about three kilometres into Ciskei, when I saw armed soldiers stopping all vehicles. The occupants were ordered to get out and the cars were thoroughly searched.

Cars with "X" (Transkei) registration plates were being turned back. I had witnessed the same procedure at the Komga border post.

My turn to be searched came and I was asked to produce my passport. Then came the questions: Why I was in Ciskei? What was my mission in Ciskei? Who was my contact in Ciskei? Why had I come from the other side to the Kei River to Ciskei? Did I have friends or relatives on either side of the river?

My car was searched and then an-



Charles Sebe (centre) shows Transkei officials the damage caused to his house

other soldier, who appeared to be in charge, was called. He made the other soldiers repeat the performance — the search, the questions. He then asked me about my occupation and my contacts in Ciskei and Transkei. I refused to answer some questions, for ethical reasons, and that angered him. He called members of the Ciskei Ciskei security branch.

A Ford Sierra and a Toyota Cressida pulled up. Three men in dark glasses strolled across and spoke to the soldiers. When they finally came to me, they were mean and inconsiderate. They told me that I was "not welcome" in Ciskei.

I asked them why I was not wanted in the "homeland". They replied: "Mhlekezi, your story is not clear ... you could be a Transkei agent on a mission to gather information".

When I told them this was wild speculation they said they suspected me because I was driving a vehicle with a Port Elizabeth registration, but the car was rented in Transkei.

"For your own safety, Mhlekezi, since you carry a South African passport, we will show you the quickest way home," they said.

I pleaded with them to allow me to return to Transkei. They refused and ordered me to get into my car.

I did not wait to be told again as machine guns showed me the way. I was escorted out of Ciskei; in front was the Cressida and the Sierra followed behind me.

Just outside Mdantsane, on the way to Queenstown, the procession came to a halt. "Farewell Mhlekezi, and do not come back again."

I drove on.

'Boss' Sebe vows to return

EXILED former commander of Ciskei's Combined Forces and now a "part-time" priest, Charles Sebe has vowed to return to his "homeland".

Speaking from his "refuge" in Transkei, Sebe said, "As a matter of fact I am a Ciskeian."

Still strutting about like a peacock, Sebe is always in a company of security policemen who keep referring to him as "Boss".

Sebe settled in Transkei in 1982 after he was sprung from a prison in Middledrift, Ciskei. He was serving a sentence for crimes relating to political activities and allegations of planning to overthrow the Ciskei government led by his brother, President-for-life Lennox Sebe.

Charles Sebe has since been leading a quiet life in the Transkei capital, Umtata, while pursuing studies in theology through the University of South Africa. A staunch church-goer, Sebe said he sometimes, in the absence of the priest, conducts the service at his church. He did not wish to reveal the name of the church.

About a month ago he and his family escaped unhurt when two bombs went off in their house, causing damage estimated at R60 000. He called this attempt on his life a failure and said, "God is on my side."

Asked about his view that he was "African National Congress number one target", Sebe said: "Yes, in 1980 I was reliably informed that I was at the top of the ANC's list of unwanted persons."

Sebe now thinks he does not "count a thing" to the outlawed movement. He does not believe the ANC was responsible for the attack on his house.

"My enemy now is the forces of evil back home where I am heading to now," said the Boss.

Matanzima loses pensions case 103

Star 24/2/89
UMTATA — The former Transkei Prime Minister, Chief George Matanzima, lost his bid to have all pensions due to him paid out by the Welfare and Pensions Department when the Supreme Court dismissed his application with costs this week.

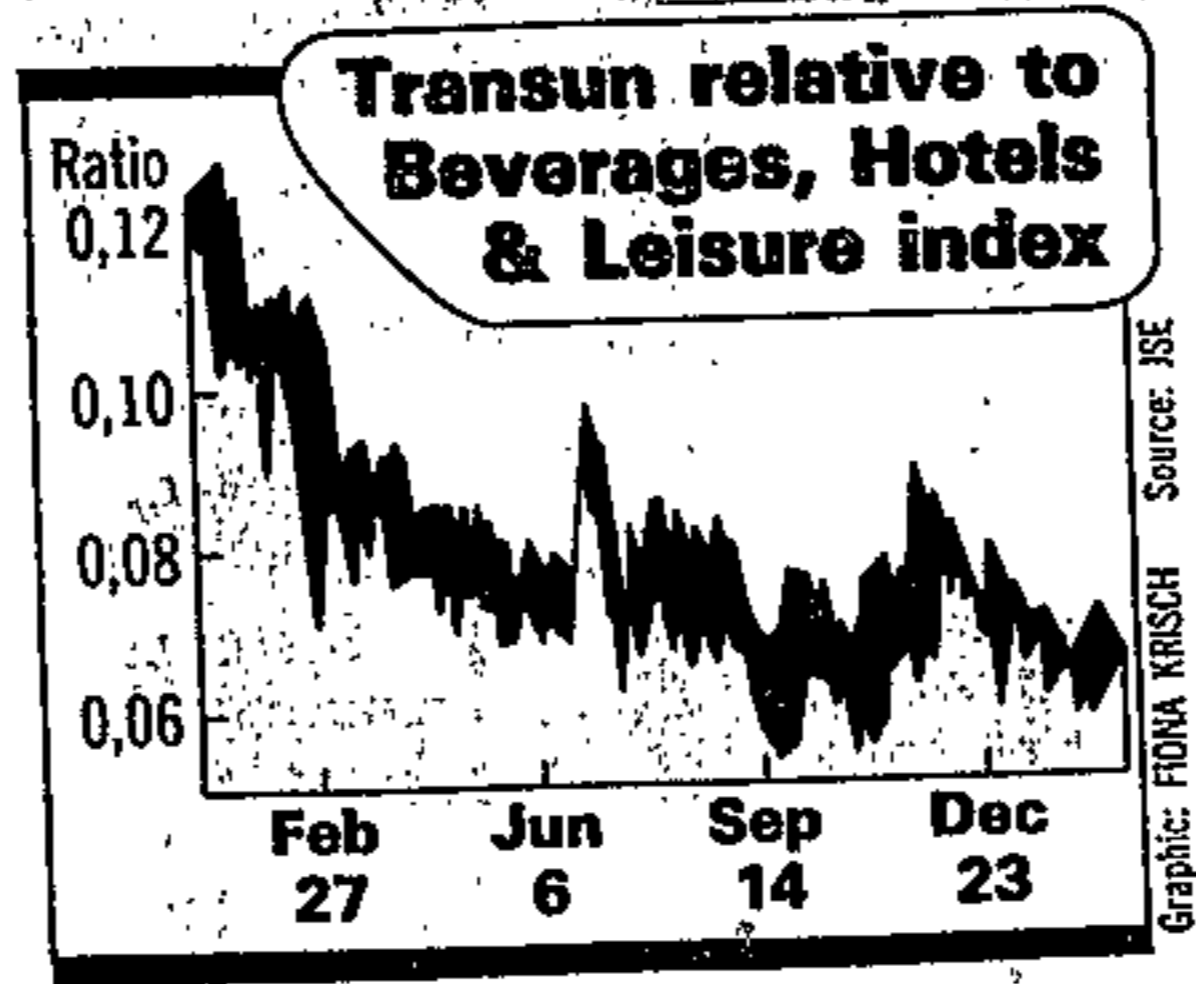
In his application, Chief Matanzima sought confirmation of a rule nisi interdicting the Interior Ministry and the Welfare and Pensions Department from paying the Commissioner of Inland Revenue tax due from pension money due to him.

He directed them to pay him all to which he was entitled from his parliamentary pension.

Mr Justice H E Davies said section 23 (7) of the Insolvency Act of 1936 gave an insolvent the right to recover for his own benefit "any pension to which he may be entitled for services rendered by him".

But section 7 of the Parliamentary Service Pensions Act provided that "if the estate of a person who is in receipt of a pension under this Act was sequestrated or surrendered, such person's pensions shall be deemed not to form part of the assets in his insolvent estate".

The judge said it was clear that Chief Matanzima's pensions did not fall into his insolvent estate. — Sapa.



Transun 'has strong case'

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LESLEY LAMBERT
 TRANSKEI Sun International (Transun) would contest any legal dispute over exclusivity of its gambling rights in Transkei because it believed it had a strong case, Transun chairman Ian Heron said yesterday.

He was discussing Transun's interim results, in which earnings grew 18% to 14,7c a share, and the effect that recent disclosures and recommendations by the Alexander and Harms commissions of inquiry could have on future earnings.

In a statement issued with the results, Heron referred to the disclosure that Transun's acquisition of a 55% stake in Transgames was "associated with an improper payment" by former Sun In-

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Transun will contest legal disputes

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24/2/89
 international executive Sol Kerzner and Cape Town attorney David Bloomberg to former Transkei Prime Minister George Matanzima.

Heron said it appeared that exclusivity of Transun's gambling rights in the Wild Coast Sun area, and validity of exclusive rights of Transgames, Tattersalls and the Umtata project, were to be referred to the Transkei Supreme Court.

The company would take the necessary steps to protect its interests.

It was important to distinguish between the company's exclusive gaming rights and its gambling licence when trying to determine possible effects of developments on business operations.

There was never a question of Transun losing its gambling licence, which was a major profit generator.

If Transun lost exclusive rights others could develop in those areas. "We are not too concerned about that. We have

the best site available on the Umtumvuna River, separating Transkei from SA," Heron said.

Transun produced satisfactory results during the six months to December 31 with turnover increasing 33% to R71m and operating profit by 30% to R30,8m, owing to high occupancy levels at the Wild Coast Sun and gambling profits.

An interim dividend of 11,5c was declared, representing a 15% increase.

Growth in earnings a share was affected by a substantial R3,7m increase in the tax bill to R8,6m. Tax was lower in the previous year as a result of investment allowances available on extensions to the Wild Coast Sun.

Provided no material consequences arose from issues dealt with by the commissions, growth in earnings for the second half should at least equal those achieved during the interim period.

← ● From Page 1

Transkei planning a free trade zone

By AUDREY D'ANGELO
Financial Editor

THE Transkei Development Corporation (TDC) is carrying out a feasibility study for the development of an international free trade zone at Umngazana on the Wild Coast, near Port St Johns.

Marshall Swana, MD of the TDC, said that although the main activity would be manufacturing for export "the brief has been widened to include commercial activity primarily in banking and allied financing."

The zone would be outside the Rand Monetary Area (RMA), with no exchange control restrictions. Commercial and industrial companies would be allowed to trade, and keep their funds, in any currency.

"This means that funds external to the RMA which are introduced to the zone and profits derived from trading there will be free of any exchange control regulations," Swana emphasized.

He expected this to be a major attraction for foreign investors as it guaranteed repatriation of funds with minimal currency risks. Investors would trade in the currency of their main trading partners.

The TDC announcement implies that Cape Town has lost out in the race to become the first free trade zone in Southern Africa.

Cape Town Chamber of Commerce, Wesgro and the Cape Chamber of Industries have been pressing the government to allow a free trade zone with manufacturing facilities.

But David Bridgman, executive director of Wesgro, said Cape Town had not necessarily lost out. "International experience has shown that a free trade zone can

exist only when it has the necessary infrastructure, which exists here but will have to be built up at Port St John."

If the SA government decides in favour of free trade zones in this country, some city businessmen believe the activity in the Transkei could act as a spur. They also think it would be easier for the SA government to exclude part of Cape Town from the RMA if this had already been done elsewhere by an independent government.

Outlining the advantages of the proposed free trade zone in the Transkei, Swana said manufacturers would pay no duty on imported materials to make goods for export.

They would also benefit from a tax and incentives package. Details would be given when the feasibility study had been completed.

He said the project would mean the re-opening and upgrading of the harbour at St Johns, which has been dormant as a ocean-going port for 40 years. "Back to back finance has already been identified for the high infrastructure costs involved in this major development."

In addition to handling exports from the free trade zone the harbour would be used for the export of ore from the copper and nickel mine which, because of escalating world prices of nickel, was soon to be re-opened at Mount Ayliff.

Swana said bureaucracy would be kept to a minimum in operating the free trade zone. "It is expected to generate significant interest from Far Eastern manufacturers and a party of 40 will visit the site next month."

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Chief George to pay court R1-m

CP Correspondent

A TRANSKEI Supreme Court judge this week ordered that pensions worth more than R1-million due to former Transkei Premier Chief George Matanzima be confiscated by the State to pay taxes he

owed to the government.

Earlier, Matanzima had made an application to the Supreme Court that in terms of the Parliamentary Service Pensions Act No 18 of 1976, he was entitled to his pensions.

In his judgment Judge

Davies said he was satisfied that the Receiver of Revenue was entitled, in terms of Section 99 of the Income Tax Act, to all pensions due to the applicant and they be forfeited to the State in order to pay taxes owed by Matanzima.

By Ian Smith

THE Transkei plans to set up Southern Africa's first international free trade zone.

The military government of Major-General Bantu Holomisa has instructed the Transkei Development Corporation to go ahead with a feasibility study of a free trade zone at Umgazana, near Port St Johns.

It wants to establish a trading zone without exchange control and import restrictions. It would be outside the rand monetary area. Companies would be able to trade in, and maintain their liquidity, in the currency of their choice.

Widened

TDC managing director Marshall Swana says: "Effectively, this means that funds external to the rand monetary area which are introduced to the zone and profits derived from them would be free of rand monetary area and any other exchange-con-

Transkei plans free trade zone

Times 26/1/89

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control regulations."

It is envisaged that the main activity in the zone would be manufacturing for export, but the brief has been widened to include commerce, primary banking and allied financing activity.

A free trade zone guaranteeing open movement and repatriation of funds would be a big attraction for foreign investors.

New tax incentives for investors will be announced as soon as the feasibility study has been completed.

Imports by manufacturers in the zone would be allowed in duty-free, and bureaucracy would be kept to a minimum, says Mr Swana.

A method of financing the infrastructure, likely to run into tens of millions of rands, has been identified. It would probably involve borrowing against local assets, including minerals still in the ground.

General Holomisa, who

sees the project as a major step in the development of the Transkei, is pushing the development of the free trade zone personally.

A Transkei official tells the Business Times: "The Government is determined to go ahead and General Holomisa is wholeheartedly behind the scheme."

Dredging

His leader's determination to establish a free trade zone was fired during a recent visit to Taiwan, and there is strong investment interest from the Far East.

A party of 40 Taiwanese businessmen visited Transkei early this month and 10 showed firm interest in investing in the free trade zone, says TDC consultant Arthur O'Connor.

An international consultant, who prepared a feasibility study on a free trade zone for the Philippines, is due to visit Umtata.

The development would revive the harbour at Port St Johns, which has been dormant as a port for ocean-going vessels since the closure of a marble quarry 40 years ago.

The port has a deep-water jetty, but dredging would be required. Finance has been provided for a tarred road. A railway line from Umtata or East London might be needed later.

A new military airport at Port St Johns could be upgraded for civilian traffic.

The harbour could also serve as an export route for minerals, which are becoming increasingly important to Transkei's economy.

The homeland's first coal

mine will be opened by General Holomisa on March 16. Gencor is believed to be reopening a copper-nickel mine at Mount Ayliff.

Italian-backed Transkei Pioneer Mining Co has started quarrying black granite for export near the Wild Coast's Cobb Inn resort and plans are advanced for the exploitation of heavy-mineral sand deposits near Port St Johns.

Another large deposit of heavy-mineral sands, about 45km south of the town, has yet to be allocated. Titanium, zirconium, rutile and other minerals have been identified in the deposits.

Kei Air carries 25 000

S/Twe
26/2/87

-Business Times Reporter

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TRANSKEI Airways expects to carry about 25 000 passengers in the year to March. This compares with 21 545 in the previous year and 17 317 in 1987.

Managing director Sip Mdledle says several factors contributed to the 16% increase in the number of passengers carried.

They included additional scheduled flights and new routes.

Mr Mdledle says: "However, the single dominant factor is the mood of economic confidence in Transkei, which is typified by the number of commercial and infrastructural developments being undertaken in the country. There is little doubt that there is renewed interest in Transkei among businessmen from Southern Africa and overseas."

HOUSE OF ASSEMBLY

QUESTIONS

Indicates translated version.

For written reply

General Affairs:

Edendale: patients admitted to hospitals

63. Mr M J ELLIS asked the Minister of National Health and Population Development:

- (a) How many patients were admitted on a daily basis to hospitals in the Edendale area of Pietermaritzburg in 1987 and 1988, respectively, and (b) what are the names of the hospitals involved?

B163E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

The Edendale area is geographically situated in KwaZulu. The Department of National Health and Population Development does not keep statistics with regard to hospitals falling under the jurisdiction of the KwaZulu Government.

- (a) and (b) fall away.

SATS: loss incurred on commuter services

70. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

What was the total loss incurred by the South African Transport Services on commuter services in the (a) Johannesburg/Pretoria, (b) Cape Town/Peninsula, (c) Port Elizabeth/Uitenhage and (d) Durban/Pinetown areas in the 1988/89 financial year?

B171E

The MINISTER OF TRANSPORT AFFAIRS:

The total estimated loss in respect of each of the areas is as follows:

R — million

- (a) 405
(b) 182
(c) 10
(d) 147

HOUSE OF ASSEMBLY

- (b) The estimated amounts which will be paid to Transkei during the 1988/89 financial year fall into two main categories, namely:

A. DIRECT ASSISTANCE

- (i) An estimated amount for budgetary assistance under Programme 3: Foreign Aid and Development Co-operation of Vote 7: Foreign Affairs R711 766 000.

(ii) Technical assistance

South African is from time to time approached by other governments with requests for assistance in one way or another. Assistance may take the form of expert advice, visits evaluation of projects, bursaries etc. Each such application is considered on its merits. During the 1988/89 financial year the RSA will spend an estimated amount of R694 000 in this regard on Transkei.

(iii) Loan Fund

Like any other friendly country Transkei may apply for the financing of certain projects within the framework of the Economic Co-operation Promotion Loan Fund. Such applications are considered strictly on merit according to fixed criteria and within the limits of available funds. This type of financing consists mainly of loans which are repayable. During the 1988/89 financial year an estimated amount of R12 980 000 will be paid to Transkei.

(iv) Incentive scheme for Industries

In accordance with existing jointly agreed arrangements between the SATBVC States, the RSA is obliged to refund the TBVC States on a rand-for-rand basis for actual expenditure incurred in these states in terms of the industrial incentive scheme, which took effect on 1 April

1982. The RSA estimates to refund Transkei to the amount of R20 000 000 in this regard during the 1988/89 financial year.

B. TRANSFERS IN TERMS OF BILATERAL AGREEMENTS

Transfer payments which are regarded as own sources of income of the Transkei Government:

- (i) Income tax: An estimated amount of R157 273 000 will be transferred.

(ii) An estimated amount of R458 231 000 will be paid in respect of Transkei's share in the Customs Union Revenue Pool.

(iii) Common Monetary Area: An estimated amount of R18 293 333 will be transferred.

- (2) (a) No. Loans in terms of project aid agreements are included in the amount mentioned under (1)(a).

(i) and (ii) fall away.

(b) Yes.

(i) One.

(ii) Transfers in respect of the action programme: Creation of Job Opportunities are estimated at R4 500 000.

- (3) (a) Yes. Loans are granted on a continuous basis within the framework of the Economic Co-operation Promotion Loan Fund as set out in (1)(b)(iii).

(b) Yes. The same type of grant which was made during the 1988/89 financial year.

Bophuthatswana: amount paid in terms of agreements

77. Mr R A F SWART asked the Minister of Foreign Affairs:

- (1) (a) What total amount was paid by South Africa to Bophuthatswana in the 1988/89 financial year in terms of agreements between the two countries and (b) how was this amount made up;

(2) whether any additional amounts have been paid to Bophuthatswana in the form

HOUSE OF ASSEMBLY

Probe hears Jalc 'ripped off' taxman

Cape Times 2/3/89
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By MANDY JEAN WOODS

THE Receivers of Revenue in Transkei and South Africa have been defrauded of hundreds of thousands of rands by the directors of Jalc Holdings, the Harms Commission heard yesterday.

Chartered accountant Mr Vincent Thompson told the commission that a brief investigation of Jalc's books for the period 1980-1988 showed that the companies and the individual directors were guilty of fraud and tax evasion, tax avoidance and misrepresentation in Bophuthatswana, South Africa and Transkei.

Jalc Holdings is an SA-registered company with interests in Nitor Construction and Jalc Construction (SA), Temba Construction (Transkei), Thata Construction (Bophuthatswana) and Matla Construction (Lesotho) among others.

Mr John Strong, Mr Athos Paulos, Mr Laurie Painting and Mr Chris van Rensburg are equal directors of Jalc Holdings and two or more of a combination of these serve with other directors in the subsidiary companies.

In most cases, the Receivers of Revenue were misled, Mr Thompson said.

He said false audited statements had been sent to the Receiver of Revenue and/or the banks and Jalc Holdings may not have complied with Reserve Bank foreign exchange regulations.

In complex evidence to the commis-

sion, Mr Thompson wove a pattern of creative accounting showing that:

- A sizeable number of questionable cash payments were made to directors and others;

- The origin of income — both for the directors and the companies — was often disguised so taxes on such were not paid;

- Various company directors' personal loan accounts were used to "disguise" income from foreign states;

- False statements were submitted to the Receivers of Revenue showing reduced gross income and expenses so as to deflect potential queries;

- "Blatant and false" entries were made in company books;

- With some expense claims, no indication is given whether or not they were incurred to generate income, thus being tax-deductible, and

- In the case of at least one director, Mr Laurie Painting, several sums shown in the books as being paid to him were never reflected in his personal income tax returns. Tax returns for the other directors were not available.

Mr Thompson said that in June last year the SA Receiver of Revenue had submitted a query regarding Jalc Holdings business dealings in Ciskei and Transkei for the period 1982-1986.

Mr Peter Barrett, representing the Transkei government, was present at the hearing yesterday.

The hearing continues today in Cape Town.

Bloomberg 'quit Afrox board'

CA 11/15 3/3/87 Finance Staff

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MR David Bloomberg, who accepted joint responsibility with Mr Sol Kerzner for paying a R2-million bribe in Transkei and subsequently resigned from the board of Kersaf Investments, is believed to have resigned from the board of Afrox.

Finance Week quoted Afrox managing director Mr Peter Joubert as saying: "Bloomberg resigned because he said he was going to be spending a lot of time away and would not be able to give the same commitment to the company as he had previously."

Last year Mr Bloomberg was forced by Sanlam to resign from the board of Metropolitan Life after evidence to the Alexander Commission in Transkei that suggested he might be involved in bribery.

Jalc: Gifts 'written off as expenses'

By MANDY JEAN WOODS

AN audit of Jalc Holdings and several of its subsidiary companies' books show a pattern of cash flowing out of one company into another and eventually finding its way into the pockets of the directors of Jalc Holdings, the Harms Commission heard yesterday.

In a second day of testimony, chartered accountant Mr Vincent Thompson told the Commission of a number of irregular and fraudulent book-keeping transactions made in the books of Transkei-based Temba Construction and SA-based Nitor Construction, both Jalc Holdings subsidiaries.

The Commission's senior investigating officer, Mr Frank Kahn, noted that senior Transkei government officials were being "favoured" by Jalc and such favours were written off as business expenses by the company.

These expenses amounted to tens of thousands of rands.

Mr Thompson's evidence was that the irregular and/or fraudulent book-keeping entries were known to one or more of Jalc's directors; in several instances, such entries were made at the request of directors.

Among the the irregular entries highlighted by Mr Thompson during

the hearing were:

● Donations of gifts and payment of goods and services to Transkeian government officials which were written off as "business expenses";

● Temba Construction, a Transkeian based Jalc Holdings subsidiary, paid nearly R5 000 in school fees for the daughter of Alexander Commission member Mr Jiyana Maqubela to attend school in Botswana;

● The Transkei government was defrauded into paying more than R4 700 for a Miss Pretorius, now wife of Jalc Holdings director Mr Chris van Rensburg, to travel to and in the US with Mr Van Rensburg and Temba Construction chairman Mr Vuli Mbotoli;

● In the 1985/86 tax year, the travelling and entertainment costs for Temba Construction (R419 732) were more than salaries and employment costs (R339 253);

● A R26 000 generator supplied to Mr Mbotoli's residence in Qamata was charged to the Umtata Housing Contract as window frames;

● Profits made at the group's Bophutatswana company, Thata Construction, were transferred to its Lesotho Company Interstate, which had a large assessed loss and which was also registered in SA as a taxpayer thereby reducing taxable profit in both SA and Bophuthatswana.

CAF 10/25
6/3/89
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Jalc three spied for SA

By MANDY JEAN WOODS

THREE Jalc Holdings directors become involved in international undercover security work for the SA National Intelligence Service (NIS) after they had approached NIS, Jalc director Mr Lawrie Painting said yesterday.

During 1987 the three Jalc directors — Mr Painting, Mr Athos Poulos and Mr Chris van Rensburg — “became aware” of security matters in the neighbouring states, homelands and Mauritius where Jalc had business dealings, Mr Painting said.

“These security matters were of interest to SA so we made NIS aware of this and they agreed we could be of assistance to them.”

The three worked for NIS for about a year, but everything stopped with the Transkei/Sun International bribery allegations last year, he said.

“There was no highly classified cloak-and-dagger stuff. There was a contract but the projects we did were very simple, innocent things like security — cross-border raids for example.”

“When we came back we would speak to the Foreign Affairs Department or state security to pass on the information. We

informed authorities on both sides.”

Mr Painting said they really became involved because of Jalc's business activities in Mauritius, Transkei, Ciskei, Bophuthatswana and Lesotho among others.

“We were in a position to develop dialogue and to convey a different point of view which is often difficult at official levels. Officials were more open to talking to private businessmen.”

● Mr Painting said Jalc director Mr Athos Poulos had been declared persona non grata in Mauritius in January because of his ties to NIS and his close friendship with “ostracized” Mauritian politician Mr Harish Boodhoo.

Law Society probing Bloomberg

THE Law Society of the Cape of Good Hope has begun investigations into Cape Town attorney Mr David Bloomberg's alleged involvement with corruption in Transkei.

The investigation stems from a recommendation by the Harms Commission that Mr Bloomberg's status as a lawyer should be scrutinised.

The Harms Commission found that Mr Bloomberg and Mr Sol Kerzner paid former Transkei prime minister Chief George Matanzima R2 million to secure gambling rights in the territory.

It is not clear yet whether Mr Bloomberg will be required to appear before the Law Society in person. According to the society's deputy director Mrs Susan McElvane a decision will be made in due course.

Mr Bloomberg is in London where he has been for the past two months.

Asked by the Cape Times yesterday whether he would be prepared to appear before the Law Society, he declined to comment.

Speaking from his London home, Mr Bloomberg also refused to comment

on "whether or when" he would be returning to Cape Town, citing what he described as "adverse publicity".

Mr Bloomberg said a month ago that he would definitely be returning to Cape Town.

Asked if the threat of extradition to Transkei was a reason for his being in London, he once again declined to comment.

Transkei's military ruler, Major-General Bantu Holomisa, has said in the past that he would definitely have Mr Bloomberg and Mr Kerzner extradited to Transkei to stand trial.

So far, however, no documents connected with an application to extradite the two men have arrived at the attorney-general's office in Cape Town, a spokesman for the attorney-general said yesterday.

The Law Society has given no indication as to how long the investigation will take, saying that there is a "tremendous amount" of documentation to be examined.

● Mr Bloomberg recently resigned his directorship of the South African company Afrox, saying that he would be too busy travelling to be able to perform his duties satisfactorily.

Pik's man quizzed on Kei dispute

CAP-Trans
18/3/89

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From page 1

In both cases, the banks were concerned about Jalc's overdrafts. CAP-Trans 18/3/89 103

Mr Painting told the Standard Bank manager in Queenstown that "the matter (of the disputed R10-million payment) is being dealt with on the highest level with Foreign Affairs Minister Mr Pik Botha and the deputy minister, and we expect their representation to the Transkei authorities that the matter should be settled out of court will be successful".

He said the same thing in a letter to the Sandton Bergvlei Nedbank manager.

Mr Van Heerden, clearly taken aback by this information, said he had no knowledge of any involvement by Mr Pik Botha, his deputy or the State President in the Jalc dispute.

He said that the letters were a "direct contradiction" of his letter to Mr Painting.

The commission also heard that several trips to Brazzaville were made by senior officials of the Department of Foreign Affairs last year in aircraft belonging to attorney and businessman Mr Albert Vermaas.

Mr Van Heerden said his department had used one of Mr Vermaas' companies, Chieftain Air, for three of its 104 official trips into Africa since 1985.

Mr Van Heerden said the department had not intended to do Mr Vermaas favours by using Chieftain Air.

Mr Van Heerden said Mr Pik Botha did not give directives on which airline to use.

Staff Reporter

THE director-general of Foreign Affairs, Mr Neil van Heerden, was closely questioned yesterday about his department's role in the dispute between the Transkei government and Jalc Holdings.

Mr Van Heerden was appearing before the Harms Commission in Cape Town.

He said that diplomatic intervention on Jalc's behalf was a possibility once all legal recourse had been exhausted.

Mr Van Heerden was commenting on his department's involvement in the dispute between Jalc and the Transkei government over a R10-million payment being withheld by the government because it claimed that Jalc did not satisfactorily complete a housing project at Ezibeleni.

Unjustly treated

Mr Van Heerden later agreed with the commission's chief investigating officer, Mr Frank Kahn, that he had no reason to believe that Jalc had been unjustly treated by the Transkei government.

Mr Gideon Richter, former head of the Foreign Affairs Department's economic development and co-operation division, said in testimony yesterday that if his department had been consulted at the time, he would have been in a position to give an opinion.

He said the construction was faulty and that the Transkei government was justified in withholding the R10-million payment until the matter had been settled.

Mr Van Heerden told Jalc director Mr Lawrie Painting in a letter dated September 1988 that "any intervention by the department could follow after (Jalc) had exhausted all legal avenues".

However, Mr Kahn read two letters sent to Standard Bank and Nedbank dated June and July 1988 by Mr Painting, which said that the Minister of Foreign Affairs, Mr Pik Botha, and his deputy were already looking into the matter and that the dispute was being taken up with President P W Botha.

To page 2

more people, police said.

CAPE TMS 21/3/89 *(28)* *103*

Man fined R120 000

UMTATA. — Umtata businessman Christakis Andrea Vafiades was yesterday fined R120 000 (or two years) for unlawfully sending R700 000 out of Transkei.

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Bank worries Holomisa

UMTATA. — The chairman of the Military Council of Transkei, Major-General Bantu Holomisa, has sent an open letter to the African Bank expressing concern over a recent spate of bad publicity.

General Holomisa's letter says the Transkeian government has invested over R38 million with the bank and asks for information about the dismissal of former bank officials and steps being taken to get the bank on a sound financial footing.

African Bank chairman Dr Sam Motsuenyane said shareholders need not worry about the bank's financial position. — Sapa

Jail sentence for Chief George 103

5/27/87
By Patrick Laurence

UMTATA — Former Transkei Prime Minister Mr George Matanzima was yesterday convicted on three counts of bribery involving R750 000 and sentenced to nine years' jail, half suspended for three years.

Mr Sydney Qaba, who served as Chief Matanzima's Minister of Finance before he was overthrown in a coup in 1987, was also convicted on three counts of bribery involving R120 000.

He was sentenced to four years' jail, half suspended for three years.

The two were described by counsel for the State, Mr L J Roberts, as the highest-ranking men in public life to be convicted and jailed for bribery in southern Africa.

Leave to appeal was granted and bail was allowed.

The convictions related to acceptance of bribes from the now defunct construction company, Koen Executive Constructors (KEC).

Chief George jailed

THE former Transkei prime minister, Chief George Matanzima (71) and his former finance minister, Sydney Mvuyo Qaba, (69), were sentenced to prison terms yesterday for accepting bribes.

Transkei's Chief Justice, Mr Justice C E L Beck, found Matanzima guilty on three counts of accepting a bribe and sentenced him to a total of nine years behind bars. Half the sentence was conditionally suspended, giving Matanzima an effective four and half year jail term.

It is alleged that he received a bribe of R500 000 from Koen's Executive Contractors of Port Elizabeth after he played an influential role in awarding a R10 million building contract to the firm.

The court also found that Qaba, who had not observed government regulations and eventually organised a "guarantee" for Koen's, subsequently received R123 000 as a bribe.

Qaba was convicted on two counts of bribery and sentenced to four years. Half the sentence was conditionally suspended. He will serve an effective two years.

Leave for appeal was granted by Mr Justice Beck. Sapa.

Waiting for Pik

The testimony of Foreign Affairs Director General Neil van Heerden to the Harms Commission last week raises an interesting question: what is the department's policy when it comes to intervening on behalf of an SA company operating in a foreign country? The department and the responsible minister do not appear to be at one on this matter.


The company in question is Jalc Holdings. Its involvement in irregularities concerning housing contracts in the Transkei was last year the subject of severe censure by the Van Reenen Commission (*Current Affairs* July 29/August 5 1988). The commission found that two contracts initially priced at R26m eventually cost the State R68m. Also, "houses which were meant to be sold were either unsaleable or had to be subsidised by the State," and "the contract time was more than doubled, with consequent enhancement of escalation claims."

Enter Holomisa

An interesting turn of events took place when the Transkei government refused to pay an outstanding sum of R11m to Jalc because of construction defects in the houses. It emerged that Foreign Minister Pik Botha had asked General Bantu Holomisa, the Transkeian leader, to look into the matter — if not to settle the balance with Jalc. Suspicion was voiced that this had something to do with a friendship between Botha and Jalc's Chris van Rensburg. Botha later denied having had anything to do with Van Rensburg for at least two years, or that he or his department had any involvement with Jalc's projects in the Transkei.

What is not in dispute is that Botha did ask Holomisa to look into the matter, notwithstanding the fact that a commission of inquiry (the Harms Commission) was pending. Yet last week Van Heerden told the commission that he had written to Jalc director Lawrie Painting in September 1988 saying that "any intervention by the department could follow after Jalc had exhausted all legal avenues." Botha's intervention obviously came a long time before this stage had

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been reached. It will be interesting to see how he explains to the commission his apparently premature intervention in the matter. ■

103 Star 25/3/89 Fallen chiefs united in their darkest hour

UMTATA — A disdainful look on his face, Paramount Chief Kaiser Matanzima reached for the pen in his coat pocket. It was gold or at least gold-plated.

Almost simultaneously his cheque book was in his hand. His gestures were unmistakable. He was preparing to write a cheque there and then in court.

His younger brother, ex-Transkei Prime Minister George Matanzima, had been sentenced to jail for nine years after being convicted on three counts of bribery. Bail had been set at R10 000.

It was a fateful day for the ageing Matanzima brothers.

Now grandfathers many times over, Chief Kaiser, aged 73, and Chief George, aged 70, had ruled Transkei with an iron rod for more than 25 years until their fall.

The judge had granted Chief George leave to appeal against sentence. Bail had been extended pending the appeal but raised from R5 000 to R10 000.

Mr Chief Justice C E L Beck had heard earlier that day, March 22, that Chief George was totally broke, his estate having been sequestered to pay his creditors.

But Chief Kaiser, Transkei's founding Prime Minister and its second President, was not going to let his brother go to jail for want of R10 000.

Lawyers representing Chief George and the man sentenced with him, ex-Finance Minister Sydney Qaba, had to persuade him to put his chequebook away at least until they were in the court registrar's office.

Born during World War I, the Matanzima brothers were named after Kaiser Wilhelm of Germany and King George of Britain. They

PATRICK LAURENCE

had, with the exception of a brief but intense public squabble in 1986-87, stood together in fraternal solidarity.

Only two years before he was convicted of bribery, Chief George, then Prime Minister, deposited a cheque for R50 000 in his brother's account.

The money, as the Alexander and Harms Commissions later made clear, was part of the R2 million "lobola" paid to Chief George by casino mogul Mr Sol Kerzner and Cape Town businessman Mr David Bloomberg, in a deal to secure a gambling monopoly for Transun, a subsidiary of Mr Kerzner's giant company, Sun International.

Family obligations

The two brothers spoke of the financial aspect to their relationship in their evidence to the Alexander Commission.

Chief George said: "We usually give one another money."

Chief Kaiser said: "We hardly met but he knew that he had certain obligations insofar as the family was concerned ... I just tell him I want money and he gives me more money. We never lend each other money."

Chief Kaiser labelled their relationship "strange". He was speaking of the period when their long established political partnership flared briefly into enmity.

Brotherly love turned to hate in mid-1986, when Chief Kaiser, having resigned as President in February of that year, led a rebellion against his younger brother who had stayed on as Prime Minister.

Some observers contended that

Chief Kaiser planned to govern Transkei from behind the scenes after he retired but that Chief George, impatient with Big Brother, wanted his own show.

The fight was transient but ultimately was to prove fatal to both.

It helped open the way for the coup which overthrew Chief George in September 1987.

The coup, led by the Chief of the Transkei Defence Force, Major-General Bantu Holomisa, was directed against corruption.

But it did not reinstate Chief Kaiser. The new military regime sidelined him even more vigorously than his brother had.

Adversity drew the brothers together again. They came to court in tandem. Each armed psychologically against pending disaster.

Chief Kaiser was smartly dressed, wearing an immaculate white panama suit before lunch and a formal brown suit for the afternoon session.

Chief George put on a brave face. He said jokingly: "What are you doing here? Have you come to see me go to jail?"

Chief Kaiser sat next to his brother almost as if he was a co-accused. He brandished his pen defensively as the trial ended.

He did not want Chief George to spend his last days in an overcrowded Transkei jail.

The Umtata District Surgeon, Dr A T Mtimkhulu, had told the Supreme Court the prisons were overflowing — already four times the recommended maximum capacity — and incarceration could be fatal for the already ailing Chief George.

Those jails had been filled during the rule of the brothers.

Chief George himself noted his brother detained people for making statements regarded as offensive.

It was a sobering thought for the brothers to ponder as they walked out of the Supreme Court.

So, too, was the knowledge that the bribery conviction concerned only Chief George's acceptance of R750 000 from a construction company, and charges for accepting R2 million from Mr Kerzner might be in the pipeline.

103 W/End Argus 25/3/89

Big brother Matanzima rushes to the rescue

By PATRICK LAURENCE
Weekend Argus
Correspondent

on three counts of bribery. Bail had been set at R10 000. It was a fateful day for the Matanzima brothers.

Now grandfathers many times over, Chief Kaiser, 73, and Chief George, 70, had ruled Transkei with an iron rod for more than 25 years until their fall from power.

The judge had granted Chief George leave to appeal against sentence. Bail had been extended pending the appeal but raised from R5 000 to R10 000.

Mr Chief Justice C E L Beck had heard earlier that Chief George was broke, his estate sequestrated to pay his creditors and his pension di-

verted from his pocket to the coffers of the Receiver of Revenue.

But Chief Kaiser, Transkei's founding Prime Minister and its second president, was not going to let his brother go to jail for want of R10 000.

Born during World War 1, the Matanzima brothers were named after Kaiser Wilhelm of Germany and King George of Britain. They had, with the exception of a brief but intense public squabble in 1986-87, stood together in fraternal solidarity.

Brotherly love turned to hate in mid-1986, when Chief Kaiser, having resigned as president in February of that

year, led a rebellion against his younger brother who had stayed on as Prime Minister.

Accusing his younger brother of corruption, Chief Kaiser broke away from the ruling Transkei National Independence Party to found the Transkei National Party. Chief George hit back hard. He accused Chief Kaiser of trying to incite the army to rebel against him and banished him from Umtata.

The squabble was fatal to both.

It helped to open the way for the coup which overthrew Chief George in September 1987. The coup, led by the chief of the Transkei Defence Force, Major-General Bantu

Holomisa, was directed against corruption.

But it did not reinstall Chief Kaiser. The new military regime sidelined him more vigorously than his brother had.

Adversity drew the brothers together again. They came to court in tandem. Each was armed psychologically against pending disaster.

Chief Kaiser sat next to his brother in the Supreme Court almost as if he was a co-accused. He brandished his pen defensively as the trial ended. He did not want Chief George to spend his last days in Transkei's badly congested jails.

Those jails had been filled during the rule of the brothers Matanzima, Chief George himself having noted in 1987 that his brother detained people for making statements which he, Chief Kaiser, regarded as offensive.

It was a sobering thought for the brothers to ponder as they walked out of the Supreme Court.

So, too, was the knowledge that the March 22 bribery conviction concerned only Chief George's acceptance of R750 000 from a construction company and, consequently, that charges for accepting R2-million from Mr Sol Kerzner and Mr Abe Bloomberg might be in the pipeline.

Convicts on hunger strike in Transkei

w/e 12645 25/3/89

103

Weekend Argus Correspondent
EAST LONDON. — Inmates of
Transkei's main prison are on
a hunger strike to highlight
their living conditions — the
second such protest in a month.

Transkei authorities con-
firmed that 15 awaiting-trial
political prisoners in Umtata's
Wellington prison stopped eat-
ing on Wednesday.

The fast follows a plea by
the 15 detailing their com-
plaints and calling for action.

At the same time, eight sen-
tenced political prisoners held
a six-day hunger strike to call
attention to their plight. Law-
yers said there had been no im-
provements since then.

In a letter smuggled out of
the prison the 15 said they
were locked up for 23 hours a
day in unhygienic cells and
were given stale food.

Their demands included a
call for political prisoner sta-
tus, calls for improved visiting
and legal consultation rights,
the right to receive newspapers
and radios, better access to
hospitals and private doctors,
hot water, a balanced diet,
beds, access to the prison rec-
reational facilities and a wash-
ing line.

A court action around basic
prisoners' rights, filed nine
months ago, is still pending.

In their latest plea for im-
provements the awaiting trial
prisoners said previous com-
plaints had resulted in a visit
from Minister of Justice and
Prisons Chief P Z Ndamase.
However, conditions had got
worse, not better.

Transkei prison authorities
said they were discussing the
complaints with the prisoners'
lawyers.

Transkei prisoners go on a hunger strike

103

Chen
2/4/89

CP Correspondent

FIFTEEN awaiting-trial prisoners in Wellington Prison in Umtata - some of whom have been held for up to two years - went on hunger strike for two days last week in support of their demands for better living conditions.

The prisoners are all involved in political trials in the Transkei. The prisoners suspended their fast after the authorities met with their lawyers. A magistrate has now been appointed to record their complaints and set up a meeting with the prison officials.

In a letter smuggled out to their lawyers, the 15 said they were "subdued, humiliated and ignored". They said they were kept in filthy cells and were allowed only an hour's exercise daily. They said the food was often stale.

Their demands range from calls for political prisoner status to pleas for hot water, better food, newspapers, washing lines and beds.

This is not the first protest by Transkeian prisoners. A month ago the same 15 prisoners sent a desperate plea to the authorities to improve their living conditions. At the same time, eight sentenced prisoners went on a six-day long hunger strike in an effort to force the authorities to acknowledge their complaints.

One of their complaints was that the head of the prison refused to listen to their problems and never passed on their complaints to higher authorities.

At the time, Transkei authorities denied any knowledge of the hunger strike. The military council said they were told by the prison officials that there was no hunger strike.

However, last week's hunger strike seems to have finally got their attention. Prison officials confirmed the fast and said they were meeting with the lawyers.

Military ruler Major-General Bantu Holomisa said he had originally been told by the prison authorities that there was no hunger strike, but said he then told them to go back and make sure.

He said the complaints would be investigated and that his government would not try to cover up a hunger strike. "We are not staying in there, we may never know what's going on," he said. - Elnews.

Transkei govt to decide on ^{ster} ^{5/14/89} R38-m African Bank deposit 103

By Michael Chester

The future of the R38 million investment in the embattled African Bank by the Transkei government is expected to be decided next week.

Major-General Bantu Holomisa, chairman of the military council and head of the Transkei government, who last month gave the African Bank a deadline of March 30 to provide assurances about its financial status, is likely to confirm whether the investment stays with the bank or is withdrawn following talks on Monday in Umtata.

The deadline was set after Major-General Holomisa voiced concern over the shock dismissal by African Bank of its chief executive, Mr Gaby Magomo-

la, and its treasury officer, Mr Joe Modibane.

There were reports that the South African Reserve Bank was also concerned.

Officials from the African Bank met the Transkei government yesterday to deliver renewed assurances about the bank's stability and solvency.

Major-General Holomisa was overseas when the March 30 deadline expired.

He is expected to announce a decision about the R38 million investment — the biggest single account handled by the African Bank — after studying a lengthy report sent to him by Dr Sam Motsuenyane, chairman of the bank.

R250 000 is owed to estate of former PM

UMTATA — The insolvent estate of the former Transkei Prime Minister, Chief George Matanzima, is owed R250 000 by his brother, the former State President, Paramount Chief Kaiser Matanzima, and former cabinet ministers.

This was reflected in a statement released yesterday by the joint trustees of the estate.

In the statement, Mr JES Waymark of the trustees said the first liquidation and distribution account was being prepared and would be lodged with the Master of the Transkei Supreme Court in May. — Sapa.

**R250 000
owed to
ex-PM**

THE insolvent estate of the former Transkei prime minister, Chief George Matanzima, is owed R250,000 by his brother, the former state president, Paramount Chief Kaiser Matanzima, and former cabinet ministers.

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Source
7/4/84

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103

Transkei ruler in 'adultery' suit

EAST LONDON — A lawyer has confirmed that proceedings have been instituted against Transkei's military ruler, Major-General Bantu Holomisa, for allegedly committing adultery with an Umtata man's wife.

A Sunday newspaper reported that a civil summons, claiming damages totalling R24 000, was lodged with the Transkei Supreme Court last week.

The plaintiff named in the report, Mr Hugo



Yako, of Norwood, Umtata, denied any knowledge of the matter or that he was taking action against General Holomisa.

According to the report, it was alleged that from November 1987 to the date of the summons (April 7), General Holomisa committed adultery "at various locations" in Transkei with Mr Yako's wife, Lungiswa.

General Holomisa

It was alleged that General Holomisa enticed and/or persuaded Mr Yako's wife to leave her husband, as a result of which she "lost her love" for Mr Yako and the marriage broke down irretrievably.

Mr Yako was claiming R12 000 for the "loss of cohabitation, love and consortium" of his wife plus R12 000 for the alleged adultery.

General Holomisa was given 21 days to file notice of intention to defend the action.

An attorney for Mr Yako, Mr J J Vlok, of Port Elizabeth, confirmed that proceedings had been instituted. — Sapa.

Umtata man sues Transkei ruler over adultery claim

Star 10/4/89 103

EAST LONDON — A lawyer confirmed yesterday that proceedings had been instituted against Transkei's military ruler, Major General Bantu Holomisa, for allegedly committing adultery with an Umtata man's wife.

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ber 1987 to the date of the summons (April 7), General Holomisa committed adultery "at various locations" in Transkei with Mr Yako's wife, Lungiswa.

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An attorney for Mr Yako, Mr J J Vlok, of Port Elizabeth, confirmed that proceedings had been instituted. — Sapa.

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We'll carry on investing ⁽¹⁰³⁾ in Afbank, says Transkei

Transkei's Military Council met the African Bank's central board of directors yesterday.

Talks centred around council chairman Major-General Bantu Holomisa's demands regarding the safety of investments by his government with the bank, the bank's solvency, and moves taken by the bank to bring about management stability.

A joint statement issued after the Johannesburg meeting said it had been decided that:

● Transkei's government shall continue to invest funds in the

bank but reserves the right to seek comfort as to the safety of its customers by consulting immediately and from time to time with the Reserve Bank and the joint auditors of the bank.

● The government encourages the bank's board to expedite any negotiations there might be with dismissed employees so that the matter is settled as soon as possible in order to eliminate any adverse publicity against the bank which may place its position, and the government's investments, in jeopardy. — Sapa.

TRANSKEI taxpayers will have their tax rates reduced after yesterday's announcement by military council chairman Bantu Holomisa that the tax threshold will be raised.

He said tax deduction tables, last issued in March 1987, were to be adjusted and the tax threshold would be raised from R3 000 a year to R8 000 a year.

The reduction would range from 17% in the highest income groups and 100% to annual incomes at and below R8 000.

Government would benefit from

Transkei raises tax threshold to R8 000

ZILLA EFRAT (103)

increased collection and payment of GST, when income tax was lowered, creating more disposable income for the individual.

Holomisa expected the "generous relief" to be welcomed by the tax-paying public and to encourage them to produce more for the benefit of the country. He also expected the private sector to expand its businesses and to increase employment opportunities.

Government had to examine its tax

system as the Transkei ranked highest among sister states in the SATBVC context and its system had not been reviewed since independence.

Holomisa was disturbed to discover that a high percentage of tax payers defaulted, so that the responsibility to balance the budget had to be borne by a few, particularly civil servants, who were subjected to a pay-as-you-earn format which was computerised.

The new taxation deduction tables went into effect on March 1 1989.

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Holomisa moves 14/4/89

The withdrawal of African Bank's single largest depositor has been averted. Transkei leader Major General Bantu Holomisa says his government will "continue to invest funds in the bank." This ends speculation triggered last month when Holomisa asked chairman Sam Motsuenyane for assurances "as to the safety of his government's investments, the solvency of the bank and stability in the management."

After meeting the bank's central board on Monday, Holomisa decided not to pull out his R38m — with an important proviso. Transkei, he said, "reserves the right to seek comfort as to the safety of customers by consulting immediately and from time to time with the Reserve Bank and the joint auditors of the bank."

Holomisa tells the *FM* that once he has been briefed by the bank and consulted the auditors, he will consider attaching Transkei representatives to the board to scrutinise operations and monitor progress. This effectively puts Transkei in the steering seat.

Holomisa also urged the bank "to expedite any negotiations with dismissed employees so that the matter is settled to eliminate any adverse publicity which may place its position and the (Transkei) government's investments in jeopardy."

Meanwhile, shareholders who feel all issues were not adequately aired at the recent AGM remain dissatisfied. In answer to questions by the *FM*, Motsuenyane says:

- There has been "some increase" in loans to directors recently but "on exactly the same terms as to other borrowers;"
- He does not know what loans to directors are as a percentage of total advances;
- He is unaware of the writing-off of any loans to organisations in which directors or their relatives have a direct interest; and
- A moratorium has been declared on an amount owed the bank by African Development & Construction Holdings, a company in which he is a shareholder. ■

Star 17/1/87 (103)

5 000 mourn Nksiyane, shot dead in Soweto raid

UMTATA — More than 5 000 mourners from as far as the Reef and Natal braved wet weather at Mqanduli near Umtata this weekend to pay their last respects to a 75-year-old Transkei chief shot dead when SA security forces raided a house in Zondi, Soweto, a week ago.

Also present at Saturday's funeral of Chief Jackson Balisile Nksiyane was Mrs Winnie Mandela and her daughter, Zinzi.

Chief Nksiyane, once a personal secretary to Paramount Chief Sabata Dalindyebo, who died in exile in Lusaka four years ago, was killed in a hail of bullets after SA security forces raided the Zondi home of his son, Geoffrey.

A police unrest report said security forces had shot and killed "two trained terrorists".

Mourners were told that, at the time of his death, the chief was visiting his son to be near a medical specialist attending him in Johannesburg.

CLOSER

Friends of the chief said he was deported by the South African administration of Transkei in 1958 to Soekmekaar in the northern Transvaal for his political activities. During this time he allegedly became closer to the African National Congress.

The chief's coffin, donated by Mrs Mandela, was draped in ANC colours.

Speakers at the funeral ranged from traditional leaders and Transkei opposition leaders to a representative of the National Union of Mineworkers.

Armed police in two vans watched the funeral from a distance, while other security force members mingled with mourners.

A mark of the five-hour funeral, unusual in Transkei, were the number of clenched fist salutes and freedom songs, which seemed to bewilder many of the chief's blanket-clad traditionalist followers. — Sapa.

Woman knifed to death: son held

A Boksburg man was arrested yesterday after he alleg-

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Transkei diplomat held 18/4/89

UMTATA. — Transkei's former representative in Austria, Mr Amos Somdaka, has been detained by the Transkei security police. The head of the security police, General L N Tyelela, also confirmed the detention of the former top official of the Ciskei National Development Bank, Mr Cecil Vanda, of Nqamakhwe in Transkei.

Simply Bantu



Transkei military ruler Bantu Holomisa

TRANSKEI strongman Bantu Holomisa, who deposed the corrupt regime of the Matanzimas in a coup 15 months ago, is believed by many to have introduced "enlightened rule" to the independent Bantustan.

Major-General Holomisa is found by Transkeians to be more accessible than his predecessors, he has initiated rural development projects and seems to be making an earnest attempt to root out corruption.

However, detention without trial continues, a spate of political trials are underway and close co-operation between the Transkeian security forces and the South African Police still persists. **LOUISE FLANAGAN** examines these contradictions in a frank interview with Holomisa:

■ We have removed all those restrictive laws which were intended to enrich a certain few. We have resistance to that in some areas, but we'll educate them and show them that it's not nice to be jealous, to criticise a law intended to help other black fellow men. It's unethical.

"I'm learning a lot," he told SOUTH. "I've got a working team, we're trying our best within our scope. Sometimes it gets tough, but unfortunately the buck stops here. You can't pass it anymore!"

While Holomisa's watchword is still "corruption", his military council is slowly trying to deal with other problems in the homeland as well.

UMTATA. — "The buck stops here!"

That's how Major-General Bantu Holomisa feels about heading Transkei's military government.

He's frank about the problems he faces and his own life doesn't seem to have changed much with the increase of power — he drives the same car he had as head of the army, and lives in the same house.

In the 15 months since the coup which ended the corrupt Matanzima regime, the military government feels they have created a stable situation and have fought off the main challenges to their rule.

It's the first Transkei government to look outside Umtata and acknowledge the desperate needs of the rural

and the rural areas. The rural division is under my department."

Several mines are also being developed — coal mines at Lady Frere, titanium at the coast and black granite.

In an attempt to attract businessmen from outside Transkei, the military council has passed several decrees

to bring relations between Transkei police and South African police into the open.

Transkei has frequently been accused of allowing the South African Police (SAP) to operate freely in the territory. Last month an inquest into the deaths of three Transkeians in Umtata, evidence showed they had

involvement in kidnappings of people from countries like Swaziland which sometimes resulted in the victim standing trial.

"They were trying to do the same here and then I said no," he said, referring to the attempted kidnapping year ago of an Umtata advocate by men claiming to be South Africa policemen.

"Since then there has been some improvement. And that brings stability and respectability to the police force of that particular country. Because they can be seen to be doing things on their own, not acting like puppets."

Some things in Transkei have remained unchanged by military rule. The most obvious of these are the ongoing detentions.

While Holomisa — himself a former detainee — won't condemn the system of detention or put a stop to it, he seems to be trying to improve the detainees' position.

He "inherited" many detainees from the Matanzimas and were now trying to clear the jails, he said. At the same time, he emphasised that support for banned organisations would not be tolerated.

■ We are not supporting the ANC and PAC and people must refrain from those activities. We honour that — it's not even an agreement. We inherited that from our predecessors, that those organisations are banned and we honour that and those laws.

"We are not supporting the ANC and PAC and people must refrain from those activities. We honour that — it's not even an agreement. We inherited that from our predecessor that those organisations are banned and we honour that and those laws."

...development" as being new office blocks, new shops, airports and harbours.

Now, the new offices and shopping centres have been joined by new schools, housing for all income groups and infrastructure.

Sometimes it gets tough, but unfortunately the buck stops here. You can't pass it anymore!

Even more important for most Transkeians, the military government has started a massive R200-million scheme to provide clean fresh water for every village in Transkei. Agricultural schemes, with the emphasis on helping the small farmer, are also underway.

"Transkei has been lagging behind in everything," said Holomisa. "My main priorities include infrastructure

going away with restrictive business laws.

"We have removed all those restrictive laws which were intended to enrich a certain few. We have resistance to that in some areas, but we'll educate them and show them that it's not nice to be jealous, to criticise a law which is intended to help other black fellow men. It's unethical."

One of the aims of this is to attack the Matanzimas' system of only allowing Transkeians to own businesses, which led to the use of Transkeians as "fronts" for non-Transkeian businesses.

The anti-corruption drive is still continuing, although Holomisa said he was "a bit frustrated" because there were lots of delays in court cases last year.

"With this awareness now, many people are going to be caught with their fingers in the till," he added.

Clean administration still seems to be the guiding light for Holomisa. This has even extended to attempts

been gunned down by the SAP.

Holomisa said he was aware of the SAP involvement in that incident.

"We were embarrassed," he said. "We were hardly a month in power then. We told the policemen they must cease doing this."

We make sure that if somebody is detained he must at least appear in court and we must be convinced by security why they continue to detain them.

"If they want to be assisted, no matter what operation, or if they want to arrest somebody, then the army is there and that is their next line. We can go and co-ordinate that, without the killing of anyone."

Holomisa said he had debated the issue of "assistance" with South

Holomisa said he knew there were sometimes "follow-up" operations and that this involved an inevitable violation of borders.

"I'm a head of government. I must not try and say that whatever my policemen have done. I'm not part and parcel of. But it is difficult to change a trend, to introduce people to new things.

"There I'm prepared to take some of the blame."

Holomisa said that his stand on this issue did not mean that he supported the African National Congress (ANC) or Pan African Congress (PAC). Rather, it seems to be an attempt to "clean up" the way the police operate.

"We said to be respected by the international community, you've got to define your borders, and people must operate professionally. This area must not be used like a sort of cowboy training area. Or vice versa, we mustn't use South Africa."

He also criticised South African in-

people to create a sort of political situation for these organisations to move freely.

"So on the continuation of detentions: All that we make sure is that somebody is detained he must at least appear in court and we must be convinced by security why they continue to detain them."

He pointed out that there was a increase in political cases heard in Transkei last year because they were making an effort to "clear up" all the cases.

We told South Africa, assistance must be at an information exchange level only. Not to actually come into the country and carry weapons and operate here. I made it clear, as did the Commissioner of Police and the military council. It has been quiet ever since.

"But we must make sure we don't just release those people we inherit without verifying if there is a case."

Sentenced prisoners' complaints are also being investigated and more has been budgeted to improve the conditions.

Holomisa still insists that he will eventually hand over to a civilian government, although he doesn't know when.

He is now thinking about pushing for a new constitution for Transkei although he said he won't be part of drawing one up.

And after that, he said he'll hand over to a civilian government and go back to the barracks.

Won't he stand for election in a new government?

"I very much doubt it," he said.

And does he think he did the right thing taking over?

"I think so, for Transkei." — E.F. NEWS

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Nine-year-long Thembu power battle moves to its climax

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WMM
21-27/4/89

By LOUISE FLANAGAN,
East London

A NINE-year-old feud over a powerful Transkei tribal succession which has involved the Matanzimas, the military rulers and even Nelson Mandela, may finally be resolved within the next two weeks.

At stake is the position of paramount chief of the Thembus, one of the most powerful chieftaincies in Transkei. Vying for the position are the deposed paramount's son and the Matanzima-supported incumbent.

After a lengthy court battle closely watched by thousands of Transkeians, the case has been referred to the regional authority for a final decision.

The original paramount chief of the Thembus was Sabata Dalindyebo, arch-rival and relative of paramount chief Kaiser Matanzima.

Chief Sabata was widely regarded as King of the Thembus and as the rightful hereditary ruler of all Transkei. In their bid to create an independent Transkei, the South African authorities split the Thembu paramountcy to create Emigrant Thembuland and made Chief Kaiser paramount chief of it.

Chief Kaiser, who had previously been a relatively minor chief, based his position in the newly "independent" Transkei government of 1976 on his new paramountcy.

Over the next few years, the Matanzimas fought a losing battle against Chief Sabata's widespread support.

In 1980, after a trial in Port St Johns which attracted thousands of Thembus to the town and threatened to topple the Matanzima dynasty, Chief Sabata was convicted of insulting the dignity of the state president — Chief Kaiser — and deposed on these grounds. He fled into exile, joined the African National Congress and died a few years ago.

After Chief Sabata was deposed, the Matanzimas installed Bambilanga Dalindyebo, Sabata's junior brother, as paramount chief of the Thembus. Bambilanga died recently, leaving the post to his son Zondwa Mtirara.

Last year Dalindyebo's son Buyelekhaya lodged a supreme court application challenging the legality of both the hand-over to Bambilanga and the current position of Zondwa Mtirara.

Buyelekhaya is supported in his claim by military ruler Major-General Bantu Holomisa.

Last week the Transkei Supreme Court handed the succession matter over to the local Thembu authority, the Dalindyebo Regional Authority.

In terms of the court order, the military council must instruct the DRA to call a meeting to discuss the paramount chieftainship within three weeks. The DRA must either confirm Mtirara's position, or designate another paramount.

The DRA decision will then become an order of court. — elnews

Harms resumes probe into Jalc deals

CAP 1/1/89

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Own Correspondent

JOHANNESBURG. — Jalc Holdings will be the focus of the Harms Commission hearing which resumes in Cape Town today.

The commission is to report on possible illegalities between Jalc and other companies, particularly activities that amount to fraud, theft, bribery, corruption, tax evasion, foreign exchange irregularities or any crime.

Jalc and its Transkei-registered subsidiary Temba Construction came under sharp criticism from the Van Reenen Commission last year which found that Temba used the Matanzima brothers to "approve" their deals and later block opposition to them through the issuing of "directives", 25 of which the commission found were "illegal".

The commission found that untendered contracts were drawn up in such a way that Jalc/Temba did not have to pay penalties for delays.

One government contract with Temba, originally priced at R17 mil-

lion, eventually cost the government more than R54m; a second which originally started at R9,1m ultimately cost R14,7m, the report said.

The commission found that none of the houses built by Jalc/Temba could be sold for what they cost to build and some houses built at Ezebeleni were defective.

As a result the Transkei ordered that an R11m payment due Jalc for the construction projects be withheld pending investigations into Jalc/Temba by the commissions of inquiry. This has subsequently become the focus of a civil action between the government and Jalc.

Because Jalc Holdings is registered in SA, and its directors — Mr Lawrie Painting, Mr Chris van Rensburg, Mr Athos Poulos and Mr John Strong — were based in South Africa, the two Transkei commissions recommended that a South African commission of inquiry be established to investigate Jalc and its directors.

The Harms Commission was subsequently established last year.

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City squatters take stand in chieftancy battle

Staff Reporter

CAPE TOWN squatters voted unanimously at the weekend to support Mr Buyelekhya Dalindyebo in his battle for the powerful paramount chieftancy of the Tembu people in Transkei.

A 56-strong delegation will travel to Umtata today to express solidarity with Mr Dalindyebo at a court case there tomorrow.

More than 5 000 people attended the meeting to discuss the issue in KTC on Sunday and unanimously declared support for Mr Dalindyebo, according to Mr Gladstone Ntamo, secretary of Western Cape branch of the Sabata Dalindyebo Trust Fund Committee.

"We want him to come

back and lead his people," said Mr Ntamo.

Mr Dalindyebo fled the country in 1979 and is studying in Zambia.

He is the son of former Chief Sabata Dalindyebo, who was deposed, fled into exile and linked up with the ANC after a long conflict with former president Paramount Chief Kaiser Matanzima.

The other man in the battle for the chieftancy is Mr Zondwa Mtirara, son of Chief Dalindyebo's successor, Chief Bambilanga Mtirara, who died last year. He is backed by Chief Matanzima.

Chief Matanzima, Chief Dalindyebo and jailed ANC leader Mr Nelson Mandela all belong to the Dlomos, the Tembu royal family.

Col **3 in 'Kei court**
Times **for terrorism**

10/15/89

(scribble)

103

(scribble)

UMTATA. — A man alleged to have damaged a fuel depot here, a power station and the nearby Umtata Dam in June 1985 by placing mines there, appeared in the Supreme Court here yesterday together with two men who are alleged to have harboured him.

Mr Mzwandile Vena, 28, is facing a charge of terrorism and Mr Mzimkulu Tukela, 26, and Mr Sonwabo Mbekela, 27, are charged with harbouring a terrorist. — Sapa

ANC man's son becomes chief

UMTATA — The Dalindyebo Regional Authority yesterday unanimously voted in favour of the son of a former ANC member taking up chieftainship of the Tembu clan in Transkei.

Twenty-eight councillors voted in favour of Mr Buyelekhaya Dalindyebo's taking over paramountcy of the Tembus after his father, King Sabata Dalindyebo, died in exile in Lusaka four years ago.

The decision ended the nearly two-year battle over the question as to who was the rightful heir to the throne, a matter which saw numerous litigations shunting along the corridors of the Transkei Supreme Court. — Sapa

[Faint, mostly illegible text, likely bleed-through from the reverse side of the page]

- (1) Whether his Department was involved in placing advertisements promoting the settlement plan for South West Africa/Namibia; if so, (a) at what total cost and (b) in respect of what specified period is this figure given;
- (2) whether these advertisements were placed in publications distributed in South West Africa/Namibia; if so, (a) in which publications and (b) on what dates; if not, why not?

B722E

The MINISTER OF FOREIGN AFFAIRS:

- (1) No. A publication is, however, being prepared which will contain the various agreements and UN Security Council decisions.
- (2) This publication will be distributed in South West Africa/Namibia, South Africa and abroad.

Bophuthatswana: financial advances

366. Mr C W EGLIN asked the Minister of Foreign Affairs:

- (1) Whether any (a) loans, (b) lines of credit and (c) other specified financial advances were granted directly or indirectly by the Government or any Department or agency of the Government to (i) the Government of, (ii) any Government Department of, (iii) a development corporation in and (iv) any other specified person or organization in Bophuthatswana in the 1988-89 financial year; if so,
- (2) (a) what amounts were involved in each case and (b) what was the total amount outstanding as at the latest specified date for which information is available?

B768E

The MINISTER OF FOREIGN AFFAIRS:

- (1) (a) Yes
(b) No
(c) No
- (2) (a) (i) Yes
(ii) No
(iii) No
(iv) No
(b) (i) No

HOUSE OF ASSEMBLY

- (ii) No
(iii) No
(iv) No
- (c) (i) No
(ii) No
(iii) No
(iv) No
- (2) (a) Loans R3 240 000
Lines of Credit: None

(b) amount in respect of loans outstanding as at 31 March 1989: R47 844 526

The information furnished above is only in respect of the activities of the Department of Foreign Affairs and therefore does not include any possible assistance by other RSA Departments or agencies.

Ciskei: financial advances

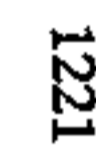
367. Mr C W EGLIN asked the Minister of Foreign Affairs:

- (1) Whether any (a) loans, (b) lines of credit and (c) other specified financial advances were granted directly or indirectly by the Government or any Department or agency of the Government to (i) the Government of, (ii) any Government Department of, (iii) a development corporation in and (iv) any other specified person or organization in Ciskei in the 1988-89 financial year; if so
- (2) (a) what amounts were involved in each case and (b) what was the total amount outstanding as at the latest specified date for which information is available?

B769E

The MINISTER OF FOREIGN AFFAIRS:

- (1) (a) Yes
(b) Yes, guarantees for the repayment of overdraft facilities.
(c) No.
- (2) (a) (i) Yes
(ii) No
(iii) No
(iv) No
(b) (i) Yes



- (ii) No
(iii) No
(iv) No
- (c) (i) No
(ii) No
(iii) No
(iv) No
- (2) (a) Loans R46 652 000
Lines of credit: Guaranteed overdraft facilities R172 000 000

(b) amount in respect of loans outstanding as at 31 March 1989: R24 932 110

The information furnished above is only in respect of the activities of the Department of Foreign Affairs and therefore does not include any possible assistance by other RSA Departments or agencies.

Transkei: financial advances

368. Mr C W EGLIN asked the Minister of Foreign Affairs:

- (1) Whether any (a) loans, (b) lines of credit and (c) other specified financial advances were granted directly or indirectly by the Government or any Department or agency of the Government to (i) the Government of, (ii) any Government Department of, (iii) a development corporation in and (iv) any other specified person or organization in Transkei in the 1988-89 financial year; if so
- (2) (a) what amounts were involved in each case and (b) what was the total amount outstanding as at the latest specified date for which information is available?

B770E

The MINISTER OF FOREIGN AFFAIRS:

- (1) (a) No
(b) Yes, guarantees for the repayment of overdraft facilities
(c) No.
- (2) (a) (i) No
(ii) No
(iii) No
(iv) No



- (b) (i) Yes
(ii) No
(iii) No
(iv) No
- (c) (i) No
(ii) No
(iii) No
(iv) No
- (2) (a) Loans None
Lines of credit: Guaranteed overdraft facilities R80 000 000

(b) amount in respect of loans outstanding as at 31 March 1989: R102 911 157.

The information furnished above is only in respect of the activities of the Department of Foreign Affairs and therefore does not include any possible assistance by other RSA Departments or agencies.

Venda: financial advances

384. Mr R A F SWART asked the Minister of Foreign Affairs:

- (1) Whether any (a) loans, (b) lines of credit and (c) other specified financial advances were granted directly or indirectly by the Government or any Department or agency of the Government to (i) the Government of, (ii) any Government Department of, (iii) a development corporation in and (iv) any other specified person or organization in Venda in the 1988-89 financial year; if so,
- (2) (a) what amounts were involved in each case and (b) what was the total amount outstanding as at the latest specified date for which information is available?

B786E

The MINISTER OF FOREIGN AFFAIRS:

- (1) (a) Yes
(b) Yes, guarantees for the repayment of overdraft facilities.
(c) No.
- (2) (a) (i) Yes
(ii) No
(iii) No

HOUSE OF ASSEMBLY

Matanzima man finally deposed

(103) By LOUISE FLANAGAN
wmail East London 12-10-78

A POWERFUL chief has been toppled in Transkei, making way for a man seen as being backed by the African National Congress.

At stake is the powerful position of paramount chief of the Thembus. The original incumbent, Sabata Dalindyebo, was deposed by the Matanzima brothers nearly 10 years ago.

Now the Matanzima-backed paramount, Zondwa Mtirara, has lost his seat, leaving the position open for Sabata's son, Buyelekhaya Dalindyebo.

This week the Dalindyebo Regional Authority held a public meeting and unanimously voted not to confirm Mtirara's appointment. To hundreds of cheering Dalindyebo supporters, the DRA called for Buyelekhaya to return.

Buyelekhaya is believed to be in Lusaka and is seen as linked to the ANC. In the court action which finally forced the DRA meeting, Buyelekhaya's opponents claimed he held a position in the ANC.

In terms of a last minute court order Mtirara was prevented from chairing the meeting and the public was allowed to attend. The DRA members also voted to have an open vote on the paramount's position.

About 2 000 Thembus crowded into the Umtata city hall to listen to the decision. Afterwards supporters started dancing and chanting freedom songs and called for the release of Nelson Mandela. Several hundred jubilant supporters ran through the city streets cheering.

Also present at the meeting was military ruler Major-General Bantu Holomisa. He has openly supported the Dalindyebos and himself deposed Mtirara as chief of the army.

After the meeting Mtirara was quoted as saying that the meeting's procedure was unfair, claiming that Holomisa's presence influenced the voting. He said he wouldn't consider resigning until approached by the government to do so. — Elnews

PROPERTY CATHOL

Botha's department *Cape Times 15/5/89* ~~7~~ ~~103~~ 'knew of Jalc actions'

By MEG BRITS



Mr C van Rensburg



Mr Lawrie Painting

THE Department of Foreign Affairs was aware of the activities of Jalc and its associate company Temba Construction in and around Transkei.

The Harms Commission also heard that Jalc had regarded the placement by Military Intelligence of Brigadier M Deyzel as an undercover operative with the company as a quid pro quo with the South African government.

Cross-examined by Cape attorney-general Mr Frank Kahn, Jalc financial director Mr Lawrie Painting said the company believed that Brig Deyzel would ensure that Jalc got "first shot" at construction contracts for new projects through his contacts with the SA government.

The group had employed him as "he was useful to promote co-operation between ministers of neighbouring states and the Department of Foreign Affairs".

Jalc director Mr Chris van Rensburg said in an affidavit that it had always been his opinion that the department should be informed of all projects and developments in Transkei.

He said that during 1984, he had fallen out with Chief George as he became aware of an increasing number of people and companies operating on a short-term basis for maximum profits.

"Projects were being forced on the Transkei government and millions of rands' worth of damage were done to that government. These included the El Hash transaction, the Colly Wobbles hydro-electrical scheme and the Koens Housing scheme."

Mr Van Rensburg said he had reported these schemes to Foreign Affairs. Mr Pik Botha was told about the Koens Executive Housing Scheme after it was found that government guarantees were given by the Bank of Transkei for a preliminary facility of R10 million.



Struggle for chieftdom

A SAGA-FILLED battle for an influential chieftainship in Transkei took a dramatic turn last week when a Matanzima-backed man was ousted in favour of an ANC-linked challenger.

Former defence chief Zondwa Mirara was forced to resign as paramount chief of Thembuland after the regional authority refused to confirm his position.

And at a public meeting in Umtata attended by 2 000 cheering Thembus, the regional authority called on Buyelekhaya Dalindyebo

to return to Transkei and take up the paramouncy.

Dalindyebo is the son of Sabata Dalindyebo, who fled Transkei in 1980 to join the ANC after a long-running feud with Kaiser Matanzima. Sabata died in Lusaka in 1986.

The battle over the Thembu paramouncy dates back several decades, and has pitted the Matanzimas against their relatives, the Dalindyebos.

Sabata Dalindyebo, a nephew of Nelson Mandela, was the original paramount chief of all Thembuland, and widely regarded as the King of the Thembus.

He was an outspoken opponent of the South African government's homeland policy and wanted nothing

to do with Transkei independence.

South Africa found Kaiser Matanzima, then a minor chief in Thembuland, far more pliant.

On what experts now regard as very dubious grounds, South African government ethnologists split Thembuland into two areas to create Emigrant Thembuland for Matanzima to rule over.

Matanzima's new paramouncy, which he took over in 1967, formed the basis for his claims to rule Transkei.

Sabata refused to recognise Matanzima's new status and continued to oppose Matanzima after independence.

He was finally arrested in 1980 and deposed by Matanzima, whereupon

he fled into exile.

Matanzima then installed an ally, Sabata's younger brother Bamhlanga, as paramount chief.

When Sabata died in 1986, the Transkei government made arrangements to fly his body home for burial. But in a bizarre episode, the body was stolen from the Umtata funeral parlour.

And thousands of mourners who arrived at Transkei's border posts for the funeral were turned away.

Stella Sigcau, who replaced the disgraced George Matanzima as prime minister in late 1987, lifted all banishment orders imposed by the Matanzimas, which enabled many Sabata supporters to return home.

In 1987 Bamhlanga died and his son, Zondwa Mirara, took over the paramouncy.

However, his installation as paramount was delayed due to increased turmoil in Thembuland.

Supporters had begun to gather around Sabata's son, Buyelekhaya, who was studying in Zambia at the time, and the stage was set for a battle between Zondwa and Buyelekhaya.

Widespread support

By April last year, support for Buyelekhaya was so widespread that the Dalindyebo Regional Authority (DRA) decided that Buyelekhaya should be paramount chief.

A second DRA meeting was

planned to ratify the move and inform the government, but Kaiser Matanzima stepped in quickly with a court order to prevent this.

This time Matanzima also had to contend with the new military government under Major-General Bantu Holomisa.

Not only was Holomisa's father one of the chiefs who served under Sabata, but Holomisa had deposed Zondwa as chief of the army.

After several court cases, the Transkei Supreme Court referred the decision on the paramount to the DRA.

Last month the court ruled that the DRA decision would become an order of court and that both Buyelekhaya and Zondwa would have to accept the decision.

The final victory came last week, when the DRA called on Buyelekhaya, whose name means "come home", to return to Transkei.

Despite speculation that Buyelekhaya is closely linked to the ANC, Holomisa has announced he is free to return home.

"I am happy that the people have been able to decide," he said. "I hope the chieftainship saga has been solved and there will be stability in that area." — *ELNEWS*

Transkeians claim visits to Mandela

UMTATA — A number of Transkei government, tribal and church leaders have visited the jailed African National Congress leader, Nelson Mandela, since the beginning of this year.

This was confirmed today by one of those who had visited him. — Chief Vulindlela Mtirara.

Chief Mtirara said he would visit Mandela again this weekend. He would be accompanied by the Bishop of the United Methodist Church of Southern Africa, Bishop Don Dabula, and an Anglican priest, the Rev A Nompuku.

Mandela was also visited earlier this year by the acting Commander of the Transkei Defence Force, Brigadier Temba Matanzima.

And while it could not be confirmed, sources said the Minister of Agriculture and Forestry, Chief Ngangomhlaba Matanzima, had visited Mandela.

A former leader of the now defunct opposition Democratic Progressive Party, Mr A S Xobololo, said today that Mandela was interested in being briefed on current issues relating to the Tembu tribe, of which he is senior member.

"It has been a great joy to be invited by Mandela at a time when the clock is turning in the house of Tembu and in Transkei in general," he said.

Asked for comment on the visits to Mandela, a liaison officer for the South African Prisons Service, Major Dave Smith, said last night visits to prisoners were regarded as a private matter and to give details of them would be to intrude on the privacy of Mandela. — Sapa.

Video centre for Kei 103

TRANSKEI has opened an R800 000, 20 station interactive video training centre to improve the in-service training of teachers in critical subjects such as mathematics and science.

Southern 23/5/89
The centre is the second to be established by Learning Technologies in a homeland or national state in the last year. The first was opened at Ulundi in KwaZulu a few months ago.

Within weeks of being taken into service, the interactive video training facility has proved so popular that the Transkei government may have to consider adding work stations to the existing 20.

Mr P N Tshaka, Transkei's Minister of Education, said at the official opening of the new facility recently that its use may be extended to the adjacent Transkei College of Education for the training of student teachers taking computer studies.

"The content and processing of Transkei pre-service teacher education has been subjected to vigorous revision during the last seven years — from the time our teacher education was no longer associated with the Department of Education and Training. It has now become increasingly clear that there is a need to provide serving teachers with more training on a better organised and continuous basis."

2 Transkei Ministers lose posts

Star 1/6/87 (103)

UMTATA — Two Transkei Cabinet Ministers in the military government have been relieved of their posts, causing a mini reshuffle in the Council of Ministers.

The two were the Minister of Finance and Public Service Commission, Mr Julius Fulinzi-ma Manko Matutu of Mqanduli, and the Minister of Police, the Rev Benjamin Nicholas Dlamini of Umzimkulu.

In a statement, the chairman of the military council, Major-General Bantu Holomisa, said the decision to remove the two Ministers was made by the State President, Paramount Chief Tutor Ndamase, by virtue of Section 7(3) of Decree No 1 Of 1988.

The Minister of Works and Energy, Mr Mkhumbuzi Titus, will hold the fort in Mr Matutu's departments while the new member of the military council, Colonel M M Mdleleni, will act as Minister of Police. All attempts to get comment from the affected Ministers have so far been unsuccessful.

APPRECIATION

General Holomisa said President Ndamase and the military council had requested him to convey to the two outgoing Ministers "their sincere appreciation for the services rendered by Messrs Matutu and Dlamini to the country since their appointment on January 6 last year".

The two Ministers entered the cabinet in the government of Chief George Matanzima in 1976, Mr Matutu as Minister of Health and Mr Dlamini as Deputy Minister of Police.

The two were appointed by General Holomisa to the Ministers Council after the military takeover last year.

The axing of the two Ministers follows the recent removal and detention of the second in command in the military council, Colonel Craig Duli. He left the military council in April before he was suspended from the army and later detained. He is still in detention. — Sapa.

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Two Transkei Ministers axed

UMTATA. — Two Cabinet Ministers in Transkei's military government have been relieved of their posts, causing a mini reshuffle in the Council of Ministers.

The two were the Minister of Finance and the Public Service Commission, Mr Julius Fulinzima-Manko Matutu of Mqanduli and the Minister of Police, the Reverend Benjamin Nicholas Dlamini of Umzimkulu.

The chairman of the military council, Major-General Bantu Holomisa, said the decision to remove the ministers was made by the State President, Paramount Chief Tutor Ndamase, under Section 7(3) of Decree No 1 of 1988.

The Minister of Works and Energy, Mr Mkhumbuzi Titus, will take over in Mr Matutu's departments while a new member of the military council, Colonel M M Mdleleni, will act as Minister of Police.

The affected ministers have so far declined to comment.

General Holomisa said President Ndamase and the military council had asked him to convey to the two outgoing ministers "sincere appreciation for their services".

103 copies 4/6/89.

Rift grows as Sebes miss their mothers' funeral



Mrs Matriarch Nofikile Sebe, who died after a long illness.

Exiles Charles, Namba mourn in Transkei

By SAMKELO KUMALO
RUNAWAY brothers, Charles and Namba Sebe, failed to attend their mother's funeral in Ciskei yesterday - a move which could deeply divide the tiny

homeland.
President Lennox Sebe's refusal to allow his brothers to attend the funeral has deepened a three-year-old family rift. Nofikile Sebe died at the age of 93 at the family's ancestral home,

Tshatshu, near King William's Town last week. She had been ill for some time and was buried at the local cemetery after a service at the Congregational Church. One-time Ciskei toughman Charles Sebe told

City Press yesterday: "The fact that my children were also not allowed to attend means that my elder brother (Lennox) is also involving them in the feud."

Speaking from his home in Umtata, Transkei, he said his and Namba's families would mourn the matriarch according to Xhosa custom. On Wednesday this week they held a memorial service at the Umtata City Hall.

Ciskei's information director, Headman Somtunzi, confirmed on Friday that his government could not allow the fugitives to return home for the funeral.

"They remain fugitives from justice," he said.

"The fact that they did not follow up the president's offer of forgiveness proved that they did not want to come home."

The death of the Sebes' mother came at a time when Charles is reported to have bought houses in a white Durban suburb for himself, Namba, Chief Lent Maqoma, and former East London businessman Ben Nomoyi.

The move to Durban is seen as an attempt to relieve the pressure on Transkei leader General Bantu Holomisa to hand over the four fugitives.



Jalc director's plea on 'below the belt' blows

ARCAS 6/6/89 103

By ANDREA WEISS, Staff Reporter

JALC director Mr Chris van Rensburg said he had been dealt many "below the belt" blows during two years of inquiry.

He was giving evidence yesterday at a sitting in Cape Town of the Harms Commission into cross-border irregularities.

Big chain stores bypassing markets

By ANTHONY DOMAN
Municipal Reporter

BIG chain stores are increasingly taking business away from wholesale markets, buying directly from growers and farmers, according to Cape Town fresh-produce market director Mr Clarry Meeser.

Mr Meeser was commenting in his annual report for the year ending June 1988, presented to the City Council's utilities and works committee yesterday.

Income was up to more than R10-million, he said. In spite of increased expenditure a record surplus of R4 735 135 was recorded.

This surplus was due to "absolutely stringent control over expenditure", a job freeze, a productivity drive and extensive public relations work.

Having used reserves to redeem outstanding loans ahead of time, the market was now free of debt, Mr Meeser said.

Turnover of R180 388 520 was 25 percent up on the previous year and well above the estimate.

However, a "disturbing factor" was the ever-increasing volume of produce, especially better-quality, bypassing the market system.

PROVIDE SERVICE

Large chain stores with buying power were likely to be big enough to buy direct from the larger growers, he said.

"They are thus unlikely to make great use of wholesale markets, save for 'top-up' quantities and for smaller volume items where bulk is too small to justify their buying direct."

However, this was not to say that wholesale markets would not continue to play an important role in distribution. One of the main roles of a market was to provide an efficient service to other clients who did not have the backing and power to buy direct.

Mr Meeser specifically mentioned the "vast volumes" of citrus fruit passing directly from co-operatives to the trade.

One major reason for bypassing the market — a lack of up-to-date business information — would be remedied by a switch to computers this year. Many buyers and suppliers, including the chain stores, were buying direct from farmers because the market could not provide the information they needed, Mr Meeser said.

Howe cancels trip

LONDON. — British Foreign Secretary Sir Geoffrey Howe has cancelled a trip to Czechoslovakia next month because of Prague's tit-for-tat expulsion of our Britons, the Foreign Office said. — Sapa-Reuter.

A subsidiary of the Jalc group, Temba Construction, was investigated by the Van Rieenen Commission in the Transkei last year.

Mr van Rensburg said there had been many sensational stories which had damaged him.

When Transkeian President Mr George Matanzima disappeared newsmen visited his house looking for the President.

Allegations concerning his involvement with uncut diamonds had been used on newspaper posters in East London, his home town, causing hurt to his children at school.

"I have been branded as a man who deals with uncut diamonds," he said.

Although many people respected him for creating thousands of jobs, he could not go back into Africa because he was being called a spy. He had also been accused of stealing money for the National Party.

Before the sitting began Mr van Rensburg's counsel, Mr Nic Treurnicht, SC, said a list of questions submitted to his client could not be answered.

In an earlier hearing Jalc directors refused to answer questions which could incriminate them in a tax investigation.

Gambling rights

Yesterday Mr van Rensburg was called by the commission to explain his part in gambling rights obtained in Ciskei and Transkei.

Asked why President Sebe had decided to split gambling rights equally between Sun International, Lentin (which shares directors with Jalc) and the Ciskeian government, Mr van Rensburg said he believed it was because President Sebe valued his friendship and the protection offered to him by undercover agent Brigadier Marthinus Deyzel.

Days after a military-style attack on President Sebe's home in February 1987 Brigadier Deyzel and Mr Toni Botha, a George businessman with extensive security contacts in the South African government, visited President Sebe.

The president agreed to change an agreement giving Sun International a half-share in gambling rights with the Ciskeian government, according to Mr van Rensburg.

Undercover plan

Mr Botha, who initiated the SADF undercover project, was also called to give evidence on the subject.

He said President Sebe feared a second attack on his life, the fears supported by "strong documentation".

In a statement handed in to the commission, Mr van Rensburg said his relationship with Mr Matanzima had been "estranged" for two years when the rights to profits made by Transgames were sold out to Sun International.

"I therefore deny any insinuation regarding involvement by myself or my group of companies in the irregularities perpetrated by Messrs Bloomberg and Kerzner," he stated.



POP WEDDING: Rock star Bill Wyman, 52, of the Rolling Stones, kisses his bride, Mandy Smith, 19, outside St John's Church, London. They were married in a secret civil ceremony on Friday and yesterday the marriage was blessed in church.

Rolling Stone Bill Wyman weds Mandy

The Argus Foreign Service

LONDON. — The bride looked like a million dollars. And Rolling Stone Bill Wyman's spending wasn't far short of that at the blessing of his marriage to Mandy Smith.

The couple made up for the austerity of their brief register office ceremony on Friday with a sumptuous service at the Church of St John the Evangelist in Hyde Park Crescent, West London, yesterday.

It was followed by an all-day celebration at

the Grosvenor House Hotel which was still going strong in the early hours today.

More than 500 guests, including fellow Stones, joined Wyman whose relationship with Mandy began when she was 13 and was once the subject of a police inquiry, for a musical celebration to remember.

For the church service, 19-year-old Mandy wore a stunning R40 000 sequinned lace gown with silk panels of pastel green, pink and lilac. It was a family affair, with Smiths and Wymans arriving from all over the country.

Aids rumour led to factory strike threat

By KAREN STANDER
Medical Reporter

A MISTAKEN belief that an employee had Aids led to the threat of a strike at a Cape Town clothing factory.

The problem was resolved last week by members of the Planned Parenthood Association (PPA) who gave a lecture on the disease and were able to show that the worker did not have Aids.

Mrs Erica Greathead, regional director of the PPA, said the woman had the hepatitis B (yellow jaundice) virus in her bloodstream and not the Aids virus.

Because she was illiterate the employee had asked a

neighbour to read her a letter notifying her of the condition. The neighbour had misunderstood and word had spread that the woman had Aids.

"The employers explained the position but the firm's employees were dubious. The employers consulted me and I suggested that we gave a lecture."

"We talked to the entire staff for an hour and explained all about Aids. The woman concerned got up and identified herself."

"People got a bit tearful and felt guilty, but they were satisfied."

The workers' fear and ignorance would have made the management's task difficult, if not impossible.

Climate right for negotiation — De Klerk

The Argus Correspondent

JOHANNESBURG. — The leader of the National Party, Mr FW de Klerk, said today that the climate was right for peaceful negotiation among all races in South Africa.

He said groups which remained uncommitted to the process could become "irrelevant".

Opening the Lebowa Legislative Assembly, Mr de Klerk said there was "a clearly perceptible readiness to look for solutions (to the country's problems) together."

He said that the negotiation of a new constitutional dispensation acceptable to all was

Lawyers, student held

carb trib 7/6/89 **103**
UMTATA. — Fourteen people, including two lawyers and a Wits University law student, were detained in the Transkei yesterday during the funeral of former political detainee Mr Lungisa Matutu, who was killed in a car accident.

103 w mail 9-14/6/89

AN extraordinary controversy involving a Transkei Supreme Court judge and his assessor has sent shock waves through the legal profession.

Assessor Arjun Naidu, an advocate and professor of law at the University of Transkei, last week signed a statement saying in effect that Mr Justice M Mitchell had lied in court.

A week later, arrested and charged in court for contempt and defamation, he said the statement was a lie, made "under duress".

In the affidavit, filed with the Registrar of the Supreme Court in Umtata, he challenged the judge's ruling on the last day of a "political" murder trial, that the court found "unanimously" there were no extenuating circumstances.

Naidu, who was not in court at the time sentence was handed down in the case, questioned the accuracy of the judge's remarks during sentencing. The judge said he and the assessor were unanimous in their conclusion that there were no extenuating circumstances. He sentenced the two accused in the Wild Coast casino bombing trial to death.

Naidu's version was that he had not reached a final conclusion on extenuating circumstances and he challenged the judge on whether the court was "unanimous" on the issue, saying the judge's remarks had caused him "great concern".

He also explained why he was not in court: Naidu said he had received threatening letters and phone calls about his role in the trial and was warned to recuse himself.

After consultation with the trial judge and Transkei's Chief Justice it was decided that he should not continue sitting in the case.

However he stressed that while he did not appear in court on the final day, "I state quite categorically that I did not reach any definite conclusion on the question of extenuation and certainly did not convey my final judgement on this question before withdrawing as an assessor".

A few days after his affidavit was lodged, Naidu was arrested. He appeared in the Transkei Supreme Court on Monday and read a second statement, this time made to a magis-

trate, claiming his previous statement was made under duress.

Naidu claimed that after the death threats began, he was visited by Durban advocate Kessie Naidu, who told him to sign an affidavit which would "make him blameless in the eyes of certain organisations".

The assessor said he took this to mean the African National

Congress was involved. He claimed the lawyer told him that the ANC "would just have to give the word to the students ... and (he) would be killed within a few minutes".

Arjun Naidu said that, acting under duress, he signed the statement contesting the judge's version of the question of extenuating circumstances even though his own version was not true.

He also claimed that the portion of the document stating that it was signed before a commissioner of oaths, was not signed in his presence, and he did not know "if and when it was done".

Naidu said the statement was signed "under total compulsion and fear for (his) life".

The assessor was released on bail of R250.

**Arrested:
Assessor
who
criticised
the judge**
By CARMEL RICKARD

Transkei to challenge SI on gamble rights

City Times
12/6/89

103

Own Correspondent

JOHANNESBURG. — The Transkei government will file papers in the Transkei Supreme Court today to challenge Sun International's claim to exclusive gambling rights in the country, Transkei leader Major-General Bantu Holomisa said yesterday.

In a policy statement yesterday General Holomisa said that this was the only possible way to see "which operators held rights and whether any of those rights are valid or have been tainted by cor-

ruption and should therefore be set aside".

He said court action was the only way the matter could be fairly, openly and publicly investigated, probed and decided on.

"Declarations of the rights have been sought from the Supreme Court as to the status of the gambling rights presently held by those operators in Transkei who were the subject of investigation in the Alexander Commission," General Holomisa said.

The action also gives effect to a recommendation by Mr Justice Alexander in his report on the commission of inquiry into gambling rights, he said.

The report said the Transkei government must decide "if it would be in the public interest to limit the rights which Transun (a Sun International subsidiary) believes it holds by application to court or to regularise the position by suitable amendments of the Gambling Act with retrospective effect".

Sun International (SI) chairman Mr Ian Heron said last night that SI would be answering the Transkei government's arguments in detail.

"We have had discussions with the military council regarding the gambling rights and laid out the full history," he said.

Matanzima

allies sued

103

CAPL 13/6/87
Political Staff

FORMER Transkei president, Paramount Chief Kaizer Matanzima, and four of his former close allies are each being sued for R50 000 by the executors of the insolvent estate of former prime minister, Chief George Matanzima.

Transkei's military government was also giving "high priority" to the recovery of unpaid taxes by Chief Kaizer and his companies, the chairman of the military council, General Bantu Holomisa, said.

Court bid against Sun International

Star 13/6/89 (103)

UMTATA — Transkei's military government applied yesterday for a Transkei Supreme Court order to set aside Sun International's exclusive gambling rights.

The government filed its application citing Sun International Limited, Transkei Sun International Limited, Transkei Sporting and Tattersall Company (Pty) Ltd, Sun Hotel International Limited, Sun International (Wild Coast) (Pty) Ltd and 12 others as respondents.

Among the 12 other respondents are the former state president, Paramount Chief Kaiser Matanzima, and the former prime minister, Chief George Matanzima.

They must reply by August 24.

The application also seeks an order declaring that no rights can be conferred upon a person which can in any way exclude or bar the issuing of a gambling licence to

any other person when the Minister of Justice considers a gambling licence application.

The application also seeks an order declaring that none of the first six respondents hold any rights, whether by contracts derived from any predecessors in title or otherwise, which bar the issue of a gambling licence to any other person in Transkei.

SOUGHT

The order seeks also to declare that Transkei Sun International Limited and its successors are not entitled to gambling rights within Transkei flowing from a government decision in 1978.

The order seeks alternatively that they be entitled to no more than a concession to establish a Transkei Tattersall Club and rooms with headquarters in Umta-

ta for a period of 20 years with the right to establish branches in other Transkei areas as approved by the Minister of the Interior.

In a supporting affidavit, the Minister of Justice, Chief Pondolwendlovu Ndamase, referred to the Alexander Commission of Inquiry which investigated, among other things, the granting of gambling rights to some companies.

He said evidence before the commission studied the question of whether or not there had been irregularities with regard to the acquisition of gambling rights by parties who currently ran gambling establishments in Transkei.

Chief Mdamase said a question which was investigated was whether or not parties who claimed to hold exclusive gambling rights should be lawfully recognised. — Sapa.

R54-m budget for Transkei army ⁽¹⁰³⁾

UMTATA — The Transkei had budgeted R54 542 000 for its defence force in the 1989/90 financial year, Minister of Defence Major-General H B Holomisa announced yesterday.

He said the objective was to have a well-trained army to defend the country against internal and external aggressors. —
Sapa. Star 15/6/89

Star 16/16/81

Transkei to remove Sebe, others to SA

EAST LONDON — The Transkei government has agreed to the removal of General Charles Sebe and other Ciskeians to South Africa, Foreign Affairs and Information Minister, Brigadier ERG Keswa, said yesterday. 103

Delivering his budget speech, he said the military council had spared no effort in attempting to normalise Transkei's relationship with Ciskei.

"The Ciskeian government has given certain assurances and the South African Government has undertaken to facilitate the removal from Transkei of the so-called refugees from Ciskei."

Brigadier Keswa said the military government did not play any part in planning the "springing" from prison, flight to Transkei and settlement of General Charles Sebe and other Ciskeians.

However, in the interests of good neighbourliness and friendly co-existence with neighbours, and "in consideration of the problems experienced by our nationals who have to travel through Ciskei, we have agreed to the removal of these Ciskeians to South Africa", he said. — Sapa.

Holomisa to visit US, UK

UMTATA — The chairman of Transkei's military government, Major-General Bantu Holomisa left Umtata yesterday on a four-nation trip. 103

He is to visit the United States, Britain, West Germany and Italy.

Star 20/6/89
He is being accompanied by an aide, Captain Mbulelo Xaba, National Advisory Council chairman Mr A T Sigcu, Transkei Development Corporation chairman Mr Marshall Swana, and Department of Commerce, Tourism and Industry deputy director-general Mr Elliot Mokoena. — Sapa.

CAPC TITLES 21/6/87 (103)

Catholic priest 'detained'

UMTATA. — A Catholic priest, Father Thomas Yekiwe, has been detained by the security police, according to a colleague, Father Michael Riedener.

Strikes hit post offices

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23-29/6/89

ABOUT 1 000 postal workers in Transkei stopped work this week in the latest of a wave of sporadic strikes that have hit post offices around South Africa recently.

The strike has closed the main post office in Umtata, and has severely affected work at four post offices in the "homeland".

The striking workers belong to the Transkei Post Office Workers' Association. Floyd Mashele, vice-president of Cosatu's Post and Telecommunication Workers' Association, said the strike was a protest against the transfer of unionists to remote post offices in the "homeland".

He said union was receiving reports that the strike was rolling into other depots in the territory.

On Tuesday 145 striking workers at Umtata post office were charged with being a "public nuisance", said Mashele. Security police were searching for leaders of Trapowa, he added.

Transkei's Minister of Posts and Telecommunications, GSK Nota, confirmed the strike had been sparked by the transfer of Noklulanga Dlokweni, an executive member of Trapowa, to Butterworth.

● About 100 workers at the Pretoria post office struck on Tuesday after it was announced that the vice-chairman of the Potwa's Pretoria branch would be transferred to a township depot.

About 75 workers at the Kempton Park post office returned to work.

Hope follows peace meeting

By CARMEL RICKARD

ANOTHER round of Natal talks, said to be critical to peace efforts in the region, is to begin in Durban this afternoon.

It is the second meeting this week of senior leaders from Inkatha on the one hand and the United Democratic Front and the Congress of SA Trade Unions on the other, aimed at finding a way to halt the rising death toll in the Natal sectarian violence.

The same delegates are to represent the two sides and they will meet in the same Durban hotel as on Monday, when talks lasted more than five hours.

Both sides were apparently pleased at the progress made during Monday's talks — described as conducted in "the most constructive spirit" — and they expressed the hope that they would be able to set up a joint initiative to bring an end to the violence.

Monday's talks began against the background of renewed conflict: the police unrest report for the previous 24 hours listed nine people killed in the Durban and Pietermaritzburg townships, as well as several injuries and other violent incidents.

Among the nine were three people killed shortly before last Sunday's peace rally in kwaMashu addressed by Inkatha president Mangosuthu Buthelezi.

However, unrest monitors believe that as the two sides begin to halt the violence between supporters of Inkatha and of the UDF/Cosatu, it could

expose the identity of the vigilantes who are blamed for most of the current killings — and their backers.

There is now a growing belief in some quarters that these vigilantes may not be associated with either side and could either be working independently, or at the prompting or with the tacit support of another force.

It seems the parties involved in the talks have a similar belief: their joint statement committed the participants to beginning the process of exposing and isolating "all those elements that we believe are actually engaged in this campaign of promoting violence amongst our people".

And a senior member of one delegation said he believed the killings were "too ferocious and sustained" to be the work of Cosatu/UDF and Inkatha alone.

Regional director of the Democratic Party, Roy Ainslie, said that so far this year, 187 people had died in the Durban townships: 40 in January, 30 in February, 29 in March, 47 in April, and 31 in May. The June toll had been 10 to date.

In the first five months of last year 58 people were killed, compared with 177 over the same period this year.

Ainslie said 1989 had seen the additional problem of violence spreading to rural areas like Nyuswa and Ndwedwe, which had previously not been involved

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