

PUBLIC SECTOR - LOCAL AUTHORITIES - E, CAPE
INCL. CISKIE & TRANSKEI

1994 - 1995

Old-style PE council ends ²⁶³⁸

PORT ELIZABETH — This city's white male city council held its last official function yesterday, a day before the promulgation of a transitional local council in the Provincial Gazette. The handover of power to the non-racial local council ends three years of "one city, one tax base" negotiations. *CT 6/5/94*

CT 7/5/94
Port Elizabeth leads way

PORT ELIZABETH — Port Elizabeth yesterday became the first city in the country to be proclaimed a transitional local council in terms of the Local Government Transition Act (263B)

3

A stalwart son of the Struggle

Raymond Mhlaba, the Premier of the Eastern Cape, is a veteran trade unionist and ANC/SACP organiser who spent 25 years in Robben Island and Pollsmoor prisons. Although 73 years old, he recently defeated the much younger Steve

Tshwete, newly appointed Minister of Sport and Recreation, in the race to head the ANC list for the regional polls

One party insider said this was due to his record and leadership qualities.

Mhlaba is a national executive member of the ANC and deputy chairman of the South African Communist Party.

Mhlaba grew up in Port Elizabeth, the son of a working class family. His formal schooling stopped in mid-high school and until he was 26 he worked as a laundry worker.

While he was a young worker he joined the ANC and SACP, rising rapidly to become a local leader of both organisations.

He led the 1949 Eastern Cape bus boycott and played a leading role in the 1952 Defiance Campaign

The police detained Mhlaba several times during the 1950s, finally prosecuting him in the



1956-61 Treason Trial. When the ANC was banned in 1960, Mhlaba went underground. In 1963 police arrested him and most of the MK leadership at Lilliesleaf Farm, Rivonia. He was sentenced to life imprisonment.

12/5/94 It was Mhlaba who hinted that behind the steely front of the Rivonia men lurked a trace of true romance. In 1986, after 22 years in jail, he married Dedika Heliso in the office of the commander of Pollsmoor Prison.

Mother (263 B)

She was the mother of his three children, but they had not exchanged a hug or kiss in the 22 years prior to their marriage.

On his release in October 1989, Mhlaba got down to reviving the internal leadership of the ANC, officially acting as an advisor to the UDF. After the unbanning of the ANC four months later, he served in the national executives of both the ANC and SACP.

— Jasper Mortimer

ANC has dominant position in new E Cape legislature

ARG 13/5/74 (2630)
BISHO — The African National Congress's dominance of the Eastern Cape in the elections was reflected in the composition of the provincial legislature cabinet announced today

The only outsider on the 10-member executive is the National Party's top regional official and former minister of local government, Tertius Delpport, who was given the agriculture portfolio by Eastern Cape premier Raymond Phakamisa Mhlaba.

Dr Delpport welcomed the post and said that the commercial sector of agriculture, which would be his responsibility, was well organised and would allow him to serve the interests of NP supporters in the region.

The crucial land reform, urban and rural development portfolio went to Transkei lecturer and ANC official Ezra Sitwela.

The region's economy, which the ANC named as a top priority, was divided between its Border chairman

Smuts Ngonyama, for trade and industry, and Sheperd Mayafule, an economics professor from Ciskei.

Three women in the cabinet are primary health specialist Trudie Thomas, with the health portfolio, Communist Party firebrand Neela Hoosein, who was handed the education post, and Transkeian Manliso Mpehla, who was given justice, law and order.

Port Elizabeth trade unionist Thobile Mhlahlo is to hold the public works portfolio and Max Mamase local government.

The transport portfolio went to another Transkeian, Mandiso Maresha.

Senate nominations from the Eastern Cape are ANC stalwart Govan Mbeki, former Labour Party leader Allan Hendrickse and long-time ANC Women's League executive member Noncwaka Lamami of Zwide, Port Elizabeth. — Sapa



IN the 1952 defiance campaign in Port Elizabeth a young ANC activist climbed the stairs at New Brighton Station to sit on a "Europeans Only" bench

He was arrested and spent a month in jail. More than 40 years later, Ray Mhlaba (74)

climbed the same stairs as the ANC's Eastern Cape premier candidate to tell thousands of supporters he had already tested the new region's seat of power in Bisho

Sitting behind the desk left vacant by Ciskei dictator Brigadier Oupa Gqozo, Mhlaba told Ciskei administrator Bongani Finca: "We are going to rule this country and make sure that no black man uses the word 'baas' to a white man. Those days are gone."

The incident marked the end of Mhlaba's struggle for freedom as he faced the daunting task of governing a region laced with apartheid's leftovers

His position as head of regional government confirmed by election results, Mhlaba must oversee the creation of a single bureaucracy from what remains of Transkei, Ciskei and the Cape Provincial Administration and the appointment of senior public servants.

Also burdened with addressing health, housing and education in the region, human rights campaigner and close friend Rory Rordan is confident Mhlaba will rise to the challenge. *WMB-19/5/94*

A former Robben Islander, Mhlaba is among the ANC's "leadership which is unmatched by any political party on earth" *(263B)*

"He has an unbelievable grasp of political events and an extraordinary capacity to read people and to move them to where they should be," he says.

From the cradle of the liberation movement, the Eastern Cape, Mhlaba was born in Fort Beaufort and has been inextricably linked to the politics of the region

He became involved in the trade union movement in the 1940s and is now deputy chairman of the SACP.

His leadership first made headlines in 1949 when he headed a boycott against the South African Railway's discriminatory bus service. In 1950 he was banned under the Suppression of Communism Act and in 1952 he led the defiance campaign in the Eastern Cape.

Long-standing colleague Govan Mbeki says Mhlaba showed the same leadership in the ANC's underground structures.

"Ray is a very courageous person and if there is something that requires fighting he will be the first to jump in, but in the present situation I think he will continue to keep his cool," he adds.

Faced with reconciling the past, Mhlaba has already welcomed the opportunity to work with the NP's Tertius Delpont in the regional government.

Mbeki stresses that one of Mhlaba's greatest virtues is that "he readily smiles and readily laughs and I think that will see him a long way to being accepted by the people with whom he is working."

No surprises in E Cape govt list

(2138)

Own Correspondent

CF 14/5/94

PORT ELIZABETH — There were no surprises among the group of 10 people chosen by Eastern Cape premier Mr Raymond Mhlaba as his executive committee in Bisho yesterday

Idasa regional co-director Mr Max Mamase has been given the task of co-ordinating local government throughout the province — including traditional administration — and will also be responsible for housing

Communist Mr Neela Hoosain was placed in charge of education.

The key economic affairs portfolio will be the responsibility of Border ANC chairman Mr Smuts Ngonyama

The National Party's Tertius Delport was awarded the agriculture portfolio

Dr Trudie Thomas, who has worked in primary health care in Ciskei, heads health and welfare

BISHO. — The ANC's dominance of the Eastern Cape in the elections was reflected in the composition of the provincial legislature's cabinet, announced on Friday.

The only outsider on the 10-member executive is the NP's top regional official and former local government minister Tertius Delport, who was handed the agriculture portfolio by Eastern Cape premier Raymond Mhlaba.

The crucial land reform, urban and rural development portfolio went to Transkei lecturer and ANC official Ezra Sitwela.

The region's economic department was divided between its Border chairman Smuts Ngonyama, for trade and industry, and Sheperd Mayafule, an economics professor from Ciskei.

Three women represented in the cabinet are Dr Trudie Thomas (health), Neela Hoo-

Delport gets post in Eastern Cape

sein (education), and Manliso Mpehla (justice, law and order).

Port Elizabeth trade unionist Thobile Mhlahlo is to hold the public works portfolio, and Max Mamase local government transport went to Mandiso Maresha.

Senate nominations from the Eastern Cape are ANC official Govan Mbeki, former Labour Party leader Allan Hendrickse and ANC Women's League executive member Noncwaka Lamani.

The meeting of the Eastern Cape Provincial Legislature scheduled for tomorrow to consider appointments to the Sen-

□ To Page 2

Eastern Cape

□ From Page 1

ate has been cancelled and the appointment of senators will be left to the political parties entitled to have representatives on the Senate.

The Western Cape provincial cabinet met on Friday to discuss provincial powers, structures and staffing. Premier Herms Kriel and his 10 ministers were sworn in at the legislature's first sitting on May 7.

In the Northwest capital of Mmabatho, 10 cabinet members have been elected in the provincial legislature, which held its first official session on Friday morning.

They are: Mamkema, Gaoretelewe (education); Molefi Sefularo (health and social welfare); Darkey Africa (housing and local government and planning); Martin Kuscus (finance); Zacharia Tolo (public works); Satish Roopa (justice and police); Johannes Tselapedi (transport and aviation); Peter Rocky Malehane Metsing (agriculture); Abraham Venter (economic affairs); Riani de Wet (media and broadcasting).

Free State Premier Patrick Lekota announced eight of his nine-member execu-

tive committee in Bloemfontein on Friday.

They are: C Human (agriculture and environmental affairs); Kubushe (policing); T Belot (education and culture); S Ntlabathi (health and welfare); G Nthatisi (public works and roads); T Makgoe (finance and expenditure); A Magashule (economic opportunity); L van der Watt (public transport). The post for housing and local government has yet to be filled.

In the Northern Transvaal capital of Pietersburg, 10 cabinet members for the provincial legislature were announced by Premier Ngoako Ramatlhodi. All except one, the Freedom Front's Johan Kriek, are ANC members.

They are: Thaba Mafumadi (economic affairs, commerce and industry); Aaron Motsoaledi (education and culture); Tinie Burgers (agriculture); John Dombo (local government, housing and land affairs); Marie-Stella Mabitjie (environmental affairs and tourism); Dikeledi Magadzi (public works); Seth Nthai (police and protection services); Edgar Mushwane (finance); Johan Kriek (public works). — Sapa.

PE gets first black 'mayor'

Own Correspondent

PORT ELIZABETH —
Mr Nceba Faku last
night became the first
black "mayor" of a major
South African city

At its inaugural meet-
ing, Port Elizabeth's 100-
member Transitional
Local Council (TLC)
elected the SA Commu-
nist Party member and
ANC Eastern Cape or-
ganiser as "chairper-
son" of the council.

Mr Faku will perform
all the normal functions
of mayor, but the council
decided he should not
be accorded the title
"mayor" (2638)

Fraud of R1-m in Ciskei, says report

Gqozo package goes before TEC

Star 17/5/94
(263B)

King William's Town — Police have allegedly uncovered cases of fraud in the Ciskei Department of Finance, amounting to approximately R1 million

The joint administrators of Ciskei, the Rev Bongani Finca and Pieter Goosen, revealed this in their report to Eastern Cape Premier Raymond Mhlaba yesterday.

The report also mentioned that various allegations of irregularities and possible corruption concerning Brigadier Oupa Gqozo's African Democratic Movement (ADM) were received

Investigations were ordered into the amount of R260 000 which was allegedly paid to the ADM to launch its election campaign. An amount of approximately R400 000 was allegedly transferred to the King Sandile Trust Fund and travelling expenses were paid to ADM offi-

cial from government funds

The report mentioned that the investigations into the allegations had been hampered by lack of co-operation from some civil servants

The administrators said necessary action to recover public property in possession of the former head of state and Ministers had been taken.

The joint administrators also reported they had terminated the mandate given by the previous government to attorneys Hutton & Cook to act on behalf of the government. Hutton & Cook is a legal firm in which Micky Webb, a former Ciskei Minister, is a senior partner.

Certain previous members of the Council of State were allegedly promoted to the level of director-general for the purpose of calculating their pensions — Ecna.

King William's Town — Former Ciskei military ruler Brigadier Oupa Gqozo should be paid a R1 million severance package, according to a report issued by Ciskei's joint administrators yesterday.

The matter and the recommendation were referred to the Transitional Executive Council

The report said Gqozo's deputy, Colonel Silence Pita, should get R524 996 as part of his severance package.

Former Ciskei Minister of Education Metros Jacobs would get the same amount as Pita. Former Minister of Internal Affairs F M Ngcofe would receive R242 305

Finance Minister C Koti and Health and Welfare Minister WM Zantsi should each get R121 153

Ciskei Minister of Foreign Affairs Micky Webb would receive R35 088 and Minister for Rural Development L M Qaba R15 592. — Ecna.

Cabinet set for fight over funds

CT 18/5/94 263B

By CHRIS BATEMAN

THE Western Cape cabinet met for the second time yesterday to plan on negotiating their "fair share" of the Cape's existing R7 billion budget — for the first time in competition with the Eastern and Northern Cape

Also on the agenda was the incorporation of existing tricameral parliament assets and defining parameters for allocating budgets to local ministers for their newly-created portfolios

These include economic affairs, tourism, education and culture, police services, agricultural development and sport

Dominating yesterday were briefings by the director-general of the Cape Provincial Administration (CPA) Mr Herbert Beukes and former administrator — now minister of finance, expenditure and service commission — Mr Kobus Meiring

Premier Mr Hennis Kriel said yesterday's entire focus was financial
"The picture is not yet clear because we are dividing the existing

budget between the three new provinces — and Ciskei and Transkei must be incorporated into the Eastern Cape," he emphasised

The Western Cape cabinet — with a R9 billion budget forecast for 1995 — is ahead of its rivals with two meetings under the belt — while the Eastern Cape still has to incorporate assets from the former satellite "homelands"

However, the Eastern Cape will benefit from the final Ciskei/Transkei foreign affairs budget allocation

Another focus yesterday was on how to motivate the maximum devolution of powers from President Nelson Mandela's central government by the time the full Western Cape legislature sits on August 1

With all portfolios assigned, cabinet members began the week with mundane, but important tasks, such as moving into their Wale Street offices

Ministers, especially new regional governors, must digest masses of information and schedule meetings with lobbyists to test the political waters

Officials warned on corruption

Own Correspondent

PORT ELIZABETH — Eastern Cape Premier Raymond Mhlaba yesterday warned public servants uneasy about their future that looting of government property and a breakdown of essential services would not be tolerated.

Addressing about 10 000 civil servants in the Bisho Stadium, Mhlaba said his office had been inundated with reports that services in the former Ciskei homeland had broken down and that government property was being looted.

"We cannot allow anarchy to prevail in our society. Those who loot government property must be called to book." (2635)

"Why this insecurity? Why should people be afraid of a government of their choice when they have served so loyally a most discredited government?"

He had been informed that most civil servants still had serious grievances regarding salary disparities, promotion, fringe benefits and conditions of service. He appreciated that these issues needed to be addressed urgently, and said a public inquiry would be held to examine all grievances.

Imploring civil servants and parastatal workers to stay calm, however, he said "This is your government. You should serve it with dedication."

Mhlaba called for an end to work stoppages, go-slows and sit-ins, and for the government to be given time to address problems.

He said improving the quality of life of people throughout the Eastern Cape meant providing them with clean water, land, education and health services, and electricity.

Mhlaba left for Pretoria immediately after his speech to discuss the issue of some 3 000 Ciskei civil servants who were dismissed by the former homeland government.

It is understood that some of the dismissed workers are already back in their jobs.

■ Port Elizabeth's black municipal staff accepted job security pledges by the new non-racial city administration and returned to their posts after a half-day work stoppage this week. ~~1520~~ 2638

A 100-member amalgamated transitional local council took over the running of the city on Monday from the previous race-based councils and management committees. ~~ARC 2/15/94~~

Mayor who lives in a matchbox

By DAWN BARKHUIZEN

FOR the first time in history thunderous applause greeted the Port Elizabeth mayor as his sedan cruised through the city's rutted township streets this week

It wasn't the shiny black Audi people were clapping for, or for the official driver of 10 years, Monty Uren. It was for the smiling thin man in the back seat, Nceba Faku, 38, the city's first black "mayor"

Mr Faku, a trained Umkhonto we Sizwe operative, former Robben Island prisoner and more recently SACP organiser, was on Monday unanimously elected chairman of Port Elizabeth's new 100-member Transitional Local Council

The body this month replaced and unified all municipalities in the city. Because councillors were appointed rather than elected, it was decided that Mr Faku would be called chairman, not mayor, although performing all mayoral functions

While little known in white municipal circles — where his appointment has raised some eyebrows — the first black man to become first citizen of a South African city is a firm favourite in New Brighton township, his birthplace

"You should see how the people react. They all know him and wave and he knows almost everyone by name," said Mr Uren, who is charmed by his new boss

"I hardly ever took the other mayors to the townships, but it looks like it will become a regular thing. I don't mind. He's a real humble gentleman. You can see he's suffered because he understands people's problems."

In the irony that is the new South Africa, the man who shares a rented room in a matchbox township house with his wife, now has a secretary, a chauffeur and a long line of white predecessors looking down on him from portraits lining his office walls (2638)

But he is determined that the chambers — complete with ensuite bathroom, gold-plated taps and mahogany furniture — will not distract him from his task of uplifting the lot of those that he spent his adult life fighting for

"In my life, times of pleasure have been scarce. Sometimes we played volleyball on the Island. But since I was 19 I have been committed to helping my people. I have never been on a holiday," said the son of a poor East Cape factory worker

But it will be no easy task to weld together 100 councillors of different races, political leanings and experience levels, in an effort to upgrade the vast sprawling shackland that surrounds much of the city

"Whether I am tough enough I cannot say. But what I can say is that I am not afraid of taking the blows," he said before rushing off to his next appointment



COMMITTED... new PE boss Nceba Faku wants to uplift his people

Picture: BOB BINNEL

Gqozo and cabinet want cash payout

KING WILLIAM'S TOWN — Former Ciskei ruler Brigadier Oupa Gqozo said yesterday he would ask the Eastern Cape government for re-trenchment payments for himself and his cabinet. CT 24/5/94

He said their retirement had not been of their free will but because "time was up"

He denied clandestine use of state funds and dismissed claims his government had given R260 000 to the African Democratic Movement's election campaign

Brig Gqozo said the money had been contributed by supporters for his victory celebrations and forwarded to the party. — Sapa (2638)

Transkei: More theft from state uncovered

Own Correspondent

UMTATA — Government property worth hundreds of thousands of rands has gone missing in Transkei

Police confirmed yesterday there had been large-scale theft of government vehicles. There have also been reports of office equipment such as computers, heaters and fans going missing in various departments

Police and government officials said they could not give details of the thefts as they were still under intensive investigation

The revelations follow reports of the theft of blank cheques from the former Transkei Department of Finance and of state-owned cars by government employees

The commissioner of police, General T N Lwana, said at the weekend tough action would be tak-

en against any official found to have been involved in the theft of government property

The deputy commissioner of police administration, General Mxoli Vanga, said the police were assisting other departments to protect government property from being looted

Questioned about reports that several computers and other items of office equipment had disap-

peared from the headquarters of the department of foreign affairs, the former director-general, Mr Mzwandile Nozulo, said he had no knowledge of what was in the department and could not say whether any equipment had been stolen

Foreign affairs employees said office equipment had disappeared mainly during the past three weeks

"There is no record of things that were taken. People here will take

the law into their own hands and take what they believe is rightfully theirs," an employee said

A police spokesman, Captain M C Ngadini, reported that a government employee had been caught red-handed changing the registration plate of a government vehicle. Police had taken the car from the employee, who later reported it stolen, Captain Ngadini said

NEWS Looting and theft reaches horrendous proportions in the former Tr

By Xoliswa Mfaxa

GOVERNMENT PROPERTY worth hundreds of thousands of rands has gone missing in Transkei Police have confirmed that there has been large-scale theft of government vehicles, and there have also been reports of office equipment such as computers, heaters and fans going missing in various departments

Police and government officials said yesterday they could not give details of the thefts as they were still under investigation

The revelations follow reports of thefts of blank cheques from the former Transkei department of finance and thefts of government cars by government employees

Govt cars missing

Sowetan

26/5/94

BLANK CHEQUES Cops probe missing computers, cars and heaters in Transkei:

Police spokesman Captain MC Ngadim told Sowetan that a government employee had been caught red-handed changing the registration plate of a government vehicle Police had taken

the car from the employee, who later reported it stolen, Ngadim said The ANC, PAC and the dispute resolution forum had all been given government cars for use during elections The ANC had returned all the cars, while the PAC had returned only two of the nine cars allocated to them, a government official, Mr TA Nombekela, said The dispute forum had not returned its two cars, he said But PAC spokesman Mr Lexie Ceza said yesterday the party had been allocated seven cars, three of which had been returned A spokesman for the dispute resolution forum could not be contacted Nombekela said the cars lent to the parties were supposed to have been driven by civil servants but they ended up in the hands of other people

(26/5/94)

E Cape to tackle corruption

EAST LONDON — President Nelson Mandela may send members of the Eastern Cape executive council to Transkei and Ciskei to counter maladministration and corruption in the former homelands.

(2638)
Eastern Cape premier Mr Raymond Mhlaba said yesterday the situation in Transkei justified immediate action. CT28/5/94
Four council members have

been chosen to visit the regions.

Mr Mhlaba criticised certain sectors of the public service for unacceptable tactics in solving disputes and said a report on corruption and the lack of financial and managerial discipline would be tabled at the province's next session on Wednesday.

● Efforts to revive the ailing Eastern Cape economy will be

stunted by the debt of almost R7 billion inherited from the former Transkei and Ciskei.

Under existing legislation the central government will take over all non-asset related debt, but in Transkei and Ciskei this amounts to less than 60%, leaving the Eastern Cape with liabilities of up to R3bn, senior Department of Finance officials said yesterday. — Sapa, Own Correspondent

Transkei cheques vanish

SITimes 29/5/94

Sunday Times Reporter

MANY blank Transkei government cheques have gone missing from the former homeland's Department of Finance amid widespread allegations of maladministration and theft. (262A)

President Nelson Mandela said on Friday that he was considering sending members of the Eastern Cape executive council to Transkei to counter maladministration.

And Eastern Cape Premier Raymond Mahlaba accused civil servants in Transkei of being disobedient in the wake of the alleged theft and strike action.

Umtata police are searching for missing government vehicles, office furniture and computers — most of which have disappeared in the past few weeks.

Captain Volica Siyothula of the com-

mercial branch in Umtata said the theft of government cheques came to their attention after several businesses in Kroonstad, Free State, tipped them off about people trying to cash a flurry of government cheques. (262A) (262A)

The value of the cheques found in Kroonstad totalled almost R1-million.

Captain Siyothula said other cheques had been cashed in Transkei. The amounts varied from R20 000 to R80 000.

The police spokesman said they had discovered that government cheques close to R300 000 had been deposited into the banking account of an Umtata attorney. The case is still being investigated.

The police's vehicle theft unit said the number of lost vehicles had not yet been established, but the rate of theft had increased in recent months.

Eastern Cape forms single tourism body

JACQUIE GOLDING *BiDay*

A SINGLE tourism body will replace the three statutory tourism boards in the Eastern Cape before the end of the year, the region's tourism steering committee chairman Blacky Komani said recently. *216/94*

Komani said a request for funds to finance the restructuring would be put to government.

The three bodies currently governing tourism in the region — the Ciskei, Transkei and SA tourism boards — would be consolidated into one Eastern Cape tourism body with members "directly involved in tourism promotion and development", he said

Eastern Cape Economic Affairs and Tourism Minister Smuts Ngonyama said there had been consensus on the merger at a meeting of the three boards last week.

The region was currently a "forgotten province", excluded from SA's promotional video which focused on "popular destinations", Ngonyama said *(288)*

He said the region had enormous potential as a premier tourist destination. "But this will require repositioning and aggressive marketing in order to overcome negative perceptions" *(2638)*

Infrastructure in parts of the region was poor and service levels would have to be improved, he said

Transkei would require "diligent attention and discipline" to deal with the poor image it had in the wake of violent incidents involving tourists last year

A strong publicity campaign needed to be implemented to sell the region as one of the most peaceful and stable in the country and the community needed to be made environmentally conscious, he said.

"This would be encouraged when communities start to share in the tourism rewards," he said

The single tourist authority would not be allowed to become a bureaucracy stifling initiative from any other tourist bodies but would formulate strategies with publicity associations and other non-statutory tourism bodies to uplift the area and attract tourists

Eastern Cape Housing and Local Government Minister and ANC head of department for economic planning Max Mamase said the Eastern Cape faced strong competition from other provinces and therefore needed to develop strategies to "create its own market potential".

This would underline the Eastern Cape's unspoilt coastline and cultural diversity as well as its ideal year-round climate, said Mamase.

Details of the region's tourism restructuring will be finalised this month

Province moves towards wide control

CLIVE SAWYER

Weekend Argus Political Staff

FULLY-FLEDGED provincial government in the Western Cape took a step closer with the formal devolution of wide executive powers to the nine provincial governments

The administration of about 800 regional laws have passed to the provinces, including control over housing and health

The end to provincial executive paralysis could bring new impetus to negotiations towards nonracial metropolitan and municipal government in the region

Full control over education has been postponed pending far-reaching changes to legislation

As the news broke of the devolution of power from central to provincial government, Western Cape premier Her-nus Kriel welcomed the long-awaited signal to begin implementing provincial policy

Devolution of powers to provincial government was at the centre of a huge row between the majority National Party in the Western Cape and the African National Congress, with regional ANC politicians claiming Mr. Kriel acted unilaterally in requesting devolution of powers

Until now, provincial government has been in limbo

The decision by public service and administration minister Zola Skweyiya to devolve powers followed weeks of talks between central government ministers and provincial premiers

Before yesterday, all executive powers were vested in the national government

Dr Skweyiya said this had been a transitional measure to ensure orderly establishment of new provincial governments and their administrations.

Devolution took effect in terms of a series of proclamations by President Nelson Mandela.

"With these proclamations almost all the laws of the now-defunct TBVC states and self-governing territories as well as the ordinances of the old provinces have been assigned to the new provincial governments," said Dr. Skweyiya

In addition to health and housing, these governments now will have the authority to provide services for urban development, local government, nature conservation, roads and various other functions

"In respect of education, it should be mentioned that only the education laws of the former TBVC-states and self-governing territories have been assigned to the new provinces

"The remainder of the executive powers to be executed by the new provincial governments, will be transferred to them as soon as possible," said Dr. Skweyiya

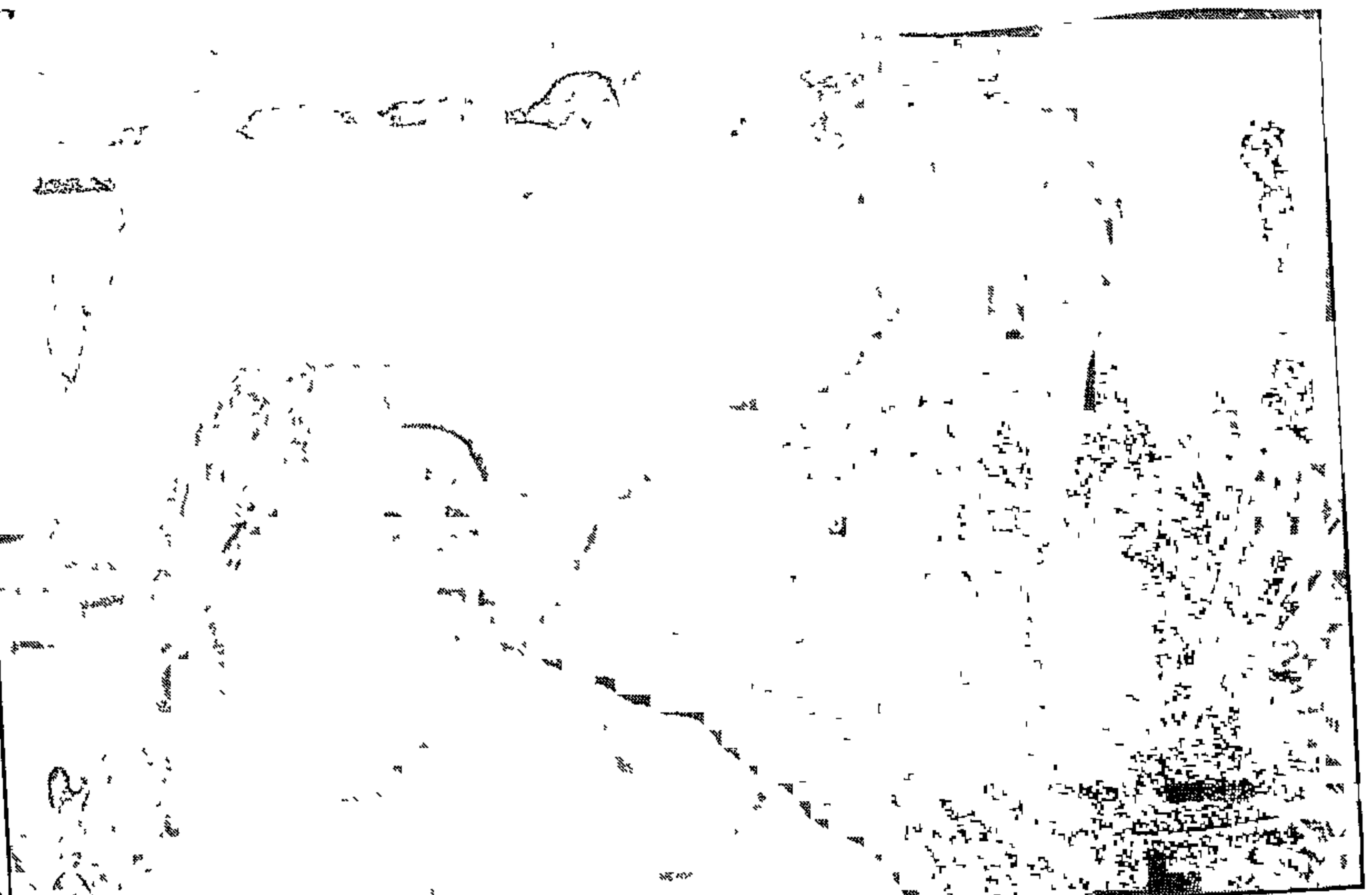
Substantial amendments to education laws were needed before transfer of power could be completed

Significant progress towards this had been made, he said

"The transfer of such major executive powers to provincial governments represents a significant step toward bringing government to the people

"This will empower provincial governments to play their part in the rebuilding of our country"

Dr Skweyiya said the devolution was a "milestone" in the orderly implementation of the new constitutional dispensation



Mrs Dorothy Senne and her son Tony mourn the death of Soweto socialite Mr Ephraim "Peggy Bel-Air" Senne, who died at Baragwanath Hospital yesterday morning after a long illness. PIC: PAT SEBOKO

SANDF in Umtata to contain mutiny

Sowetan 22/6/94
■ RECALCITRANT TROOPS

SOUTH African National Defence Force troops have been deployed around Umtata to contain a mutiny by Transkei soldiers

And a column of SANDF armoured vehicles has been spotted travelling towards the northern Transkei where the Maluti army base is situated

SANDF commander in Transkei Major-General Themba Matanzima confirmed yesterday that more than 300 Transkei Defence Force soldiers have been detained so far for mutinous activities

On Monday Matanzima said officers from the SANDF would arrive in Transkei to assess the situation.

Army sources confirmed yesterday that white SANDF officers were "taking over" the running of military bases in Transkei

TDF spokesman Captain Bafana Nxumalo confirmed that a special task team, comprising mainly members of the South African army's legal branch, had arrived in Umtata to assist with investigations into the mutiny

He could not say how many SANDF members had been deployed in the former homeland following a mutiny by

More than 300 Transkei Defence Force soldiers have been detained:

troops based in Port St Johns and Umtata.

An SANDF source said troops had been sent into Transkei on Friday after a general, who was investigating charges against Transkei officers, was taken hostage by military police who were meant to assist in arresting the officers.

Matanzima said the recalcitrant troops were being held in military detention barracks

He warned that the SANDF would not tolerate "any acts of indiscipline" and "no one has the right to take up arms in order to force or threaten seniors to

address grievances"

He said the nature of grievances could not be divulged as the matter was under investigation

He said the situation was under control and appealed to the public not to panic.

The officer held hostage was yesterday freed by troops from Eastern Province Command. The arrested mutineers are being held in military detention barracks at Port St Johns.

Matanzima appealed to the public to remain calm and not to panic. — *Sapa and Ecna.*

NEWS Eastern Province chaos

Army officers stage mutiny

Sowetan 23/6/94
■ **SOLDIERS REBEL** 200 SANDF

'dissidents' in detention in Transkei:

By Xoliswa Mfana and Ecna

THE CRACKDOWN on junior army officers in Transkei for alleged mutinous behaviour continued yesterday with arrests at the Maluti base

The public relations officer of the SA National Defence Force in Transkei, Captain Bafana Nxumalo, said yesterday 195 arrests had been made since last Thursday

The first arrests were made after soldiers at the Port St Johns base reportedly refused to obey orders. More arrests followed at Ncise base near Umtata

Commander of the SANDF in Transkei Major-General Themba Matanzima yesterday confirmed the arrests at Maluti and said more detentions were likely

A long column of armoured vehicles was seen in Tsölo driving towards Maluti yesterday. SANDF vehicles were also seen in Butterworth heading for Umtata

The former South African ambassado-

rial residence outside Umtata appears to have been transformed into an operational base with several SANDF and police vehicles parked on the premises

Meanwhile, more than 200 SANDF soldiers in Transkei face court martial following mutinies at three army bases in the former homeland, the Eastern Province commanding officer said yesterday

At a Press conference to clarify uncertainty surrounding the detentions, Brigadier Toon Slabbert said "If it can be proved they were busy with mutinous action, it is normal military rule that they be taken to court martial" (2638)

He said two task teams comprising members from army headquarters in Pretoria are investigating the insurrection by troops of the former Transkei Defence Force at bases in Umtata, Port St Johns and Maluti

Following an uprising at Maluti army base, 20 soldiers were arrested on Tuesday. Slabbert said one task team was investigating the insurrection and the other was looking into the soldiers' grievances

'TAANKE YOUR MAP BACK!'

By ZANELE VUTELA and DAN DHLAMINI

MANY people in Taung in the North-West and in KwaNdebele feel completely displaced in the new South Africa.

They want the political map of the new SA to be completely redrawn.

The KwaNdebele ANC sub-region is collecting signatures to petition President Nelson Mandela to make KwaNdebele in the Eastern Transvaal part of the PWV.

But according to press reports, the traditional leaders in the area do not support the move. Instead, they believe Pretoria

should be part of the Eastern Transvaal.

And a member of the Taung sub-region steering committee, Rufus Montshonyana, told City Press the sub-committee had asked North West premier Popo Molefe and Northern Cape premier Manne Dipico for the return of the North West Taung ANC sub region to the Northern Cape, "which is our ancestral land".

He said that more than 14 villages around Taung "feel that they have been unfairly treated and demanded, as a matter of urgency, that they be incorporated into the Northern Cape region".

Grievances pop up over borders

The sub-region, in a press statement, argued that the formation of the North West region was "essentially flawed as there was no consultation at the time". It said that the present NW region was a brain child of deposed Bop leader Lucas Mangope and his rightwing cronies.

They said "If we had been consulted in the first place, we would have said we wanted to remain in the Northern Cape, as

was the case prior to the bogus independence of Bop in 1977".

Another argument is that Taung's health services are wholly dependent on Kimberley, which is in another region, for referrals. "While this should not be construed as legitimising the appalling conditions prevailing in the Taung Health Services, the fact of the matter is that there will always be a need for referrals to Kimberley".

They said a large percentage of economically viable people in Taung were employed in the Vaalharts area. Although the sub-region claimed that "a vast majority of ANC branches have given us a specific mandate to ensure that they are made part of the Northern Cape with immediate effect", there were dissenting voices.

Among these was Abel Voyi who told City Press "We gave our leaders the mandate to negotiate on our behalf at the TEC, where the the regions were decided. I see no reason why I should go against them now".

New PE council budget tops R1-bn

PORT ELIZABETH — In South Africa's first transitional local council budget, this city has budgeted for a total municipal expenditure of more than R1 billion for the 1994/95 financial year

To balance the budget — the first time it has exceeded the R1 billion figure — increases of between 12 to 20 percent have been added to accounts, ranging from rates to water

Councillor Rory Riordan said the budget was aimed at giving

all households basic municipal services in six years

Mr Riordan added, however, the council had been in place for only six weeks and faced large shortfalls in the sewerage, refuse removal and particularly the water account

"To offset these historic losses in some measure and attempt to stem them from continuing, the water tariff has been increased by 20 percent and those of water and refuse removal by 15 percent," he

said

(263B)

The electricity tariff had also been raised 15 percent and rates would go up 12 percent

Listing some of the council's priorities, Mr Riordan said 36 000 Port Elizabeth homes had bucket toilets, more than 700 000 people had water points only outside their homes, and more than a third of all homes did not have electricity, in spite of the city's well advanced electrification programmes. — Sapa

Act 29/6/94

Eastern Cape bid for Natal area is roasted

By CARMEL RICKARD

OFFICIALS of the African National Congress in East Griqualand have condemned a formal request by "individual ANC members" to have parts of the region excised from Kwazulu Natal and incorporated into the Eastern Cape.

They vowed to fight the application and will ask Parliament this week for a referendum in the area to test the views of residents. The request was received by the Independent Electoral Commis-

sion within 30 days of the election — the only request for a boundary change to be sent to the IEC.

The IEC has published the application in the latest Government Gazette — with a notice that the incorporation will go ahead unless a petition for a referendum on the issue was received within five months.

Kwazulu Natal Minister of Local Government Peter Miller said the ANC, the Inkatha Freedom Party and the National Party in the province agreed that the excision should not go ahead

STIC 2/17/194
"Everyone is opposed to the idea," he said. "It is of paramount importance that we should protect the integrity of our southern boundary."

He said the request came from "individuals based in Umtata."

Chairman of the zonal structure committee in Matatiele, Mandla Galo, said his organisation had nothing to do with the application. The ANC in the region would present a petition to Parliament asking that a referendum be held to decide the provincial boundaries. Parts of East Griqualand were

incorporated into Transkei when it took nominal independence in 1976. According to Mr Galo, and Mr Miller these areas now wanted to return to Kwazulu Natal.

They said residents in the Kokstad/Mount Currie/Matatiele area — parts of which the "individuals" want incorporated into the Eastern Cape — would rather stay in Kwazulu Natal.

Zulu King Goodwill Zwelithini met with Bhaca chiefs from some of the disputed areas in Durban yesterday to discuss future boundaries.

2 000 civil
(263B)
servants
ET 6/7/94
reinstated

Own Correspondent

EAST LONDON. — The regional government has been secretly re-employing since mid-May more than 2 000 civil servants dismissed by former Ciskei ruler Brigadier Oupa Gqozo in 1991, it was learnt yesterday.

The government has also made R2 million in "relief monies" available to the reinstated civil servants to tide them over until they receive their first pay cheques.

In a confidential memorandum, the provisional secretary of the regional parliament, Mr Zam Titus, said this amount had been set aside from the Ciskeian treasury.

Mr Titus yesterday refused to comment on the communique, saying its contents were privileged information.

The premier's office remained tight-lipped when asked about the re-employment

Want to meet the mayoress? Renew your vehicle licence

263B ARG 6/7/94

□ PE's first couple believe in working hard — at all their duties

PAT CANDIDO
The Argus Bureau

PORT ELIZABETH. — The easiest way to meet Port Elizabeth's lively 23-year-old mayoress is to renew a vehicle licence at the traffic department

For Nceba Faku takes her job at the traffic department seriously, as she does her civic duties as first lady

She also has the rather dubious honour of being the first member of the traffic department to be chauffeured to work by the mayoral car, CB 1

But the charming young woman who tries "just to be herself" is becoming the darling of those who meet her

"A delight" said a group of elderly, mainly white women after meeting her at a function

When the young Nceba married Kholiswa Faku in December she had no idea that she was about to become the city's first black mayoress

She gets up at 5am in her small rented Zwile home to do household chores before heading for the office and her civic duties which often keep her busy till late at night

Mrs Faku, who matriculated at Amabhele High School in Alice at the end of 1992, started working at the traffic department last year.

She says she needs her job because she and her husband hope to buy a house.

The new mayor, fondly known as "Giraffe" because of his height, is a compassionate



Pictures PAT CANDIDO, The Argus

FIRST COUPLE: The mayor of Port Elizabeth, Kholiswa Faku, better known as Giraffe, and his wife Nceba.

person who is always willing to lend a hand

This often leads to problems for Jenny O'Rourke, who has worked for 10 mayors.

She sets up a string of daily appointments, sometimes to find that Mr Faku has rushed off to deal with a crisis

His recent involvement in defusing tensions during the riot at St Albans Prison, where a prison officer was being held hostage, was unscheduled But

it is believed his presence saved the life of the officer

Mrs O'Rourke says Mr Faku is the hardest-working of all the mayors she has encountered during her 17 years

Born in 1956 in New Brighton where he grew up, the former Robben Island prisoner believes he must be available to those who need his help.

He firmly believes that a quick solution is not always the

best solution and likes to ponder problems

He feels ratepayers' associations and civic organisations are of the utmost importance for feedback and the smooth running of the city.

His greatest thrill? Driving in the townships in CB 1 to enthusiastic applause and cheers from residents who still look at the mayor's vehicle — and the mayor in it — as if they cannot believe their eyes

THE EASTERN CAPE GOVERNMENT IS CONSIDERING LEGAL CLAIMS AMOUNTING TO MORE THAN R5-MILLION BY DEPOSED Ciskei PRESIDENT LENNOX SEBE.

SITimes
By RYAN CRESSWELL

THE Eastern Cape government is considering legal claims amounting to more than R5-million by deposed Ciskei president Lennox Sebe.

Mr Sebe lodged the claims for the return of assets lost after he was deposed by Brigadier Oupa Gqozo in March 1990 with the former administrators of Ciskei a few months ago

10/7/90

Meanwhile, Brigadier Gqozo and about 10 other former Ciskei ministers are also claiming millions in salaries and compensation after being dismissed

Government spokesman Mcebisi Bata said the biggest claim was from Brigadier Gqozo, who wants more than R1-million in severance pay

(203B)

Mr Herlu Smith, legal assistant to the chief of staff for the Eastern Cape administration, said the regional government was looking into Mr Sebe's claims but no decision had been made

Mr Sebe's lawyer, Mr Roger Elliott, said his client had an appointment with East Cape premier Raymond Mhlaba to discuss the issue this week

Mr Sebe is demanding the reinstatement of pensions, investments, a gratuity given to Ciskei parliamentarians with five years' service, and the return of properties, including a R2,5-million house at Bisho, a farm named Zanemvula, a house in Hamburg, a piece of land in Zwelitsha and tribal property at Tshatshu.

Mr Sebe's attorneys said these assets were taken over by the Ciskei State Trust Board after the 1990 coup

The homeland leader relinquished his hold on them through a deed of settlement he signed as a condition for his return to the Ciskei. His lawyers say he signed the deed in a state of "privation and suffering"

In a memorandum, the attorneys say allegations of "corruption and misappropriation of state funds" against Mr Sebe by Brigadier Gqozo were totally unfounded and had been used for the purpose of wrongful and unlawful dispossession

Rumblings of mutiny in 'Kei

WM 22-28/7/94

Andrew Trench and Paul Stober (263B)

SOUTH AFRICAN security forces are keeping a close watch on the former homelands of Transkei and Ciskei as simmering discontent in police and military ranks threatens to jeopardise order in the regions

South African intelligence assessments of the former homelands warn of a breakdown of discipline in the ranks of the old Transkei Defence Force and the Transkei and Ciskei police. Citing reports of weapons going missing or being used for criminal activities, intelligence sources indicated they were especially concerned about the control of weapons in the former homelands' armouries

A spokesman for the South African National Defence Force Eastern Province command confirmed a platoon of SANDF troops was still stationed at Port St Johns after a mutiny by former TDF troops in June

A source close to the military in the former homelands warned there was still dissatisfaction among middle-ranking officers who believe many senior Transkei officers were only promoted because of their links with "Transkei royalty" and tribal structures.

Source said the appointment of former TDF commander general Themba "TT" Matanzima as head of the Eastern Cape military could be seen as an attempt to appease rumblings in the TDF

Meanwhile, Transkei policemen — who went on strike over wage and other grievances last month — slammed Safety and Security Minister Sydney Mufamadi for failing to address their grievances

And a senior police officer in former Ciskei said police wanting to set up roadblocks had been forced to borrow vehicles from other government departments

and the... (263B) ...

Key tasks agreed for transitional city councils

263B
ARU 26/7/94

□ Decision hitch on voters' roll

SHARON SOROUR
Municipal Reporter

ENSURING a fairer spread of services throughout the metropole will be one of the key tasks of the transitional metropolitan council, the caretaker body to be appointed in the run-up to democratic local government elections.

It will also have the financial clout to support poor or bankrupt local councils.

Local government negotiators in the Cape Metropolitan Negotiating Forum have, however, consciously limited the powers and duties of the TMC, emphasising maximum control over local decision making should rest with town and city councils under it.

This emerges from the powers and duties approved by forum negotiators at a plenary session last night.

One key element the forum could not agree on was whether the TMC should have power to compile a central voters' roll which conformed to national guidelines.

Recommendations adopted by the forum included

- The TMC would address only matters which could not be effectively tackled by primary local authorities managing and directing urban growth on a metropolitan scale

- Services and functions

"which are metropolitan in character" had to be co-ordinated and provided by the TMC

- All levels of government had to share responsibility for redressing metropolitan area imbalances

- Maximum control over local decision making and implementation had to remain in the hands of local authorities.

- Effective service delivery in the run-up to local elections had to be maintained.

Cape Town City Council negotiator Frank van der Velde tabled an additional power that the TMC promote and co-ordinate sport in the metropole.

He said there was an abundance of sporting facilities in some areas, but a shortage in others

Sporting events would also draw tourists, the Cape-to-Rio yacht race had garnered R60 million for the region

Council negotiator Dick Friedlander also tabled an additional power that the TMC look at cultural activities on a metropolitan scale.

Forum negotiators could not agree on a list of additional powers and duties, stumbling on a suggestion from the forum's working group 1, which had thrashed out the proposals, that TMCs have power to compile a voters' roll

The proposal was sent back to the drawing board

Regional row in Eastern Cape

ARG 17/9/94

(263B)

PAT CANDIDO

Weekend Argus Bureau

PORT ELIZABETH. —

Lack of confidence in Eastern Cape's political leadership, the housing backlog, absence of policy and the thorny issue of integration of the homeland civil services are bedeviling the efforts of the provincial government.

A "bosberaad", at which African National Congress officials were expected to face tough questions on these and other issues, was to have been held this weekend, but has been cancelled.

The conference had been organised to discuss the apparent unhappiness among MPs and grassroots party structures with the performance of provincial ministers and their departments.

The conference is to be held at a later date at the request of the Eastern Cape parliamentary MPs in Cape Town.

With only nine months left in the present financial year in which the provincial government has to find a shortfall of R583 million to build the first 61 000 houses to break the backlog, there is still no housing policy and no provincial housing board in place.

Port Elizabeth's Transitional Local Council was told this by

■ An ageing leader and the apartheid legacy of Ciskei and Transkei have added to the administrative nightmare of the Eastern Cape

provincial housing minister Max Mamase who blamed the the "existing (inherited) policy" which could not be implemented.

He said single design, low cost housing — a square, four room flat roofed structure with outside ablution facilities — were being phased out admitting simultaneously that most black people in the Eastern Cape could not pay for their homes.

Meanwhile, simmering dissatisfaction and unrest in the former homelands of Ciskei and Transkei continue.

This includes the strike by parastatal workers about complaints that the government had failed to address fears about their future.

Eastern Cape's ageing premier, Raymond Mhlaba, an old friend of President Nelson Mandela, both Robben Island veterans, has been wrapped over the knuckles for telling disgruntled Transkei civil servants they did not have to pay the 5 percent transition levy being imposed on all taxpayers.

This unilateral announcement was vetoed by Mr Mandela himself who said no provincial authority had the right to make this type of decision.

Rumours of a split in the ANC ranks over the lack of leadership from Mr Mhlaba, who is said by some to be too old and slightly dithery, have been sharply denied by officials in his office.

Provincial whip Sicelo Gqobana said the party was totally in support of Mr Mhlaba who has been in hospital with a leg ulcer and was not available for comment.

A young ANC member, who did not want to be named, said the next party conference would certainly be quizzed on the perception that little had been done to address the province's problems.

The handling of the troubled Transkei will also come under the spotlight. Questions on the integration of homeland civil service and expenses incurred by some officials will also be discussed.

Eddie Trent, Democratic MP, said there were massive problems which still had to be overcome but progress was being made.

He said Eastern Cape was geographically the second largest in the country incorporating two former independent homeland governments that now formed part of the province.

Mr Trent said the provincial legislature had inherited an empty shell in Bisho. He said Ciskei had been run by a military dictator so there was no administrative infrastructure. The integration of the public service was a "huge headache" and a very sensitive issue.

Housing was also a tremendous problem. Local government structures had to be in place before anything could be done about the problem. There were also vast disparities between systems and taxes in the old homelands and in the allocation of cash transfers.

Money had to be obtained from the central government and until that was done the hands of provincial authorities were virtually tied. But on the plus side he was impressed with the spirit of co-operation, the transparency of negotiations and decisions and the setting up of an administrative sector.

"But we keep bumping our heads against the huge problem of the integration of Ciskei and Transkei into the Eastern Cape. The area is just far too large."

Prins Msutu, a spokesman for the premier's office, conceded that progress was very sluggish. Central government had to move more quickly and efficiently. He said people were impatient but had to understand that the government was newly born and was still finding its direction.

Council unable to pay wages

UMTATA — Idutywa municipal workers in the Eastern Cape, who have not been paid in the past four months, were told this week the council was bankrupt

(2636) CT 22/9/94
Deputy director of local government Mr Sandile Matshoba said residents in the town, south of Umtata, were refusing to pay for non-existent services and council workers could not be paid until the issue was settled — Sapa

C i Press 25/9/94

'Kei towns in money mess'

THE Eastern Cape government would no longer pump money into "corrupt structures" like the former Transkei municipalities, MEC for Local Government and Housing Max Mamase has announced.

Instead, these municipalities must form Transitional Local Councils (TLCs) as soon as possible so the government could "consider giving them inter-governmental grants which are enjoyed by each and every town

in this province," he said. Responding to the financial crisis in Idutywa, Mamase said the government had set aside R400 000 for payment of the town's municipal workers (263 B). In Butterworth, he

said, there were reports of luxury cars being driven by municipal officials.

Auditors would be sent next week to all the 28 towns facing financial crises as an interim auditor's report had revealed "a financial mess." - Ecna

East Cape's capital decision

PRETORIA. — Bisho and King William's Town form the administrative and legislative capital of the Eastern Cape province, Premier Mr R M Mhlaba announced here yesterday.

Mr Mhlaba said that a decision on a judicial capital would only be taken after an investigation. The Department of Justice also had to be consulted (263B)

The location of sub-regional provincial legislature offices was still being deliberated. A decision on this would be announced on Wednesday.

He listed the centrality of Bisho/King William's Town as one of the main reasons for choosing it as the administrative and legislative capital. The availability of rail and airport facilities also played a

role.

CT 15/10/94
Other towns which had been on the list might be considered as locations for sub-regional offices

"Those who wish to comment on the government's decision are advised to reserve detailed comment until the final decision has been made on sub-regional offices," he said.

Strikers burn school bus

^{APG 26/10/94}
EAST LONDON. — Municipal strikers destroyed a school bus and a laboratory at the city's sewerage works during protests against racially segregated local authorities

Border police spokesman Garry Neuwenhuis said the bus worth R250 000 and the laboratory were destroyed on Monday night.

"Diesel had actually been run from the burning bus to two other buses, but they didn't burn," said Lieutenant-Colonel Neuwenhuis.

The workers are demanding a transitional local council for East London and surrounding townships. — Reuter

(182) (230) (263B)

Municipal workers still strike

EAST LONDON — The strike by municipal workers in the greater East London area entered its fourth day with little chance of an immediate settlement in sight

Unrest has severely hampered services in Beacon Bay and Gonubie

ARG 27/10/94
The strike by members of the South African Municipal Workers Union on Tuesday led to litter being dumped in East London's main street for the second time in a week

Police are investigating incidents of suspected arson in Gonubie, which could be linked to the strike

Damage estimated at R340 000 has been caused to Gonubie municipal property since Monday night

A 55-seater bus used to transport pupils between East London and Gonubie was set alight at the municipal workshop and an attempt was made to burn another two buses. A fire also broke out at the sewage purification works

Lieutenant Colonel Gary Nieuwenhuis said no arrests had been made — Sapa

Lack of enthusiasm for East Cape split

PAT CANDIDO
Weekend Argus Bureau

263B

PORT ELIZABETH — Moves to divide the Eastern Cape province have failed after less than half the number of signatures needed to force a referendum were obtained.

Action Referendum Eastern Cape co-ordinator Brian Matthew said only about 75 000 of the required 158 154 signatures were collected.

In spite of the poor response to the petition, regional Democratic Party leader Eddie Trent said those who signed it had sent a clear message to the provincial and national governments.

There were many people who believed the best option for the province was to split it into two new provinces.

The petition called for the Border

region, Ciskei and Transkei to be a separate province.

Mr Trent said support for the referendum had kept Umtata from becoming the administrative capital of the Eastern Cape.

It was recently announced that Bisho would play that role.

Mr Trent said the DP would pursue through negotiation the matter of splitting the Eastern Cape into two regions.

There have been complaints that it is impossible to effectively govern such a large province and ministers have been accused of inaccessibility.

ANC supporters feel that the division of the province could have dire consequences for Ciskei and Transkei which lack the industrial infrastructure of the Port Elizabeth and Uitenhage areas.

ARG 29/10/94

Council deal for East London

Own Correspondent

EAST LONDON. — An agreement creating a Transitional Local Council (TLC) here will be signed on Monday (263B)

At closed talks yesterday, it was agreed a joint committee would revise the draft agreement for acceptance by the Local Government Negotiating Forum (LGNF) on Friday

Leaders from the statutory and non-statutory delegations will

each sign the agreement form

Announcing the agreement, acting Local Government Minister Mr Thobile Mhlahlo said "both sides will direct a committee, four a side, to revise the transitional council agreement".

CT 21/11/94
The committee meets today to revise the draft agreement, which will be presented to the forum on Friday

Paying tribute to the high calibre of the city's leaders, he added

it had "not been easy" The announcement came after almost two hours of closed talks in the council chamber

Yesterday's session of the forum was the first since the breakdown of talks on October 12 which led to a resumption of mass protest, and a municipal workers' strike

Since its creation in February, progress of the forum has been plagued by disagreements

E Cape 'short on funds'

BISHO. — The Eastern Cape could not afford to loan funds to town councils in the former Transkei homeland, regional finance minister Shepherd Mayatula said.

"The problem with Transkei is it was basically under-funded from all angles," he said yesterday.

"Transkei was vulnerable because it is a vast rural area, which means any move by the government which is negative is going to have a multiplier effect.

"The old Ciskei and old Eastern Cape still have their heads above water," Mr Mayatula said.

All Transkei municipalities have claimed to be in financial difficulty.

Last month the Eastern Cape government loaned the bankrupt Idutywa municipality R300 000, but Mr Mayatula ruled out the possibility of similar loans to others.

— Reuter

(263B) ARC 8/11/94

East London has new council

EAST LONDON — An historic agreement to set up a greater unified transitional local council was signed here yesterday **ET 8/11/94**

Speakers at the signing ceremony in the City Hall said reconciliation and co-operation would be the keys to future developments **(2638)**

Housing Minister Mr Max. Mamase said the main issues at stake were the funding of services and looking after the interests of rural communities — Sapa

Mhlaba, at one stage reportedly refused to meet either his KwaZulu-Natal counterpart, Frank Mdlalose of Inkatha, or the province's ANC leader, Jacob Zuma

The situation even arose recently where the KwaZulu-Natal executive council, including Zuma as economic affairs MEC, addressed a meeting in Kokstad on the merits of East Griqualand remaining part of their province. The meeting took place against a backdrop of an ANC-sponsored demonstration in favour of the area being incorporated into the Eastern Cape.

Historically, the area has links to both provinces. It was annexed to become part of the Cape Colony 120 years ago. But then, nearly 20 years ago, it was incorporated into Natal by the ruling National Party. Its ties to Natal were considerably strengthened by the establishment of a sound economy and infrastructure which meshed in with its new mother province, rather than the northern Transkei, which experienced economic and infrastructural collapse.

For Mhlaba, the motive is clear. He needs the sound Kokstad-based economy as a cornerstone for the economic revival of the northern part of his province. He would doubtless also feel that wresting a large chunk of land from Inkatha control would be an added bonus. Mhlaba has even taken the rather unconventional step of declaring

Fun 11/11/94
Kokstad a subregional capital of Eastern Cape, though it is still part of KwaZulu-Natal (263B)

Mhlaba, who was imprisoned on Robben Island with Nelson Mandela, also appears to have substantial support from the local community, which has close tribal ties with the Transkeian neighbours and ANC supporters and no doubt would prefer to be ruled by its own party instead of Inkatha.

Mdlalose is equally adamant that East Griqualand and Kokstad should remain in his province, largely because he would not like to lose any land or a substantial economic asset. For Zuma, the issue might seem less clear-cut. But he, too, has a strong motive for wanting Kokstad and its surrounds to remain in Natal. The April election has come and gone with what many saw as a shock provincial defeat of his party by Inkatha. It is clear to him and ANC strategists that they will have to work hard to reverse the result the next time round. The loss of a substantial block of ANC votes from Natal would be a blow to Zuma's chances of winning provincial control — and would be a waste of resources, in view of the ANC's overwhelming Eastern Cape support.

With these forces at work, Deputy President Thabo Mbeki, who is charged with brokering a settlement, is going to have his

diplomatic skills tested to the hilt.

With that in mind, it might have seemed that the most logical and democratic solution would have been to allow the East Griqualanders themselves to decide in a referendum — as provided for in the interim constitution.

But if that was ever a realistic option, it is no longer. A referendum was always going to be problematic, says Unisa's Kieren O'Malley. One of the main difficulties would have been the cost of the exercise. Further, the Independent Electoral Commission, which would have to run it, has effectively been disbanded and has no infrastructure. Added to that, a voters' roll would have to be compiled.

In any case, says O'Malley, "a referendum, in terms of Section 124 of the constitution, is now out of the question without an amendment to the constitution. Time has run out because the constitution allows for a six-month period from April 27 in which a referendum could have been held. That deadline passed in October."

Time is also running out in another sense. The longer Mbeki takes to resolve the problem, the greater the chance that Kokstad and the rest of East Griqualand will, because of the political uncertainty and acrimony, pitch into an economic nosedive and there will be little or nothing to inherit. ■

PROVINCIAL BORDERS

Fun 11/11/94 **Identity crisis** (263B)

The East Griqualand border dispute may be an emotive dispute over whether the local inhabitants want to live in the Eastern Cape or KwaZulu-Natal. But this blurs what is in reality a cold-blooded struggle for political and economic power.

The dispute has pushed the ANC's KwaZulu-Natal leadership into the same camp as their Inkatha opponents — and pitted them against the local branches of the ANC and the ANC's Eastern Cape leadership. Political temperatures are so high that the Eastern Cape premier, Raymond

Anarchy looming, warns Delpont

Own Correspondent

PORT ELIZABETH — The National Party will have to change direction to stop South Africa sliding towards decadence and anarchy, Eastern Cape NP leader and Minister of Agriculture Dr Tertius Delpont has warned (2638)

Speaking at the NP's Eastern Cape congress here on Saturday,

he said the region was being threatened by anarchy that could lead to economic collapse

He accused the ANC of still being committed to false principles. The ANC continued to rally around its dangerous slogan — "The people shall govern"

"We see the plundering of nature reserves, the road blockades, holding of government leaders hostage to gain conces-

sions, the open provocation of authority by members of the police," he said

He said the RDP should focus on economic growth and not on handouts CT 14/11/94

"If South Africa does not offer an attractive future to our scientists, professionally qualified people and young entrepreneurs, South Africa will slide downwards"

'Chronic crisis' in the Eastern Cape

THE Eastern Cape was not suffering from anarchy but was experiencing a "chronic crisis", a spokesman for the region's legislature said yesterday

Prince Msutu was reacting to a statement at the weekend from the region's Agriculture and Environmental Planning Minister Tertius Delport (NP) who criticised the ANC in his region and accused it of building a future on false foundations.

He warned that anarchy was threatening the Eastern Cape region and unless drastic steps were taken by the provincial legislature, the region faced economic collapse

In its reply, the Eastern Cape government conceded that "there have been, and to a certain degree, there still are work stoppages, blockades, taxi feuds and criminal activities"

"For Delport to interpret the severe crisis that we have and reduce it to say that there is anarchy in this region is a misconception of reality," Msutu said

He said the problems in the East-

NOMAVENDA MATHIANE

ern Cape emanated from workers being insecure about their jobs since the new government took over, and that consultations were being held with government on the future of parastatals to secure jobs.

Premier Raymond Mhlaba's office said some of the problems that Delport referred to could be traced to the previous order "but government is trying to get the commissioner of police appointed immediately to ensure that the present state of affairs is changed completely".

A government source said it was a pity that an NP member had to make public issues that were of great concern to many people in that region.

"The Mhlaba government inherited a rotten egg from Gen Bantu Holomisa and Brig Oupa Gqozo," he said

He said there was anarchy in the Ciskei because Gqozo had been unacceptable to the people of Ciskei. And, in the Transkei, there was no law and

order because Holomisa wanted to "curry favour" with the lawless crowd in order to be accepted

Another problem in the region was that there was only one major employer — government. He said the region needed a strong leader who would have a firm hand, saying "although Mhlaba had the capacity to govern, he does not seem to have the will because he is a populist leader"

An article in an Transkei government in-house magazine which reviewed the situation in the Eastern Cape shortly before the April elections observed that. "Democratisation received wide international acclaim and perhaps this acclaim may have contributed to failure to address pitfalls that should have been expected when people were removed from an oppressive system to democracy under military rule (2028)"

"The situation was too hot to handle for most people — the man in the street, administrators and even the rulers," the magazine said

Interdict stops TLC formation

Own Correspondent

PORT ELIZABETH. — Local businessman and DP member Mr Pana Panagis and members of the ACDP on Saturday secured a Supreme Court interdict to restrain the East Cape Premier and the Minister of Housing and Development from publishing and promulgating the Uitenhage Transitional Local Council. *et 21/11/94*

Their legal adviser Mr Mike Burmeister said they must show cause on December 7 why the initial list of nominees should not be retained, or they must appoint a mediator. *(263B)*

In a letter to the Uitenhage Town Council Mr Panagis objected to the payment of allowances to the prospective TLC members

"No decision by the Local Government Negotiating Forum was taken that members will be paid before the TLC is promulgated," he wrote.

"The interdict could result in further changes to the TLC."

Court blocks E Cape council

PORT ELIZABETH. — The Supreme Court here has granted an interim interdict to the Democratic Party's Mr Pan Panagis, blocking the establishment of a transitional local council at Uitenhage. (263A)

Mr Panagis applied for the interdict in his personal capacity. He said in papers the DP and African Christian Democratic Party had not been allocated seats on the TLC, in breach of an agreement reached during negotiations on the council. CT 23/11/94

The provincial legislature has until December 7 to reply — Sapa

T'kei army raises cost SA 263(b) millions

26-27/11/94

DAVID BREIER
Weekend Argus Political Staff

IT's official — most members of Bantu Holomisa's Transkei Defence Force (TDF) were rapidly promoted just before it was incorporated into the SA National Defence Force — costing taxpayers millions.

This has helped to push the total bill of integrating the SANDF to a colossal R6,8 billion in the next four years

This includes the former TBVC homeland armies as well as African National Congress armed wing Umkhonto we Sizwe and Pan Africanist Congress armed wing Apla, who have been a source of chronic indiscipline

Late promotions also took place in the Ciskei and Venda armies to ensure members enjoyed higher rank and pay in the new SANDF

This has emerged in a reply tabled in the Senate by Defence Minister Joe Modise in reply to a question from Democratic Party Senator James Selfe

Earlier this year, other parliamentary replies revealed the homeland defence forces were absurdly top-heavy at the time of incorporation in April

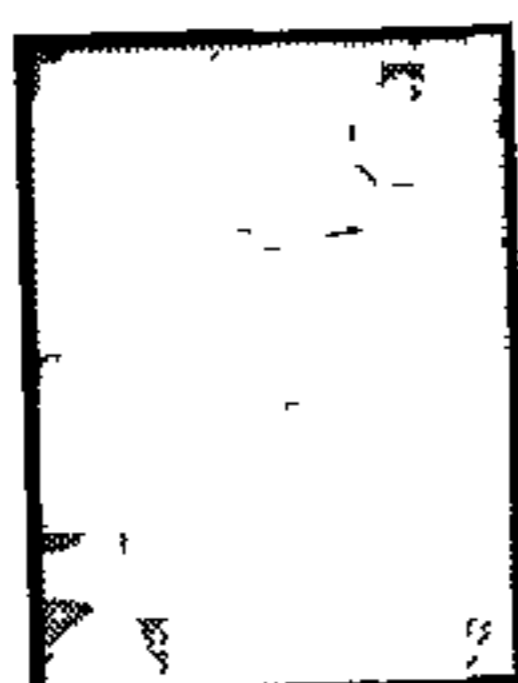
The most flagrant case was the TDF in which less than a quarter of the 3 333 members were privates — the rest were officers and NCOs

But, the latest information released in the Senate reveals the unseemly rush with which soldiers in Mr Holomisa's Transkei army were promoted in its last year, to gain high positions in the SANDF

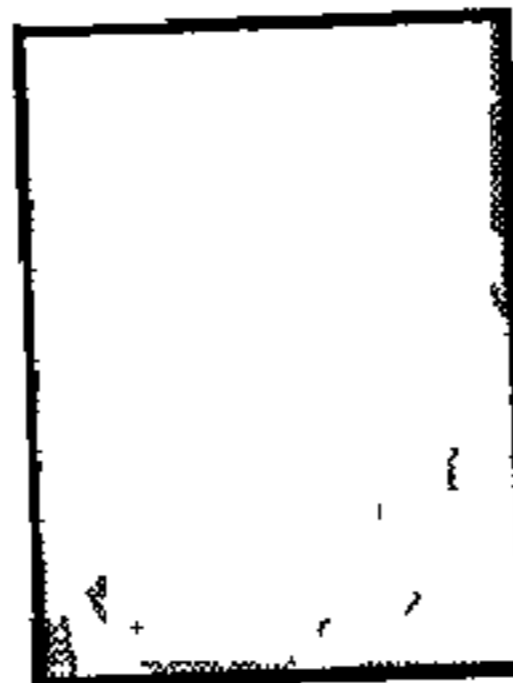
In this last year alone, there were a staggering 1 657 promotions in the TDF — more than half

Of these, one brigadier was promoted to major-general (T T Matanzima), 10 colonels became brigadiers, 13 lieutenant-colonels became full colonels, 21 majors became lieutenant-colonels, 44 captains became majors, 68 lieu-

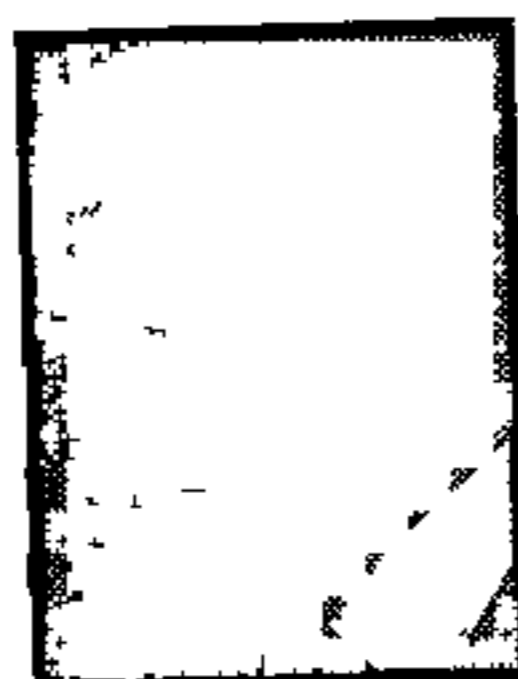
■ More than half the members of the defunct Transkei army were hurriedly promoted in its last year to raise their rank and pay in the new National Defence Force.



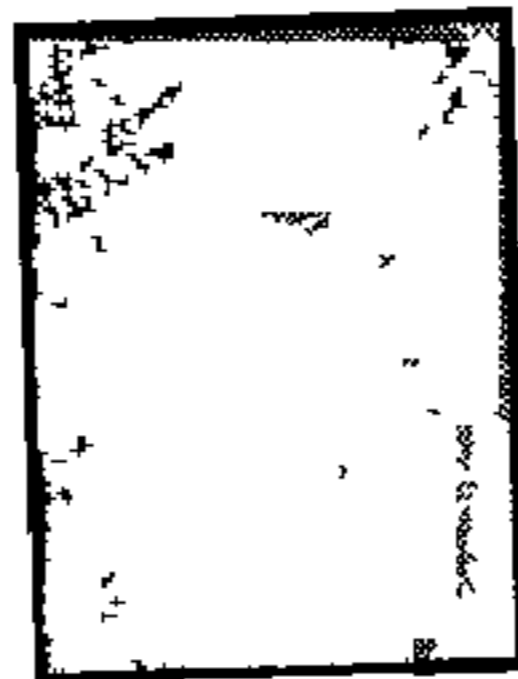
□ **HOLOMISA:**
Bizarre



□ **GQOZO:** 411 promotions



□ **MANGOPE:**
Deluded



□ **SELFE:**
Questions

tenants became captains and 41 second-lieutenants became lieutenants

Among the more bizarre promotions were the cases of 30 corporals who leapfrogged up the ranks to second-lieutenant

Another 30 TDF second warrant officers became WO1s, 44 staff sergeants became WO2s, 112 sergeants became staff sergeants, 284 corporals became sergeants, 431 lance corporals became corporals and 428 riflemen became lance corporals

There were only 826 riflemen (privates) left

The picture was not much better in Oupa Gqozo's Ciskei Defence Force where a quarter were promoted in the last year before incorporation — there were 411 promotions in that year out of 1 654 soldiers. This left only 757 privates

Even the tiny 1 187-strong Venda Defence Force got in on the promotion act. In its last year, it

promoted 150 soldiers, leaving only 570 privates

The Bophuthatswana National Guard was in a different position as Bop leader Lucas Mangope appeared to be under the delusion that he could continue his homeland indefinitely — before it was overthrown

He, therefore did not go in for wholesale promotions in the last year — there were only 34 promotions in the relatively-large 3 658-strong BNG in that period

According to Mr Modise's reply, the most obvious cost implications of these promotions were salaries

"Those promoted will, after integration of the forces, be paid according to pay scales associated with their higher ranks"

"The financial implications are R1 173 457 a month or R11 734 570 for the remaining 10 months (May '94-Feb '95) of the financial year"

But, the full financial implications will become known only after stocktaking and audit of all inventories and accounts of the former TBVC defence forces by the SANDF. This is due to be completed in March next year

Former Transkei military ruler Mr Holomisa, now Deputy Minister of Environment Affairs, has claimed the officers he promoted were "staff qualified" and had done army courses in South Africa and in other countries "where South Africa was not allowed to go"

Mr Selfe said the homelands had clearly promoted their members once the agreements setting up the SANDF were taking shape, to ensure their members enjoyed higher ranks and pay

He said there were "vague rumours" of Transkei soldiers doing crash courses in Uganda and India, but he doubted this had brought them to the standards

TLC all set for greater E London

20/11/94

EAST LONDON. — Greater East London's amended Transitional Local Council agreement has been signed and sealed, paving the way for the introduction of the area's first non-racial government.

The document was agreed to by both the statutory and non-statutory components of the Local Government Negotiating Forum on Monday night, it was reported yesterday.

The new 64-member TLC, representing East London, Beacon Bay, Gonubie, Mdantsane, Gomo and other management committees, will meet formally for the first time early next year (263B).

A chairperson and a deputy will be elected and inducted on January 28. Sapa.

ARG 12/12/94
Gravy choices
263 (b)
for councillors

The Argus Correspondent

PORT ELIZABETH. — Take your pick — that's the option given to members of the Transitional Local Council here after weeks of heated debate about increased allowances.

The council has voted for its members to make their own choices.

They can accept the maximum allowance permitted, retain their current allowance or refuse any allowance at all.

Earlier the executive committee had decided on the maximum allowance for councillors, specifically because many did not have jobs and had to depend on public transport and pay for telephones and equipment to do their jobs.

From January 1 the chairman will receive R8 998 a month, his deputy R4 499 and councillors R2 250 each.

A council spokesman said confusion reigned "We have heard nothing yet or how we are to put this into practice."

The more cynical do not believe there will be too many differences in allowances.

AR6 14/12/94

Concern over crisis in Transkei health service

The Argus Correspondent

DURBAN — South African National Defence Force soldiers have been called in to help prop up the virtually bankrupt former Transkei's crumbling health services, plagued by shortages of vital drugs, supplies and not enough trained medical staff

This precedes the expected influx of festive season motorists from KwaZulu-Natal travelling through the area who may have to rely on Transkei

hospitals if they are involved in accidents

The soldiers joined an emergency task team set up by the Eastern Cape health department to ferry vital medicines and supplies through a region where services are "verging on collapse and costing lives", Health Minister Dr Trudie Thomas said yesterday

And in adjoining southern KwaZulu-Natal Democratic Party MP Wessel Nel said yes-

terday that the inability of the KwaZulu-Natal health services and ministry of health to take action over Kokstad Hospital was forcing it to its knees.

"The response of the provincial government to industrial action which has continued this whole year has been totally inadequate. In spite of numerous complaints by hospital authorities against some members of staff for all kinds of misdemeanours, no effective inquiries have been held, let alone action taken," said Mr Nel

In the Transkei during the festive season, when hospitals were poised for a flood of patients, only emergency cases would be referred to the main hospital in Umtata.

The 1 000-bed hospital is engulfed in problems, including overcrowding, a shortage of 500 nurses and constantly running out of supplies

Transkei will fall under a single health budget for Eastern Cape of R1,8 billion from

April next year "but to start putting things back on track we need another R1 billion," said Dr Thomas

She said the emergency plan has made little more than a small dent in a region crippled by poor roads, bad communication, rough rural terrain and no money for improvements

"We are faced with huge problems Transkei is in a very serious deficit — there is just no more money in the bank — the task team and the army

have helped reduce the problem, but it is huge — 40 per cent of the people can't even get to clinics," she said

She said a further 200 primary health care clinics were needed.

There are now 30 poorly equipped hospitals in Transkei serving a population of five million and, according to Dr Mbuyise Madiba, Transkei Department of Health director general, only one government doctor for every 30 000 patients

Transkei teetering

Former homeland on the point of collapse

PAT CANDIDO
The Argus Bureau
in Port Elizabeth

THE tremendous task of trying to incorporate three bloated civil services into one and three police forces into one has led to immense law and order problems in the Eastern Cape.

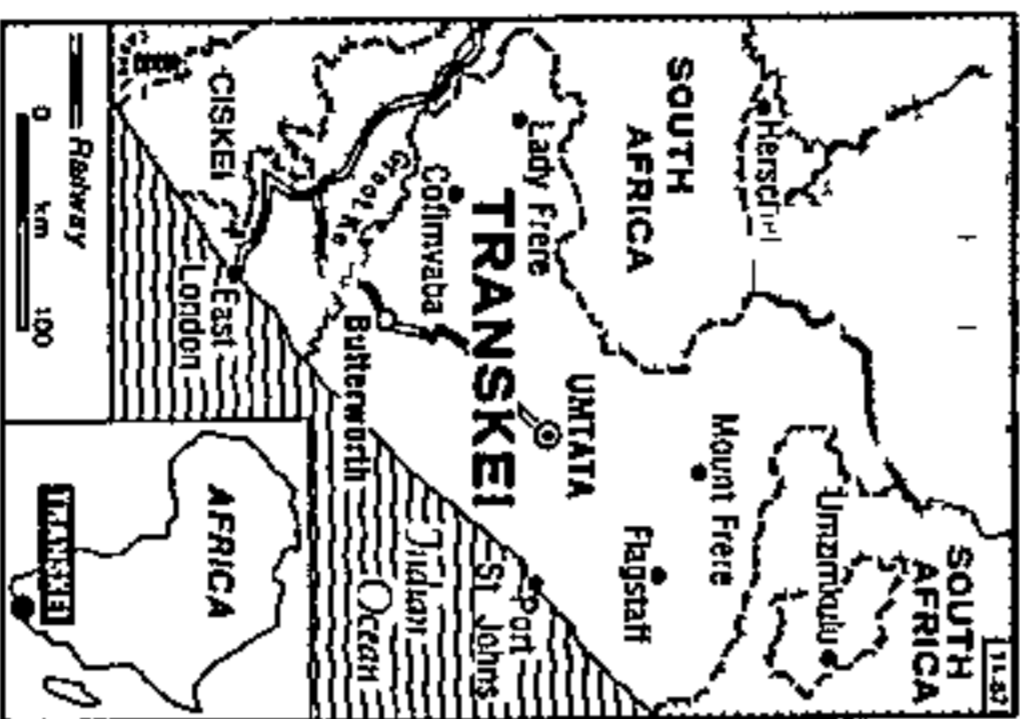
The former independent homeland of Transkei is teetering on the edge of collapse and the situation in Ciskei only slightly better.

Policing and essential services came under bitter discussion at the last meeting of the provincial legislature in Bisho last week. Safety and security select committee chairman Mzimasa Mangcootywa, in a stinging attack, said policing in former Transkei had virtually collapsed.

He accused police of running amok, torturing innocent people, arming criminals and cashing in on crime.

He said the Transkei crisis was affecting policing throughout the province and that the safety and security of people could not be guaranteed.

This week Transkei's chief deputy commissioner of police, Major-General Meluh Wheadon Mbulawa, was gunned down by a group of armed men as he and his wife were about to enter the driveway of their Fort Gale home in Umtata. He died on the way to hos-



HEALTH CHAOS Hospital services in Transkei are described as "shocking" with some hospital patients sleeping three to a bed, and doctors and nurses working amid the stench of sewage

pital and his wife was admitted in a serious condition.

Amid an outcry police experts from Pretoria were sent to Umtata to assist in the investigation into the attack.

In the provincial legislative assembly NP member Billy Nel said there had been reports of undisciplined police action, including roadblocks and the distribution of weap-

ons to civil servants.

ANC member Themba Manyosi said Transkei communities had accused the police of siding against them rather than protecting them. Allegations were also made that police were arming communities to steal stock and were sharing the proceeds.

DP member Eddie Trent said that with the lack of policing the chances of a criminal being caught were re-

mote. More than 6 000 suspects released on bail for serious offences had skipped bail since the beginning of the year.

Mr Trent attributed the problems to an underpaid, overstretched and demotivated police force, over-lenient sentences and early release of jailed criminals.

Mr Mangcootywa said part of the breakdown was caused by conflict between junior

and senior staff because of differences about salaries and promotions.

Allegations were discussed at a meeting of senior officers, including Transkei police commissioner General T N Lwana, Ciskei police commissioner Major General H M Hlela and Eastern Cape regional commissioner Major General Chris Smith.

After the meeting it was pointed out that many police-

men were working 16-hour shifts and called on people to direct complaints to senior officers.

A police statement said: "The police want to assure all people living in and visiting this region - Transkei, Ciskei, Eastern Cape - that the police will do everything possible to protect life, limb and property during the coming festive season."

Policemen who did not want to be named said it would take a long time for the force "to be truly integrated."

"The effort of uniting three different forces into one is slow and extremely difficult with many deep-seated resentments. Things have to change and the legislature should listen to what policemen are saying," said one.

A senior police official said there were police officers who were hurt and frustrated, who were giving up on principles and making money with the aid of criminals while the opportunity was there.

But it is not only the police force which is causing major headaches. Eastern Cape health minister Trudi Thomas has warned that tuberculosis and measles are rife in Transkei.

She said though there were adequate supplies of drugs being stored in Umtata, poor roads made it impossible to distribute them. There were hospitals where patients were sleeping three to a bed and

where doctors and nurses worked amid the stench of sewage.

The provincial government would have to get a great deal of assistance from the national government if the problems were to be resolved, she said.

Other Transkei inhabitants complained of a bloated, inefficient civil service, blockades and health hazards and a breakdown in communications.

In some small towns civil servants claimed they had not been paid for months and essential services were virtually non-existent.

Yet hotels and resorts report "good" bookings for the festive season.

They said special police units had been established to protect tourists and there did not appear to be any deep concern from visitors coming to the area. "As far as tourists are concerned, things seem pretty safe," said the owner of a resort.

"And we are taking out precautions as well." She refused to elaborate.

Consensus of opinion was that problems would continue until a proclamation from the national government for one police force with a single commissioner.

Meanwhile a provincial inspectorate has been established to ensure that all the values and standards as envisaged in the interim constitution are maintained.

... the red light's jammed the flow in the Eastern Cape

Stewart WRIGHT East London

THE birth of the Eastern Cape province has been traumatic and the new government is sweating to curb a slide into anarchy.

For the ANC-dominated provincial government its initial period in power has been a baptism of fire, with a strike by Transkei Police, a mutiny by Transkei soldiers, blockades on national roads by protesting municipal employees and parastatal workers, a taxi war, civil service strikes, pillaging of marine resources on the Transkei coast and rampant lawlessness throughout the province.

Nine months of damage control have done little to instil confidence in the Bisho government faced with the daunting task of unravelling the tangle of three overlapping apartheid-inherited administrations.

The weak and ponderous leadership of 74-year-old Premier Raymond Mhlaba hasn't helped.

"You find these in government have had to be engaged in fire-fighting instead of seeing to the smooth and fast amalgamation of administrations from the former Transkei, Ciskei and the old Republic of South Africa," says Eastern Cape ANC Chairman Dumnisani Mafu.

Barely a month after its inauguration the government was sent security-ing to attend to a strike by Transkei Police over salary adjustments and rapid promotions demanded by junior officers. Transkei Police top brass have dug in their heels and their reluctance to accede to their subordinates' demands has seen morale in the force plummet.

This culminated in the slaying on December 13 of top Transkei policeman General Mthuli Mbulawa, just days after bombshell disclosures by members of the provincial legislature of a virtual collapse of policing in the former homeland. There is a strong

suspicion that Mbulawa died in a hail of automatic rifle fire outside his Umhata home because of discontent among junior officers who perceived Mbulawa as an obstacle to promotion and pay improvements.

Scenes like these foster the image of a province which provincial National Party leader and cabinet member Dr Tertius Delpout describes as being on the "brink of anarchy".

"Right through the province, from Umzimkulu to Willowmore, the safety and security of our people cannot be guaranteed," provincial safety and security select committee chairman Mzimasi Mangcoywa declared in a parliamentary address on the sad state of policing in the Transkei region.

Like many of the crises faced by the Bisho government, the general state of lawlessness and police strikes in the former homeland are nothing new — they are leftovers of a failed apartheid policy.

But the Bisho government has failed to tackle the crisis head on. Safety and security MEC Maliza Mpehle says the policing crisis is a case of "apartheid chickens coming home to roost", but as yet he has taken no concrete steps to resolve the crisis. Instead, he is awaiting the outcome of a national government investigation into the salary and promotion debacle.

His problems are compounded by national government delays in permitting the appointment of a single police commissioner for the province. At the moment three regional police forces, which are unco-ordinated, are losing the battle against crime.

This dragging of feet is affecting the entire administration. It's a kind of Catch-22: the government's fighting fires and can't set up the new administration, but needs a new administration to put out the flames.

Politicians and observers regard

WM 23/12/94-51/95



Ray Mhlaba Can the veteran premier's leadership put the Eastern Cape back on track? PHOTO MIKE KNOTT

the delay in establishing a provincial Public Service Commission as the government's biggest failure in its first nine months in power.

The province's novice parliamentarians patted themselves on the back after they passed the Public Service Commissions Act along with four other Bills, but after various delays it was only signed into existence by Mhlaba in mid-September.

This has been the Eastern Cape experience: laws are being passed, the legislature is working, but its decisions are not being translated into action by the administration.

Public Administration MEC Ezra Sigwela says the Act unnecessarily stipulates a further 21-day delay to allow for the advertisement of posts. This was followed by a time-consuming shortlisting and interviewing process. The commission was finally appointed early last month.

"It was too much. At the time I felt we should revisit that legislation because we were not obliged to have it (the 21-day delay) in law," he says. Now he is faced with finding posts

for about 130 000 civil servants whose jobs are guaranteed in the new constitution. But the unified administration will have drastically fewer positions.

He says the task will be insurmountable unless the provincial government moves on implementing the reconstruction and development programme so surplus bureaucrats can be deployed in its projects, "or we will have to pay people to dig holes and fill them again to keep them busy".

Mafu believes the Eastern Cape government is moving too slowly on the RDP. Although it has launched the RDP with an urban development programme for the East London's Durcan Village township, Mafu says it should have done more.

"The government must prioritise in terms of its delivery. You can't talk about delivering houses in the first six months but there are other smaller projects such as bringing water and electricity to rural areas which it could have moved on," he says.

Despite his criticism he is satisfied with the provincial government's

overall performance. "The government has performed well, but saying well doesn't mean it was the best. There is still room for improvement."

Looking at its successes, he points to the five Bills passed by the legislature, the establishment of 14 select committees and the replacement of former education and culture MEC Neela Hoosain with dynamic and energetic Noesimo Balindlela.

Indeed, it's not all bad news. The government has declared war on the Western Cape's dominance of Eastern Cape fishing waters and is determined to take control of a domestic industry it says can create 5 000 jobs overnight. This is a first step towards reversing the region's past neglect under the old dispensation.

It's easy to use the tired argument that the problems of the present are a result of the apartheid past, but in the Eastern Cape this is more true than in any other province. The question that remains to be answered is whether the administration of veteran Raymond Mhlaba can meet such a huge challenge — Ecna

A lesson in government as Madiba upstages Mhlaba

WM 10-16/2/95 (263B)

Stewart Wright in East London

TWO South African leaders dropped in from the sky into a heaving throng of Transkei peasants. Only one had the power to calm the crowd — and it wasn't struggle hero and Eastern Cape Premier Raymond Mhlaba.

A helicopter carrying President Nelson Mandela and Mhlaba landed in violence-torn Tsolo during Mandela's three-day visit to the Eastern Cape last week. The small Transkei town is a centre of mayhem and murder, said by officials to have been sparked by stock theft.

Pandemonium erupted as the president and Mhlaba stepped from the aircraft. Angry marshals stepped in with *kieries* and fists in a futile attempt to keep the crowd behind a strip of chevron tape. The crowd heaved and shouted. Calls of "discipline, comrades" went unheeded.

Mhlaba took the podium and pleaded into the address system for calm. He might as well have screamed at the wind to stop blowing.

In sharp contrast, Mandela paced slowly to the podium and started speaking. The crowd simmered down and soon was quiet. Mhlaba must have flinched.

This was just one moment in a series during Mandela's hectic three-day visit to the Eastern Cape when Mandela's wilful leadership succeeded with ease while Mhlaba — typifying his regional government — seemed to flounder.

Standing before the obedient crowd, Mandela stated: "I am not going to allow people to take away other people's livestock and kill other people. If this continues, I might be forced to send in the army to arrest everybody involved in the violence and stealing."

Mhlaba must have flinched again. The warning was the first decisive step taken by the government at any level to address the problem. Mandela had drawn the line where Mhlaba's provincial government had only issued

promises to look into the matter.

This came after a visit to Umtata, where Mandela addressed supporters of the traditional leaders' organisation, Contralesa, and the South African National Civics Organisation (Sanco), which are at odds over control of rural communities.

Tensions between the two organisations have been mounting and are threatening to flare into confrontation. Some chiefs are threatening to disrupt local government elections in areas under their rule, while Sanco is threatening tribal leaders with its campaign to use the elections to "democratise" rural communities.

Mandela took up the argument for the civics. "There is no way one can do away with civic structures. They are a prominent feature of our democratic society, whether it is in rural or urban areas," he said to chiefs in the crowd.

But he went on to remind Sanco that Angola's Marxist government had abolished chieftaincy in Angola, only to be faced with rebellion from tribal followers in the countryside. The MPLA had lost support to parties which respected tribal leaders.

Attempting to bridge the divide between chiefs and modernists, he said: "How can civics and traditional leaders fail to work peacefully when you have the same cultural background? There is so much which unites you."

The Sanco-Contralesa squabble was a priority during Mandela's Eastern Cape visit after chiefs petitioned him to intervene. They said the Bisho Government was not taking them seriously.

Once again, it was Mandela who seemed to set both parties on a course away from confrontation whereas Mhlaba, faced with a rebellion by Eastern Cape chiefs, had done little more than to announce that he would assume the government's tribal responsibilities from MEC and former Sanco activist Max Mamase. —

Ecna

SBDC goals 'sacrificed'

EDWARD WEST

CAPE TOWN — The Small Business Development Corporation (SBDC) had sacrificed development goals for profit, Western Cape economics department small business co-ordinator Norman Michaels said yesterday.

Michaels was speaking after delivering an address on behalf of Western Cape economics minister Chris Nissen to the Institute of Directors.

He said the SBDC had not yet achieved its goals.

However, changes were taking place and discussions were under way with the organisation.

Studies worldwide recognised that small business development proved to be an engine for economic growth. "We are in the process of preparing policy guidelines for the development of small business." Other support mechanisms for small business development could be announced at the end of March.

Michaels said the Western Cape was rapidly gaining the reputation of being the most investor-friendly region in SA.

Dispute delays new Cape Town council

EDWARD WEST

men, a four monthly rotational mayorship and appointing a presiding council "doyen", but the suggestions were rejected.

Six statutory and non-statutory representatives were delegated after the postponement to negotiate an acceptable power sharing package. Mfeketo said the non-statutory side did not represent the interests of a single party, and because of this, had had to call off negotiations convened by Western Cape premier Hennis Kriel between the NP, DP and ANC two weeks ago.

"We have been negotiating for nearly two years. We don't think the provincial government should begin manipulating these positions." The question of the legitimacy of the local government was at stake, she said.

The 160-member Cape Metropolitan Council (CMC) was inaugurated on Wednesday to govern the Cape metropole. Cape Town is one of 15 municipalities and a number of other local bodies to fall under the CMC. Executive committee chairman was ANC member David Dlah, while former Bellville chairman Wilhe van Schoor would chair CMC meetings. The CMC would take over the remainder of this year's Regional Services Council budget.

CAPE TOWN — Yesterday's inaugural meeting of Cape Town's new transitional city council was postponed until Monday after a dispute between the 98 statutory and non-statutory councillors over the executive committee chairmanship and mayorship.

The non-statutory component of the city council called for the postponement because statutory councillors proposed the two top municipal posts be held by their own NP and DP aligned candidates.

Councillor Nomaandia Mfeketo nominated by the ANC alliance on the non-statutory side as possible mayor, said in terms of the proposals, non-statutory councillors would be deputies in the two posts and therefore "junior partners".

Sources said the dispute arose after the DP, which held the balance of power in the new council, planned to support the nomination of former management committee and NP member William Bantom as mayor in return for the DP retaining executive committee chairmanship under former incumbent Arthur Wienburg.

Mfeketo said various proposals were suggested before the inaugural meeting to settle the dispute, including the establishment of co-chair-

Chiefs join local govt committee

WILSON ZWANE

A TECHNICAL committee had been set up to thrash out a local government model for rural areas in the Eastern Cape, Constitutional Development Deputy Minister Valli Moosa said this week.

The team would include four representatives from chiefs, two from the provincial government and two from Constitutional Development.

Eastern Cape local government minister Max Mamase said the committee would begin its work on Monday. It was expected to submit its report on February 28.

Moosa said chiefs in the Eastern Cape had declared their support for the elections and willingness to cooperate with elected structures.

The situation was not like that in KwaZulu/Natal, where chiefs had said they would not take part in local government elections unless their demands were met. These demands included international mediation.

Northwest-spokesman Wilhe Modise said elections for the provincial house of traditional leaders would be held on February 20. There were 20 chiefs in the province.

Sapa reports that in preparation for the elections, the Eastern Transvaal legislature had forged strategic links with traditional leaders in the province. Various agreements were concluded during a recent meeting between chiefs and provincial local government minister J Masilela.

At least 150 die in Transkei clashes

27 (263B)

Stewart Wright in East London

WM 17-23/2/95
THE dilapidated Transkei settlement of Tsolo is the epicentre of a power struggle which has claimed the lives of more than 150 residents of the surrounding villages

Police reports mistakenly put the deaths down to "stock theft". President Nelson Mandela told residents to "stop stealing each other's cattle and killing each other" when he and Eastern Cape Premier Raymond Mhlaba visited the strife-torn town three weeks ago.

However, at the heart of the conflict are two rival forces: the new Joint Monitoring Committee (JMC) with links to the Eastern Cape MEC for Safety and Security, Dr Malizo Mpehle, and a faction known as the RDP Committee.

The JMC is fiercely loyal to the beleaguered Mpehle and its activities are one of the causes of Mpehle's unpopularity in the Eastern Cape.

Tsolo, a 40-minute ride from Umtata, is Mhlaba's home territory. He ran a medical practice there before taking up political office.

JMC officials are adamant that their only purpose is to "bring peace" to Tsolo and its satellite villages. Chairman Vuyisile Ntusana said reports of violence in the area are "grossly exaggerated". He insisted that his group has the support of a range of civic and political groups in the area.

Residents opposed to the JMC, grouped loosely as the RDP Committee, are furious with local police for their inactivity when dealing with killings in the area. At least three of the unit's members are facing charges ranging from murder to rape.

A senior Tsolo policeman accused the unit of "defending people who are related to them."

Whenever we want to go to rural areas to effect arrests, we have to go to the JMC first. — Ecn...

Transkei on the brink of collapse

WMM 24/2-2/3/95
(263B)

Apartheid policies turned the Transkei homeland into a disaster area which will take years to repair, writes Louise Flanagan

Transkei is a graphic illustration of the costs of apartheid. The challenge now is to put it together again. The problems seen worse than those in the three other once "independent or interim solutions" territories

This week the regional government announced that a commission of inquiry has been set up under acting judge Jules Browde, although it has not yet started work.

The key reason is that Transkei was severely underfunded, particularly during the six years of military government rule under Major General Bantu Holomisa when he continually clashed with then-president FW de Klerk's government.

The whole saga started when we

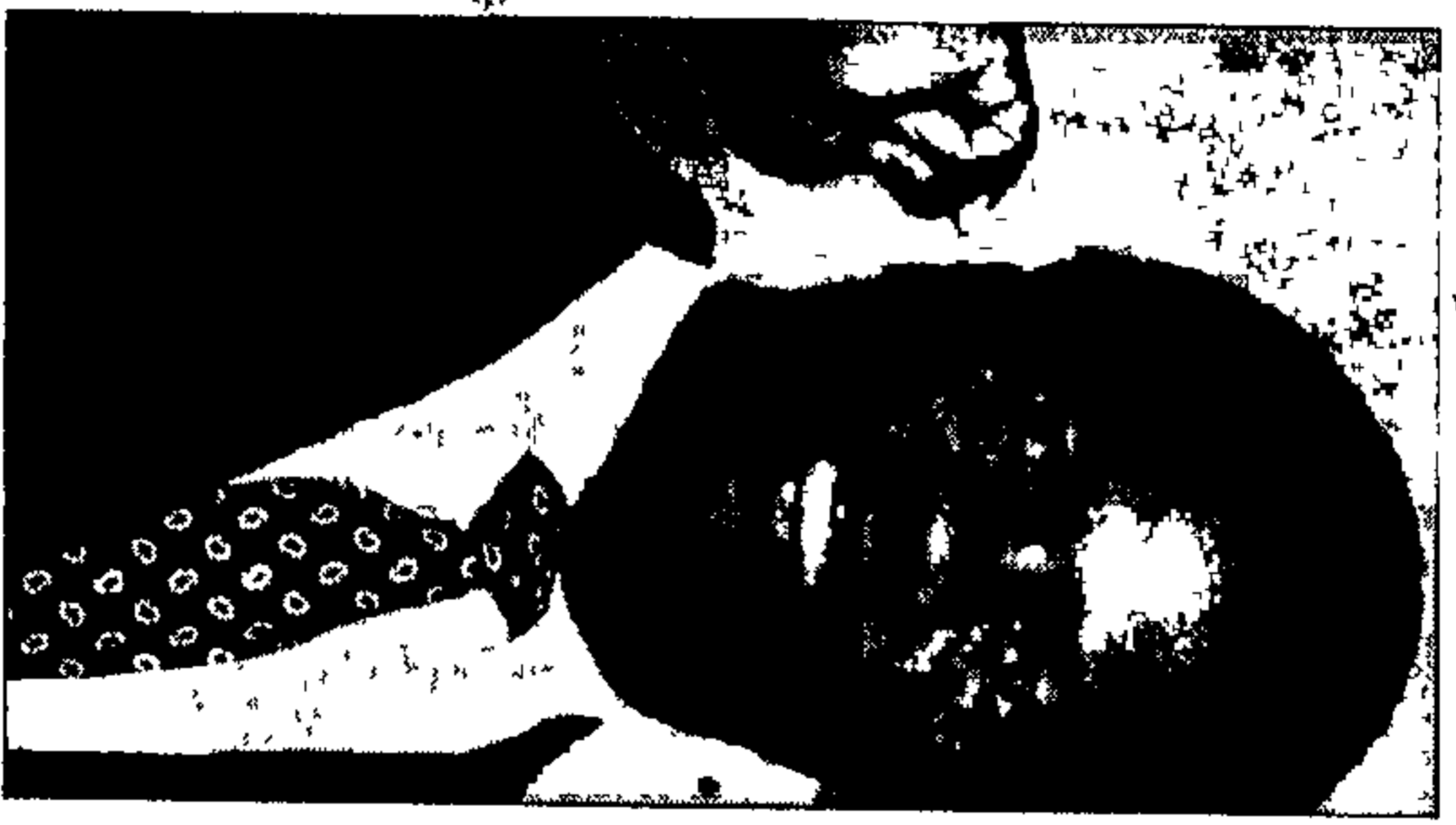
wanted to surround the big fishes," said Holomisa this week, referring to his government's attempts to charge hotel magnate Sol Kerzner with bribery and his clashes with then-Minister of Foreign Affairs Pik Botha.

The price was regular lengthy delays in the transfer of monies from central government and a cut in funding. This meant that less than 10 percent of the budget was capital expenditure.

What services did exist have now collapsed. Unemployment and under-employment was estimated two years ago at 84.4 percent by the Border-Kei Development Forum. Hospitals and clinics do not function. Industrialists will not invest there.

Policing is in crisis and has been regarded as unco-operative and unjustifiably demanding.

The executive director of the Transkei Chamber of Industries, Les Holbrook, has lived in the industrial town of Butterworth for 13 years and seen the Matanzimas and Holomisa come and go. Holbrook agrees that underfunding is a key problem.



Bantu Holomisa: "We were not just sitting there with folded arms"

"For the last five years Transkei hasn't spent a cent on capital projects," he said. "They haven't had the money."

Holbrook does not yet see a light at the end of the tunnel. "The present government has the will but I don't think they have the means [to deal with the problems]," he said.

unco-operative civil service. "The disobedience of the civil service is unprecedented anywhere else in South Africa."

Butterworth, the main industrial area, does not have a transitional local council. Both Butterworth and the Umtata municipalities exist on a day-to-day basis.

Corruption has always been a problem and Mandela himself has commented that there has been "massive corruption in which millions if not billions has been embezzled."

Taxpayers are still paying for crazy schemes inherited from the Matanzima era. Only two days before the April elections an international court ordered payment of a debt of nearly R100-million to an Austrian company

for 200 tractors bought by the Matanzimas in the early 1980s, many of which have not been accounted for.

Although Holomisa was in power for over six years he said he could do little to restructure the huge civil service. "I don't say we could not have done anything," he said. "But had I started that [restructuring] during negotiations I would have sent a wrong signal." He did however lower the retirement age by five years. "That was the only thing I could do."

Holomisa says the civil service is huge because it relies on manual labour. There are few computers and messages have to be posted or even hand delivered rather than faxed.

He increased the size of the security forces by several hundred a year, saying this filled existing posts and eased unemployment. The military cost "less than two percent" of the total budget.

Regional ANC president Dumisani Mafu said Holomisa could not do much about the former homeland in isolation from the rest of the country. "He found the civil service there... it's not his creation," he said.

While the politicians struggle for answers, people in the former homeland feel abandoned and demoralised. The former homeland is a disaster that took years to create. Even the most hopeful politicians know it will take years to repair.

investigate allegations of bribe-taking. Picture AP

not the way o up was tion yed the ling tion Nel- e- as of ti- re y u- nt as h- e- so)) 's, ek, at- en- de- gu- nal not tod the ion ri- nt- ad

Govt seeks debt details

WILSON ZWANE

GOVERNMENT has given provinces until the end of the month to furnish detailed information on debts accumulated up to the promulgation of transitional municipal structures.

An informed source said yesterday the information would enable government to ascertain how much money it should provide to settle the debts.

The debts included bank overdrafts and unpaid bills to bulk suppliers, such as Eskom and water boards, as well as private companies contracted by municipalities to remove refuse.

The source said "lots of administrative snags" made it difficult for the provinces to obtain the information from the local authorities. These included poor or non-existent records of former black local authorities. *BD 2/3/95*

In November the Constitutional Development Department asked the provinces for details of the debt situation. That was in line with Constitutional Development Minister Roelf Meyer's announcement the same month that the agreement on finance and services applied to all areas.

The agreement provides for debts accumulated until January last year to be scrapped.

The source said some information had been received from most provinces. But this was not comprehensive as debts had not been broken down into components. The provinces had, therefore, been instructed to give "further, detailed information"

Order made on estate of German fugitive

DEBORAH FINE

AN ORDER was granted in the Rand Supreme Court yesterday for the provisional sequestration of the SA estate of German fugitive Gerhard Thun, 40, who allegedly used stolen foreign funds to set up a company on the JSE.

The urgent sequestration application was lodged by Johannesburg advocate Leslie Sackstein who is acting on behalf of Swiss bankruptcy liquidator Kurt Battig.

Thun and his alleged accomplice, German citizen Claus Homberg, 38, are believed to have fled SA earlier this month to avoid arrest after the Swiss authorities applied for their detention and extradition.

They are believed to be in Namibia. Homberg was arrested by SA police on March 17 but apparently fled the country after Judge J Heher in the Rand Supreme Court found his arrest unlawful and ordered his release.

Sackstein said in an affidavit before court Thun and Homberg, both directors of the Switzerland-based company Equity Brothers Clearing, had led foreign investors to believe their money would be invested in SA bonds (such as Eskom bonds) through the Johannesburg-based company First Equity Brothers, a registered stock trader at the JSE.

The bonds would then be deposited with reputable SA banks.

Instead the men had unlawfully channelled the money to other companies in SA

and abroad and had also used investors' funds to buy a Porsche 911 Carrera 2 coupe and an Audi A8 Tiptronic, both luxury sports cars.

Sackstein said Equity Brothers Clearing was liquidated in Switzerland in December last year after complaints from its investors. It was discovered the two fugitives had allegedly misappropriated \$f60m from about 800 investors.

Investigations showed Equity Brothers Clearing's SA interests were held via the company Europe SA Investment Corporation (Esic) Holdings.

Sackstein said the major asset of Europe SA comprised 55 659 985 shares in the JSE listed Esic Limited, which had a market value in December last year of R147,5m.

Esic Holdings also owned 100% of the shares in SA companies Pharnecon SA (Pty), Trident Insurance Brokers (Pty) and Esic Properties (Pty), 65% of Pro Style Insurance Brokers (Pty), 50% of Pro Style Health Planners (Pty) and 10% of Pro Style Maintenance Managers (Pty).

Sackstein said Thun withdrew R4m from Equity Brothers Clearing's Nedcor Bank account on December 22 last year, the day after the company had been liquidated in Switzerland, to the prejudice of investors.

The order was granted by Judge R Nugent. The return date is April 18

Agreement on local government structures

WILSON ZWANE

CHIEFS and the Eastern Cape government had reached an agreement on a two-tier local government system for rural areas, a source in the provincial local government ministry said yesterday. *BD 2/3/95*

In terms of the agreement, which was reached on Tuesday at a meeting chaired by Constitutional Development Minister Roelf Meyer, six district councils would be set up to perform functions similar to those of regional services councils. *(263B)*

Under the district councils would be primary local government bodies, which would include municipalities, rural coun-

cils and traditional authorities. The source said the primary local government structures would have representation on the district councils. However, the number of chiefs to serve on the councils was still to be decided.

The source said finer details of the agreement would be discussed at meeting in East London next week.

The source said that whatever legislation enacted it would not contradict local government elections regulations.

Emergency plans for

Agreement on local government

CHIEFS and the Eastern Cape government had reached an agreement on a two-tier local government system for rural areas, a source in the provincial local government ministry said yesterday. (263B)

In terms of the agreement, which was reached on Tuesday at a meeting chaired by Constitutional Development Minister Roelf Meyer, six district councils would be set up to perform functions similar to those of regional services councils. (263B)

Under the district councils would be primary local government bodies, which would include municipalities, rural coun-

will

cils and traditio

The source sa
ernment structu
tation on the di
the number of c

cils was still to
The source :
agreement wou

in East London
The source s
tion enacted it
government ele

Mhlaba gets tough on illegal protests

WM 3-9/3/95 (263B)

Eastern Cape Premier Raymond Mhlaba sent an uncompromising signal to civil servants throughout the country last weekend, reports **Steuart Wright**

THE quelling of a police strike in Transkei at the weekend is the first decisive step the government has taken to bring the troubled former homeland to heel.

The siege of Umtata by about 200 striking police was not the first time armed policemen abandoned posts and took to the streets to bring attention to their grievances. But it was the first time such action was met with the might of the army, arrests and the initiation of terrorism proceedings against about 60 officers.

The move sent a clear signal to civil servants throughout the country. President Nelson Mandela is serious about his threat to match illegal protests with the full force of his government.

Even Eastern Cape Premier Raymond Mhlaba, whose early months of rule were characterised by apologetic warnings and appeals for patience from a disobedient civil service, stood firm as troops moved in on the protesters last Saturday, saying: "There will be no compromise. I have told the brigadier to remove the blockades physically if necessary".

It was a new style of leadership for Mhlaba. He was making the remarks on his cellular phone in a Port Elizabeth prison while trying to negotiate the release of a prison warder being held hostage by awaiting-trial prisoners.

Despite bravado from the striking policemen, who said any attempt to prevent their attempts to paralyse Transkei's largest city would result in civil war, when it came to the crunch they made a pathetic stand.

A few rounds and a mortar shell aimed at them from South African National Defence Force troops approaching a blockade-15km outside Umtata on the road to Queenstown sent the policemen scurrying from their crude but effective barricades. Officers manning blockades on the N2 on the other side of the town overheard the shots on police radio and sprang into their vehicles and fled.

The policemen were protesting delays in receiving election bonuses and salary increases to match year-old promotions. Ironically, Police Commissioner General George Fivaz says one reason for delays is an investigation into salary increases of up to 159 percent which some police gave themselves, simply by fiddling with computers.

The Transkeians have enjoyed a measure of sympathy from the government. University of the Transkei politics lecturer Harold Tessendorf explains: "There has been a collapse in many ways of the police hierarchy in the former Transkei, and the top leadership is very difficult to track down. If police say they haven't been paid, then people will have some sympathy for their position."

were allowed to persist under the previous government," he says. "It is a mess which is steadily growing and has to be picked up by the new provincial government."

Mhlaba's permanent secretary and former Transkei government financial adviser, Sintu Mpambani, says the current wave of chaos is a continuation of efforts to unravel the leftovers of bantustan administration. Many of the pay and promotion grievances can be traced back to the early 1990s, he says, when homeland bureaucracies were involved in the arduous task of balancing homeland civil-servant salaries with those of South Africa. — Ecna



Raymond Mhlaba: Throwing his full force behind Nelson Mandela

PHOTOGRAPH MIKE KNOTT

But Tessendorf sees the collapse occurring at almost every level as the charade played out by the previous government disintegrates, exposing the police and other civil servants for what they really are — poorly trained and poorly equipped to meet the real demands of their job.

"Corruption, nepotism and that kind of thing"

MODEL FOR SA: Transkei could be turned into an example of reconstruction; left alone, it could crash into an abyss, dragging with it the entire Eastern Cape

In the eye of the storm

Mar 4/3/95

2638

CORRUPTION, apathy and anarchy vie to ruin the Eastern Cape, where civic activists feel they are losing the battle to transform the administration, writes EVELYN GROENINK.

IF SOMETIMES seemed as if a major part of Transkei's governing establishment was in danger of going down in the cockpit plane that was taking us through a heavy rainstorm on the way to Umtata. Half the homeland's top police hierarchy was in it, as well as the managing director of the Transkei Development Corporation, a Department of Agriculture representative and a member of Transkei Airways' board.

"If we crashed, it would serve that bugger right," somebody commented, "for not having looked after this business." The policemen were on a mission to try to save what was left of law and order in Umtata — and then get the hell out.

"We are being integrated in Pretoria," said one. "There is low morale among those left in Transkei, which is on the verge of anarchy."

Since January, more than 150 people had been killed in crime rackets that sometimes involved policemen. Now, it was only days before the South African National Defence Force would be called in to remove roadblocks, arresting 55 policemen and killing two. It seemed as if the Transkei establishment did not see the crash ahead.

"If only we could get more money," the Agriculture representative said. "Then people would do their jobs."

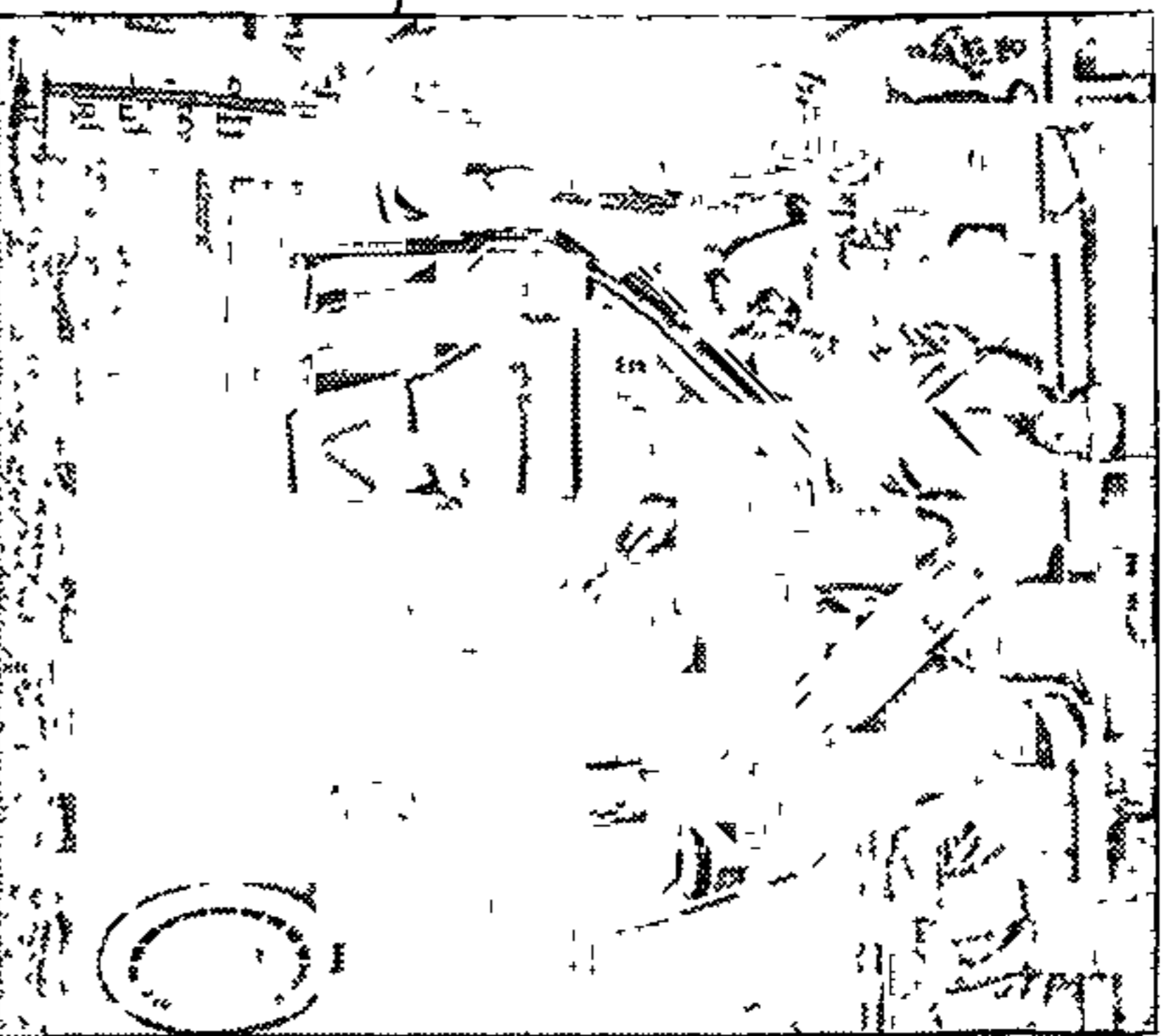
THE development manager, nodding sagely, agreed. "Money, more money. That is what we need," he said, just before the aircraft was diverted to East London, from where anybody foolish enough to want to go to Umtata was expected to make his own way.

Money — and lots of it — is indispensable to Transkei.

The plots of land on the outskirts of Umtata are apparently distributed through local chiefs. The stories about



SEEN IT BEFORE: Former Transkei military ruler Bantu Holomisa says the army alone cannot solve the problems in the territory.



LIKE OLD TIMES: Kaiser Matanzima, whose name is synonymous with corrupt rule in Transkei

locals trying to woo the chiefs with beer, his fare to town and parties, only to find the desired plot has been given to them and four other people, are not funny to the families who have lost their savings.

In urban areas, too, everybody is striving for money. Police are on strike for money, the PAC-alligned students march for money, the public servants in the K D Matanzima and Botha-Sigcau buildings are sitting around waiting for money but people actually *working* for money are nowhere to be seen.

"It's juicy here," says the stocky, bearded businessman in the Savoy Hotel bar. To him, the local authorities are just fine. "If you want to sell something, you only have to approach a chief or shop-owner and tell him he can charge whatever he likes as long as he gives you your price. It works. There are no other distributors. He gets rich. I get rich. What more do you want?"

However, a civic activist says, "The days of the corrupt barstustan — the Matanzima days — are back. When Holomisa left, that was it. The old administration resurfaced.

"Some of the people in charge now were the ones killing freedom fighters in the 1970s. Then Holomisa came and they were scared to do anything. But we were lazy. We didn't fight to transform the administration when we could. Now they are back and some of them are again after us, because again we are the threats to their positions."

We talk while driving around because, he says, it would be regarded as "too suspicious" to be seen talking to outsiders. And by the way, he must get home before midnight. It is safer.

When he drops me at the hostel, as close to the door as the car can get ("the guys on the streets are wild") before driving off at high speed, there are pistol shots. Then silence. People hurry indoors. The sky is clear and still. The words of a policeman I travelled with echo in my head. "We are in a vacuum. We hang up in the air. . . Like that plane we were on. We don't know which way we'll get thrown, or when we'll crash."

The South African National Civic Organisation (SANCO) office in Umtata is stuffed to the roof with voter registration forms. "Only local government elections can bring change here," says Elizabeth. "But it is very difficult for us to campaign. The old rulers and the chiefs want our heads." The day before, she says, she was beaten up by a chief's family in Flagstaff. She laid charges but, as none of the government structures work, does not know whether that will lead to anything.

THE man sitting with a group in the corner turns out to be a public servant in charge of the local elections department in Home Affairs. He is here instead of at work "because we don't have computers. How can we make a voters roll without computers?"

He and his colleagues in the corner, from the Health, Transport and Manpower departments, have come to confer with the civic association. They say they too want change. "Most of us are only concerned with wages and many of us are ineffective," says the colleague from Health. "That comes from having served in an illegitimate administration. Our wages are really pitiful. But if we could have direction, training and new bosses, we could be motivated."

They blame top management for resisting change. "They have been eating well for years. But some of the strikes and disturbances have been co-ordinated by

'We were financially strangled by Pretoria'

FOR how much of the trouble in Transkei can General Bantu Holomisa, ruler of the territory until May 1994, actually be blamed? "You can make sweeping statements about corruption, but that won't help. It only creates more conflict. There must be thorough inquiries, conducted by the provincial government. I support that — I already said so last year in August, when this anarchy started."

But did his administration itself deal with corruption and mismanagement when it was still in power? "The records will prove that we did try to improve controls. People who were caught with their hands in the till were brought to court. But we weren't free to just get rid of civil servants or people in the parastatals, especially not after negotiations (with the previous government) had started. That would have sent the wrong signals. "What we did," he sighs, "is we lowered the retirement age

from 65 to 60. And in the security forces, we lowered it to 55. That was all we could do." It was difficult, he adds: "I have been presiding between haves and have-nots, and hearing all the time 'you are all corrupt'. That doesn't do justice to our situation. Transkei has really been financially strangled by Pretoria. Other 'homelands' would get their budgets in March — we only in September."

"Now they say R300 million went missing under my administration. But after we checked again with Pretoria, we found that it was R98 million. And in May last year, when I left Transkei, it was down to R44 million. And that was the deficit that we inherited from Matanzima."

Then, after his military council stepped down after the elections last year, "there were no structures to take over — everybody started to do as they liked."

those top people for their own purposes." The main person accused of sabotaging change is Manpower director-general Gilbert Shneke. Although he works with the "ex-Matanzimas," he is the PAC's local vice-president. Strange? Not really. The PAC can benefit from chaos, saying the ANC-led Government is not "delivering the goods" and that the PAC must take over.

Attempts to get through to Shneke or even his department prove futile. The PAC is right about one thing, though: nobody is really happy with the ANC-dominated provincial government in Bisho. Even ANC members, who do not want to "talk harshly" about their own government, admit "you don't really see any Bisho presence here in Transkei." The man in the post office says "We

need help." He is worried by the absence of phones, faxes and mail for his customers. "It is us blacks who have been soaked in poverty. That is why we are concerned only about getting rich ourselves, not about the community."

"The Government must come in and give us training." It seems obvious that the chaos can be tackled only if the Government brings in new blood to direct, stabilise, train and begin development. If that does not happen, crime, anarchy and unrest could spread throughout the Eastern Cape. The Kael Border Technikon hostage drama, unrest among public servants in Ciskei and the gang problem in Port Elizabeth are the first symptoms of a process that could drag the region down. The traditional leaders around Chief

Nonkonyane of Flagstaff do not want change. Even though the chief is an ANC member and his chambers in the city are adorned with portraits of Oliver Tambo and Chris Hani, he says "The old administration wasn't so bad. The problem is that power has been taken from them. There were cronies from Bisho sidelining the old directors-general. If they could come back officially, things would go back to normal."

How can he, a member of the ANC and the ANC-alligned Congress of South African Traditional Leaders, defend the "Matanzimas"? Because his fate is linked to theirs, it appears. "The civic activists of SANCO want to get rid of everybody — first-born sons of chiefs — of our birth-right. They want us to assume a ceremonial position, where they come and throw us a barrel of beer every once in a while. We won't allow that."

"There is still time for compromise. We can rule with democratically elected councillors. But we have made it clear to the ANC we won't vote for SANCO members on the list." That means practically everybody but their own subordinates.

FORMER Transkei military ruler Bantu Holomisa, currently "on an exercise for his constituency" in Eastern Cape, readily admits to "anarchy" in the region, but, of calling in the SANDF to restore order, says "The army alone won't solve the problems." He chuckles, apparently reminded of his military council years in the territory, when he, too, was not quite able to solve the problems.

"Strong action is needed, of course. I don't want to prescribe, but this might already be too big for a provincial government to handle." Maybe an administrator could be appointed, directly under the premier, to be in Umtata, he suggests. "That would be better than to drive up and down 2000km to Bisho with the fles and down 2000km to Bisho on the spot. You could discipline people on the spot and start inquiries about corruption."

He sees an advantage in the fact that the current administration has been sidelined. "You can really start to change things, get rid of the bad ones and bring in people with skills. Do some development." That way the territory could be turned into an example of reconstruction for the country. Left alone it could, of course, crash into an abyss, dragging with it the entire Eastern Cape.

By CLAIRE ROBERTSON

THE Transkei government bequeathed a debt of at least R1-billion to the new Eastern Cape province — and not the R44-million deficit former homeland leader Bantu Holomisa has claimed.

Reacting to last month's allegations by President Nelson Mandela that "millions, if not billions" of rands had been stolen from the Transkei by crooked officials, Mr Holomisa said the homeland deficit stood at only R44.1-million when his Military Council closed its books in May last year.

He blamed Transkei's financial problems on punitive underfunding by a hostile South Africa.

But according to an independent investigation into the Transkei government's "overdraft crisis" late last year, the Transkei government owed its own Pension Fund R1,09-billion when it closed shop — and it must be paid this year.

It is clear from the report that Mr Holomisa's government — and the Matanzima regime before him — lumped from one huge overdraft to the next for years, eventually culminating in the debt.

The money was raised to pay for "staff salaries", the report said, and was costing "millions of rands in interest repayments ... placing a strain on already crippled bank accounts".

Mr Holomisa's government borrowed the money after the South African government refused to guarantee commercial bank overdrafts and "Transkei had to walk it alone", according to a separate report from the Transkei accountant-general titled "Transkei Underfunding".

Then "the Public Debt Commissioner's funds got drained in June 1991 and there was nowhere to get funding", the report noted.

In 1991 the Transkei appealed to South Africa for help, and agreed to Pretoria's condition that Transkei government spending should be vetted by a joint structural adjustment committee.

The chairman of this committee, Development Bank general manager for policy and information Deon Richter, said this week that the sort of "muddling along" accounting practised by the homelands could partly be blamed on underfunding.

"Transkei's financial management went downhill over a period of 30

years," he said.

He predicted that there would be "many underlying commitments that would jump up and bite them" as investigators began to unravel the homelands' legacy.

The Eastern Cape government dealing with two former bantustans in its borders — Transkei and Ciskei — is beginning to discover this inept financial management.

It found that two controversial agricultural schemes had run up huge overdrafts — R103-million in the case of the Ncora scheme and R4.3-million for the Ncora cannery.

As in the civil service and police, Xonxa's salary bill rocketed in the months before last year's elections, with some employees earning three times their usual salaries and thousands of people were added to the payroll.

Other nasty surprises

Eastern Cape investigators uncovered included:

- R356-million for cheques not yet cashed at the end of March last year;

- R311-million to meet civil service pay adjustments, which the Transkei government had failed to budget for the previous year; and

- R276-million in unauthorised expenditure, carried over for two years.

Some of this was paid for with the money raised from the pension fund.

The report asked for a total of R1.7-billion from central government "as an interim measure" to meet the pension fund debt and other government obligations.

This included money not yet advanced to the Transkei military government at the time it dissolved last May. Most of this money was held back because the necessary accounting procedure had not been met by Transkei.



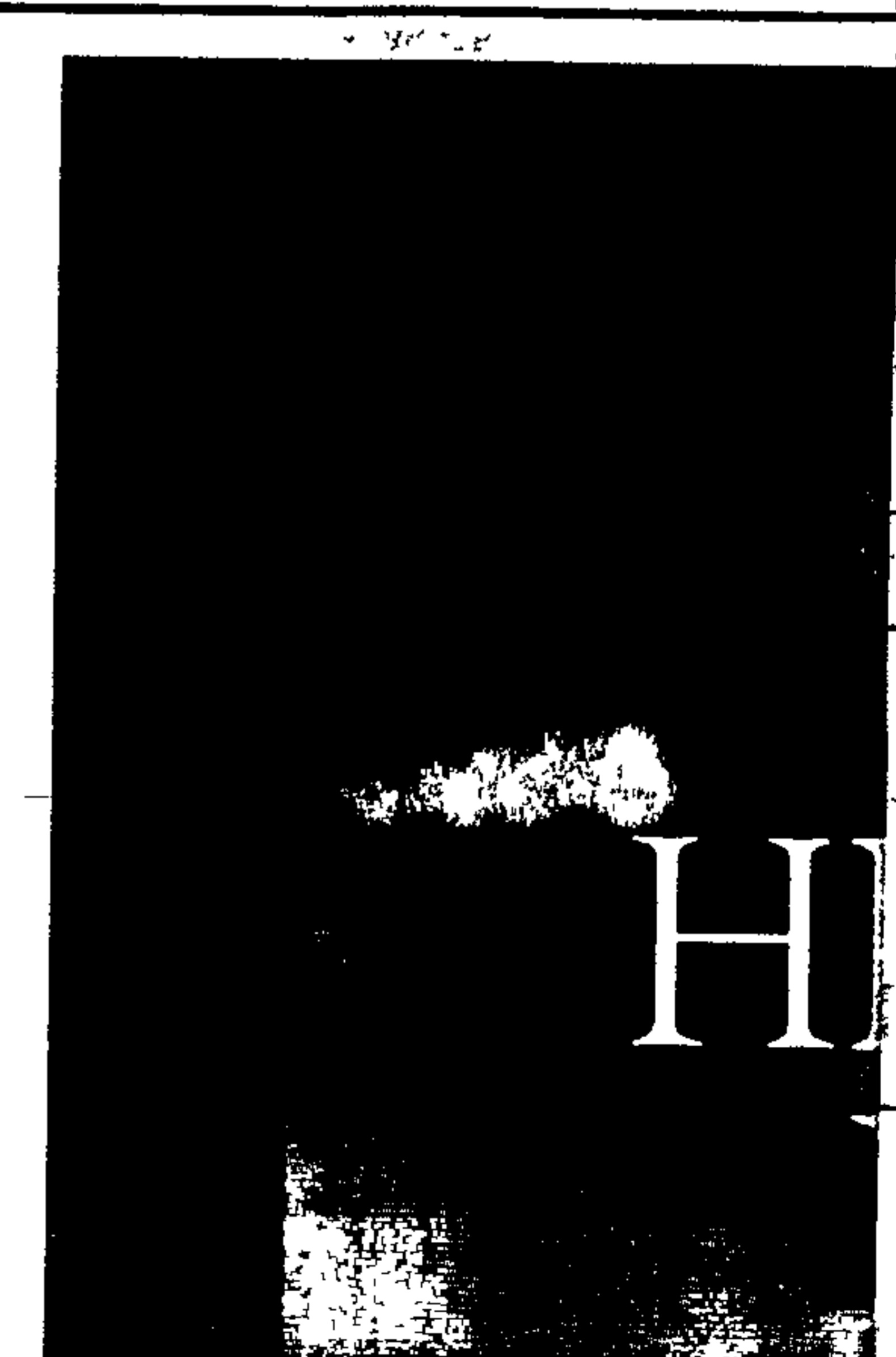
ALL SA'S FAULT ... former Transkei leader Bantu Holomisa

Picture: JOHN HOGG

'Overdraft crisis' led to homeland's R1-bn debt

ST 5/3/95

49 263B



By CLAIRE ROBERTSON

THE Transkei government took one year to run a viable agricultural scheme into the ground, looting and mismanaging it until vegetables rotted in the fields, according to a report on the project.

The Xonxa Rural Development scheme in the Queenstown district was supposed to irrigate and farm more than 3 000ha, grow food and train farmers.

The irrigation equipment was installed in 1986 and the project handed over to the Transkei government. An Austrian firm, Rudolf Bauer AG of Voitsburg, was contracted to run the scheme, and Austrian Dr Rheinhard Auerbock took charge.

It turned its first profit two years later and was R3,4-million in the black by the end of the 1993 financial year.

Then the Transkei government took control.

In the next year Xonxa spent 33 times more than it made: R19,8-million was poured into it and only R600 000 recorded as cash and sales, said the report

How Transkei wiped out farm scheme's profits

released by Eastern Cape MEC for Agriculture, Dr Tertius Delport.

In the four months before last year's elections, it ran up more than half of its R20-million overdraft.

Dr Auerbock ran the scheme with just 890 employees. By April last year, almost four times as many people were employed — or at least had salary cheques made out in their names.

Fictitious employees were paid almost monthly from June 1993 to May last year. Even the new employees who existed had little to do with farming. The scheme needed 16 watchmen, but by April 126 were employed.

People were employed to sing in the choir, to play soccer and rugby — and then paid overtime as well.

The scheme was never

audited and had no proper financial management.

But Xonxa did hire farming equipment: R5 000 a month for tractors "with no work done at all", said the report. Trucks were hired for R600 a day "even if the truck is broken down, about R18 600 a month is paid on a single truck, and there are at least six trucks".

"Produce is left to decay in the fields without having been harvested. Seeds and seedlings are bought at high cost and not planted in time," the report noted in June last year.

Dr Delport has cut back the Xonxa staff to about 30 — from more than 3 000.

He hopes to convert this and other schemes into co-operative or individually run farms because "governments make bad farmers" he said this week.

But some ANC colleagues disagree. Several provincial MPs this week urged the maintenance of the schemes, and accused Dr Delport of having ulterior motives.

"Is it so he can say the ANC government is trying to deprive people of their jobs?" asked the Rev Harris Majeke.

Dr Delport believes the government may have to cut at least some agricultural jobs: some 25 000 people receive a salary from the Departments of Agriculture of the former Ciskei and Transkei, either directly or via parastatals, and salaries comprise 93 percent of the agricultural budget.

"There is stiff opposition, but black farmers have pledged their support for my approach," he said. He has also drawn up a

plan to settle 2 000 viable small-scale farmers over the next five years.

The scheme is intended to help the owners or tenants of farms worth R400 000 or less, and Dr Delport has proposed annual payments to the tribal chiefs who own the land to give the small-scale farmers some security of title.

Farming is the Eastern Cape's main job creator.

The former Cape Province part of the new province produces a considerable percentage of the country's meat and vegetables, but the Transkei produces only 20 percent of its own needs — even though its agriculture department employed 30 times as many people as the Eastern Cape division of the former Department of Agriculture.

(~~ST 5/3/95~~) (263B) ST 5/3/95

Minister's armed unit disbanded

By CLAIRE ROBERTSON

THE Eastern Cape provincial government has disbanded a controversial armed unit created last year by Safety and Security Minister Dr Malizo Mpehle.

The 50-strong unit, comprising former MK soldiers and members of the ANC's self-defence units, was implicated in violent crimes in the Tsolo area earlier this year.

It emerged this week that the force cost R100 000 a month but was never in uniform, nor officially integrated into the police force. It answered directly to Dr Mpehle.

He was last week suspended from his post pending the outcome of a judicial commission of inquiry, under Mr Justice Frank Kroon, which begins on March 20.

Premier Raymond Mhlaba said on Friday that members of the unit would be disarmed by the police.

Unit members, who were each paid R2 000 a month, would receive a month's pay in lieu of notice.

Mr Mhlaba said the executive council had not approved the establishment of the unit, although it had been aware that "volunteers" had assisted Dr Mpehle with the recovery of stolen government vehicles last year when he was faced with an uncooperative Transkei police force.

However, in January Dr Mpehle asked the executive council to ratify payments made to the unit members but "further information on the legal aspects" of the unit's establishment was requested.

As the acting Safety and Security Minister, Mr Mhlaba announced that "there is no longer a place within the policing structures for a unit which was, strictly speaking, not established in accordance with the recognised procedures."

ST 5/3/95

(263B)

'Transkei chiefs get higher salaries'

SOME chiefs earn far more than others!

More than R20 million was being paid out annually in salaries and allowances to six paramount chiefs, 172 chiefs and 1 032 headmen in the former Transkei and Ciskei, the

CP 5/3/95
Eastern Cape provincial legislature heard this week

While speaking on the House of Traditional Leaders Bill, MEC for Local Government Max Mamase said there were "glaring disparities in earnings between Ciskei

chiefs and their Transkei counterparts" (263B)

More than R17 million was being paid out to Transkei's five paramount chiefs (annual salary R219 246), 136 chiefs (annual salary R42 795) and 832 headmen (annual salary

R12 174). This compared "unfavourably" with the R3 million paid to Ciskei's paramount chief, Chief Maxhoba Sandile (annual salary R144 000), 36 chiefs (R27 722) and 202 headmen (R9 379

each a year) ?
"The salaries, stipends and allowances should be reviewed and consolidated in order to obtain uniformity . . . but the traditional leaders should be adequately remunerated for the roles they perform," he said. - Sapa

March 28 1995

5

Emergency aid for ⁽²⁶³⁶⁾ _{ARC 28/3/95} 28 towns in Transkei

BISHO — All 28 cash-strapped municipalities in the Transkei, including Umtata and Butterworth, have collapsed.

Housing and Local Government MEC Max Mamase will release details today of a R7,4 million emergency aid package for the municipalities until strict new financial controls are in place.

The offer of financial assistance comes after a municipal audit inspection carried out on behalf of Mr Mamase's ministry in November uncovered evidence of gross financial irregularities, mismanagement and sheer incompetence.

The largest portion of the aid package, about R2 million, would go to Butterworth, Mr Mamase said yesterday.

The remaining 27 towns would each receive R200 000 with the proviso that the money be used only to pay workers' salaries and maintain municipal services — Sapa

Nov 28/3/95
**Broke towns
in Transkei
to get aid (263B)**

Bisho. — All 28 cash-strapped municipalities in the former Transkei homeland, including Um-tata and Butterworth, have collapsed.

Housing and Local Government MEC Max Mamase will release details today, at a provincial local government conference in East London, of a R7,4-million emergency aid package to prop up the municipalities until new financial controls are in place.

The offer of financial assistance comes after a municipal audit inspection carried out on behalf of the ministry in November uncovered evidence of financial irregularities, mismanagement and incompetence.

The largest portion of the aid package, about R2-million, would go to Butterworth, Mamase said yesterday. — Sapa

NEWS Gross negligence depletes municipalities

Transkei towns hit by bankruptcy

(263B) (SFB) Sowetan
■ **KEEP AFLOAT** Money received

EMERGENCY financial aid to 28 collapsed Transkei municipalities will do no more than keep them ticking over, Eastern Cape local government MEC Max Mamase said on Tuesday

Cornered for comment at a housing summit in East London, Mamase said of the R7,4 million allocated to the cash-strapped municipalities, R2 million had gone to Butterworth and R200 000 to each of the remaining 27 towns

He said the money, to provide a financial crutch until strict controls existed, would ensure little more than that municipal salaries are paid at the end of each month

"This will not help them at all. We just want them to breathe," he said

Sketching the crisis he said: "Gross negligence on the part of the (Butterworth) town clerk has seen him use R500 000 on legal fees for his own costs. He has only paid R40 000 back and can't pay the remainder from municipal funds."

will only help sustain municipalities:

Mamase said the town clerk's future would be determined before Friday

The town also has an overdraft of more than R1 million, which the bank refuses to increase and its expenditure is almost R4 million more than its R7 million revenue base

The former homeland capital of Umtata has an expenditure of R56 million — more than three times the R17 million revenue it has received

An audit inspection of Transkei municipalities on behalf of the Eastern Cape government found that

● Cash flow collapsed because accounts were not sent out,

● Idutywa municipal salaries amounted to between 75 and 110 percent of the town's income,

● Staff and leave records at many

municipalities did not exist,

● In Cala water was supplied free to more than 1 000 residents,

● Municipal staff received inflated salaries, and

● Butterworth lent R1 million at low interest to a private company that had two municipal officials on its board of directors

Mamase said "We are giving this money to the municipalities but this situation cannot continue

All are bankrupt. We can't keep giving money when the towns do not have proper financial management systems"

He said the allocation to floundering Transkei towns was taken from a R44,2 million allocation from central Government which had been spread throughout the province — *Ecn*

Suspended minister threatens legal action

UMTATA — Suspended Eastern Cape safety and security minister Maliza Mpehle threatened yesterday to take legal action against the Eastern Cape government and the newly appointed provincial police commissioner following a police raid on his home.

Mpehle said he had taken up the matter with his attorney, Dumisa Ntsebeza. Ntsebeza said he intended to seek a court interdict to stop police from undertaking further searches of his client's house.

Mpehle accused police of using heavyhanded tactics in their raid on his Umtata

Own Correspondent

home on Friday.

Police were alleged to have manhandled Mpehle and house guests, including the aged mother of slain SACP chief Chris Hanu.

The allegations were denied by Eastern Cape police commissioner Lt-Gen Gert Bezuidenhout.

Mpehle alleged about 45 armed police arrived at his home and started kicking the doors and pointing firearms at people inside.

He said the police action made him look like a criminal and he believed the raid was carried out in a bid to get some evidence which

could implicate him in the Tsolo violence for which he had been suspended.

Police seized two sub-machine guns, believed to belong to Mpehle's bodyguards, and ammunition, but made no arrests.

Although they were apparently shown the two BXP sub-machine guns and the ammunition, police did not attempt initially to confiscate them.

However, they returned while reporters were interviewing Mpehle, saying they had been ordered by Bezuidenhout to remove the arms.

Bezuidenhout said later

that the weapons belonged to the former Ciskei Police but were not linked in any way to the resurgence of violence in Tsolo which has claimed 14 lives since last Monday.

The raid on Mpehle's house coincided with police swoops on 22 houses in Tsolo, Mpehle's home town, in which an AK-47 and ammunition were seized.

Shortly after the raid, Mpehle claimed police had forced the occupants to lie on the floor. Some of the occupants alleged they were assaulted by the police. Bezuidenhout denied this.

BD18/4/95

(263B)

Decision expected on directors-general

Own Correspondent

(2638)

BISHOP — After months of indecision, the Eastern Cape government is finally tackling the thorny issue of what to do with 15 redundant homeland directors-general still on the province's payroll.

The province's legal adviser, Zam Titus, said yes-

terday a meeting was on the cards with central government officials to map out possible solutions.

The directors-general have effectively been replaced, with the appointment earlier this year of permanent secretaries to each of the provincial government departments. Of 16 former directors-gener-

al drawn from Transkei and Ciskei, only one applied and has been appointed as a permanent secretary.

Twenty-five deputy directors-general also still remain on the payroll.

Despite their positions now having become redundant, government will spend R12m this year to retain their services.

Queenstown knows how to do it.



As the country celebrates World Environment Day, Science writer Anita Allen looks at an innovative solution to two pressing issues: water and sanitation

Queenstown solution . . . children of Mlungisi township look to a healthier future thanks to an innovative approach adopted by the local council to the supply of water and sanitation.

efon 5/6/95

(263B)

The time is overdue to look at how municipalities operate. To find ways and means of bringing the cost of living down for ratepayers," says Antone de Klerk, town clerk of Queenstown.

The way the Queenstown Transitional Local Council went about achieving this, after it was established in October 1994, was to re-advertise all positions, including that of the town clerk, and to put all functions of the municipality out on open tender.

De Klerk was rehired as town clerk, a position he has held since 1988. As for municipal functions, so far the municipal swimming pool, abattoir and market have been privatised. All were running at a loss, and have now been turned into rateable properties at a profit for the municipality.

The idea of farming out municipal functions was not new to the council. In 1992 it became the first municipality in South Africa to hand over the management of water and sanitation services to a private company, Water & Sanitation Services (Pty) Ltd (WSA).

"The situation with water and sanitation was different," De Klerk says. "These are essential services and we couldn't risk privatising and then having the private company going bang. So the delegated management option in the tender by WSA was the answer."

According to the 25-year contract, WSA assumed responsibility for running, maintaining and upgrading the water and sewage treatment plants and associated reticulation networks. In turn, the municipality retained the assets, control of quality standards and tariff settings.

De Klerk stresses that the arrangement is really a partnership. In terms of the contract, WSA has to replace at least 1 km of old pipelines each year and all water meters. WSA does new connections at contracted prices and any losses due to burst pipes are for the company's account.

In addition, WSA recognises the South African Municipal Workers' Union and, in a negotiating process, it took over the existing municipal employees.

When the transitional local council came into being last year, Queenstown took over two adjacent townships. Its 22 000 residents increased to 192 000, and the contract with WSA was extended to Ezibeleni and Mlungisi.

A video taken at the time shows townships awash in water from blocked and broken mains

and children playing amid raw sewage. When The Star was taken on a tour of the townships, there was not a sign of water in the dusty streets. Residents were unstinting in their praise about the changes brought about by the blue-uniformed personnel of WSA.

"The bottom line is bringing services to people and this has definitely improved since WSA took over," community leader Madodo Hoko says.

Communication

He now works for WSA as its communications officer, and has noticed a considerable reduction in alcoholism and absenteeism among the former municipal employees, who have transferred to the private company.

Hoko attributes this to improved communication and supervision, regular appraisals, in-service training and the fact that the WSA workers have gained status in the community.

"It has helped the workers gain self-respect," he says.

Nqaba Tomson was a shift worker with the municipality when WSA took over. An active union member, he was identified as having potential and given training. After eight months he was promoted to senior plant operator and at present he is process manager in charge of the water and sanitation plants, with 20 people under him.

"The big difference between working for the municipality and the private company is that there is no discrimination. If you qualify, you are advanced," he says, and adds that other advantages are improved pay and benefits, and on-the-job training.

New TLC councillors were very much against privatisation, says De Klerk.

"So they were empowered to understand how a town works. We took them through each department so that they could understand the various functions," he says. "How water arrives at a house, how chemicals are added to purify it so that they could understand the difference between what you drink compared to what it is when it arrives from the dam."

Then the councillors held mass meetings with the ratepayers. The result was that when it came to the time to extend the contract with WSA to the townships there was no opposition.

The savings for municipality have been enormous, De Klerk says. "We've saved on capital outlay, on material and stores, salaries and wages."

"In the first year of the con-

tract it cost 17,9% less than when we did it ourselves. In addition, the departments like the parks department never metered the water they used. Now every department using water has to account for usage."

In the past three years, water and sanitation tariffs have increased 10% and the increase in rates and taxes will be 4% this year.

The transition to delegated management by a private company was not all plain sailing, De Klerk admits.

"The biggest problem was municipal officials who thought it was going to break down their empires. My heads of department also thought this would happen."

"But what I'm saying is, we need to look at traditional ways in which we municipalities do things. Are we doing it in the best interests of ratepayers? At the end of the day, democracy must prevail, where the customer gets the best possible service at the lowest possible price," says De Klerk.

WSA is backed by Group Five and its international partner, Lyonnaise des Eaux, which is the largest water and sanitation supply company in the world. The concept of delegated management was pioneered by Lyonnaise in its home country, France, where 80% of water services are provided by private companies. Lyonnaise is active in 80 countries around the globe and supplies water and sanitation to 40 million people in 80 countries. It is part of a group which supplies a complete set of urban development and environmental services with annual revenue of about R120 billion.

"Lyonnaise des Eaux puts its achievements in the field of water supply and sanitation down to the principle of delegated management," says executive director Jean-Claude Ambert. "The major advantage is that the private sector has greater flexibility, and it can offer the municipalities customer management and financing assistance."

De Klerk's advice to other municipalities is to go the delegated management route.

"No town engineer is expert in all areas — water, roads, sanitation, planning, electricity. We've employed world experts to help us to address these problems and the future needs of our town."

"It's added five years to my pensionable life," says De Klerk. "Now, if I've got trouble, I deal with one person — the operations manager of WSA."

Health care in disarray

By STEUART WRIGHT

AS HEALTH CARE in the Eastern Cape slides deeper into chaos, the provincial health department cannot put a figure to the province's chronic shortage of doctors.

The Eastern Cape Health MEC, Dr Trudy Thomas, said earlier that 150 doctors were needed in the province. However, a Cecilia Makiwane hospital spokesman says about 100 doctors are needed at that hospital alone.

The provincial chairman of the Junior Doctors' Association of SA, Dr Shaun Conway, estimates that 400 public service doctors' posts are vacant and about 100 doctors are due to leave the

GP 2/7/95 (25) (2638)

E Cape has acute shortage of doctors

service this month

The Cecilia Makiwane spokesman puts the shortage down to the lack of academic hospitals in the province and the lack of incentives for doctors from elsewhere to enter public practice in the Eastern Cape.

The spokesman says most people in the impoverished Eastern Cape cannot afford private doctors, placing an extra burden on public hospitals which are poorly equipped to handle the patient load.

While he stresses that no patient has been compromised as a result of the doctor shortage, in some cases it means patients remain in hospital longer than they should as doctors spread themselves thinly among the ill and wounded.

The former Ciskei and Transkei attracted overseas interns with good perks and tax breaks but these have fallen away with the reincorporation of the homelands and the provincial government is not renewing contracts

for the expatriates.

The provincial coordinator of psychiatry, Dr Charles Louw, says another 14 psychiatrists are needed in the province.

He says the province's four psychiatrists can barely cope with the medical-legal work which comes with criminals referred by the courts to state psychiatrists for observation.

Both Louw and the Cecilia Makiwane hospital spokesman see only one solution to the problem: better pay and perks to attract doctors

■ Provincial director of hospital services Dr Pat Naidoo said he was too busy to speak to the press
- Ecna

'Racist' claim greets DP concern over car accidents

SICELO FAYO (2638)
Staff Reporter

ARG 8/7/95

PORT ELIZABETH — Democratic Party leader in the Eastern Cape, Eddie Trent, has demanded an unconditional apology after being accused of being "insensitive and racist" by provincial premier Raymond Mhlaba's communications director Mono Badela

Accusations by Mr Badela came after Mr Trent had raised concerns about the alarming increase in the number of government vehicles involved in accidents since last year

Explaining his concern, Mr Trent said a statistical analysis revealed that during the past year, one in every 7,8 vehicles owned by the Eastern Cape government was involved in an accident.

He described this as an "appalling state of affairs" because the accident rate was more than double that of Port Elizabeth where, according to the Transport Ministry, one in every 16,22 vehicles was involved in an accident between July 1993 and June 1994

Mr Trent said concern was raised in the Bisho legislature on May 23 this

year and the figures he quoted were based on information given by Transport MEC Mandisa Marasha in response to the questions of the day

Mr Trent said his comments followed the death in a car accident of Mr Mhlaba's driver Mayibuye Mfihlo and of a security guard near Khlipaat. "My comments were simply a case of raising concern about the abuse of government vehicles. In my statement I even sent out my condolences to the family, because the death of anyone is tragic."

Mr Trent said Mr Badela's reaction amounted to a personal attack in which he was accused of being insensitive and racist. "How on earth can my concern about such an important issue be interpreted as being insensitive and racist?"

In reaction Mr Badela said

"I am not prepared to retract my comment. Eddie Trent believes there should be more control over government vehicles, but accidents occur even when vehicles are controlled by experienced drivers. My judgment is that Mr Trent's statement is very insensitive and racist."

All officials 'must reapply' for jobs

Eastern Cape govt plans big cutbacks

David Greybe

CAPE TOWN — The Eastern Cape government, plagued by a bloated public service and unaccountable departments inherited from the former Transkei and Ciskei, faced major rationalisation, finance MEC Sheperd Mayatula said yesterday.

The 140 000-strong public service would undergo "serious cutbacks" by the year end. Two independent firms had begun a major audit of the former homeland administrations and Cape Provincial Administration, Mayatula said.

"Every public servant in the Eastern Cape will have to reapply for his job. This is a new administration and nobody's position will be taken for granted," he said. Those who failed to get their jobs back would be retrenched or, in some cases, retrained for new positions.

The Browde commission of inquiry into public service irregularities before and after last year's election returns to the province soon to continue its investigation of the former homelands.

Mayatula said he was confident central government would write off a R9,9bn debt, plus an overdraft of more than R400m from the former Transkei, inherited by the province. If it did not happen, about R3bn of the current R12bn provincial budget would be spent on debt repayments.

Mayatula conceded morale among public servants was low because of uncertainty about the future, but said it was unavoidable. He expected the shake-up to be complete by the end of the year.

"The debts incurred under apartheid and public service irregularities have created

BD 24/7/95
a vicious circle. The Eastern Cape is not prepared to service these debts. We are trying finally to close our books on the apartheid era and level the playing field with other provinces." Of all nine provinces, the Eastern Cape had inherited "the most problems", he said.

A thorough audit by two private firms of the Transkei government's 20 departments, Ciskei's 19 departments and the Cape Provincial Administration would be completed by the end of November. In some instances the last known audit was done in 1986.

Eastern Cape Provincial Service Commission chairman Hofmeyer Tsengiwe said public service rationalisation plans were almost ready for implementation, and would be completed by end-December. The Eastern Cape government had inherited 55 000 public servants from Transkei, 20 000 from Ciskei and 65 000 from the Cape Provincial Administration. The new administration had only 10 departments.

Mayatula said the provincial government would implement fully the Browde commission's recommendations. Where necessary it would demand repayment of monies obtained illegally.

The commission under Acting Judge Jules Browde has so far looked into only the Transkei Justice and Ciskei finance departments. About 200 public servants are being investigated, mostly regarding irregular promotions and salary hikes.

Mayatula conceded that the irregularities — between April 27 1993 and September 30 1994 — had put considerable financial strain on the provincial budget "because they were never budgeted for".

(263B)
**Fury at civil
service cuts**

4/20/95 25/2/95
Port Elizabeth — About 600
Cape Provincial Administration employees of the former Eastern Cape stand to lose their jobs following announcements of major cutbacks in the region's civil service.

Civil servants reacted angrily yesterday to reports that the cutbacks would be carried out before the end of the year.

A senior provincial administration source said up to 600 jobs could be affected.

"We were told we have to re-apply for our jobs. That is damn unfair," said the source, adding that there was a great deal of uncertainty among personnel — Eena.

E Cape employees must reapply as 7 000 jobs cut

(250) (263B)
Bisho — The Eastern Cape government is to cut its bloated public service by almost 7 000 employees from next year.

Announcing the move yesterday, provincial director-general Thozamle Botha said it was in line with national guidelines to streamline the public service and part of "the process of restructuring the former administrations of Ciskei, Transkei and the Cape Provincial Administration" into a unified bureaucracy.

He said all 155 613 bureaucrats below the rank of deputy director would have to reapply for their posts, and wherever possible people would be transferred rather than retrenched.

He said the target bureaucracy of 148 677 posts was reached after a 'post-by-post' analysis of the requirements of the province's 11 departments and the "delivery needs" of the province's 6-million inhabitants.

"The administration was mindful of the high unemployment rate and that the government is one of the largest employers in the province. Towards this end the government has re-

STAR 27/7/95
strained itself from creating avoidable redundancies," Botha said.

He said the move would improve morale and efficiency among bureaucrats, who had been operating under a cloud of uncertainty from the time the new government came to power vowing to reduce the public service.

"This (plan to cut staff) tells the story about where we are going. The intention is to ensure everybody will have certainty about his or her future — therefore we have addressed low morale," Botha said.

South African Public Servants' Association general secretary Sonwabo Joyi expressed concern that the retrenchment process would be used to purge bureaucratic ranks of those who served under unpopular leaders such as former Ciskei rulers Brigadier Oupa Gqozo and Lennox Sebe.

Botha insisted all posts should be filled according to merit and denied the retrenchment plan was a move to give jobs to pals.

— Ecna.

Govt officials get 'double pay'

By Mzimasi Ngudle

SOME high-ranking officials in the Eastern Cape government are earning two salaries and others are either overpaid or paid undue allowances.

Sources told *Sowetan* yesterday that at least four senior officials were still earning their full salaries both as former employees of the former Transkei government and as incumbent directors in the Department of Health.

Chairman of the Public Service Commission Mr Mabandla Tsengwiwe said he knew nothing about this. He

said directors were employed only two months ago and that there might have been administrative errors.

The sources said this was just a tip of the iceberg in a large-scale fraud which has resulted from gross mismanagement and downright lethargy in public administration.

'Undue allowances'

The sources said at least two officials Mr Smtu Mpanbani, permanent secretary in the premier's office, and Mlungisi Mawethu, Nishongwana, head of provincial, have up to now been receiving undue allowances.

On their secondment to the provincial government, the two were paid a bridging allowance to make good the difference between their former posts and their new posts as seconded officials.

These posts have since been filled with permanent officials but the three continue to get their allowances, the sources said.

For example, Mpanbani earned just over R12,000 a month in Transkei while a director general earns about R22,000 a month.

The bridging allowance which should have been stopped in March

this year is about R10,000 per month.

Mpanbani, a former chief director in Transkei, acted as a director general until his replacement by the incumbent director-general Mr Thozamile Botha in February this year.

Growing nepotism

Alpanbani was then appointed as permanent secretary in the office of the premier where Nishongwana, a former director in foreign affairs, acted as a chief director.

Tsengwiwe said their "positions were under investigation". Mpanbani referred us to Tsengwiwe while

attempts to contact Nishongwana drew a blank.

The sources also identified growing nepotism in appointments to senior posts, with MECs appointing relatives regardless of experience and qualifications.

Alleged instances of nepotism include the appointment of former municipal worker a Mrs Mkhane a sister of MEC for finance and provincial expenditure Mr Sheperd Mavuthu. She was appointed director of finance. Mkhane declined to comment on her relationship with Mavuthu.

source pays 21/8/95

(2638)

Transkei at crossroad

WHEN SHOPPERS BOOED President Nelson Mandela in Umtata early this month, only one inference could be drawn from their utterances they were sick and tired of maladministration and empty promises

"Are you not ashamed, old as you are, of selling us out to whites? We voted you into power and instead you give us a toy premier, Raymond Mhlaba," they shouted

"Where are the houses? You buy furniture while we are starving," they said as he went into a furniture store

The most striking thing about the incident was that this was his home territory where, barely a year ago, he was hailed as a hero and a Messiah whose ascendance to the political throne would put an end to the ravages of the past

Not only that The spontaneous nature of the incident and the readiness with which passersby joined in taunting him revealed the overwhelming rejection of Mhlaba's premiership and his Bisho Government

UMandela usilbele Usibeke phantsi ko mhlaba (Mandela has forgotten us He has virtually buried us) has become a popular expression as calls for a new tenth province gain ground

Addressing lawyers in Umtata recently, Mandela admitted that he had met at least 10 Transkei delegations who demanded a tenth province

The demand has been prompted by a myriad of problems

Firstly, there are perceptions that provincial parliamentarians from Port Elizabeth want an exclusive say in running the provincial government, sidelining bureaucrats from Transkei

Housing MEC Mr Max Mamase, for instance, has several times been heard vowing to "fix" civil servants from the homelands

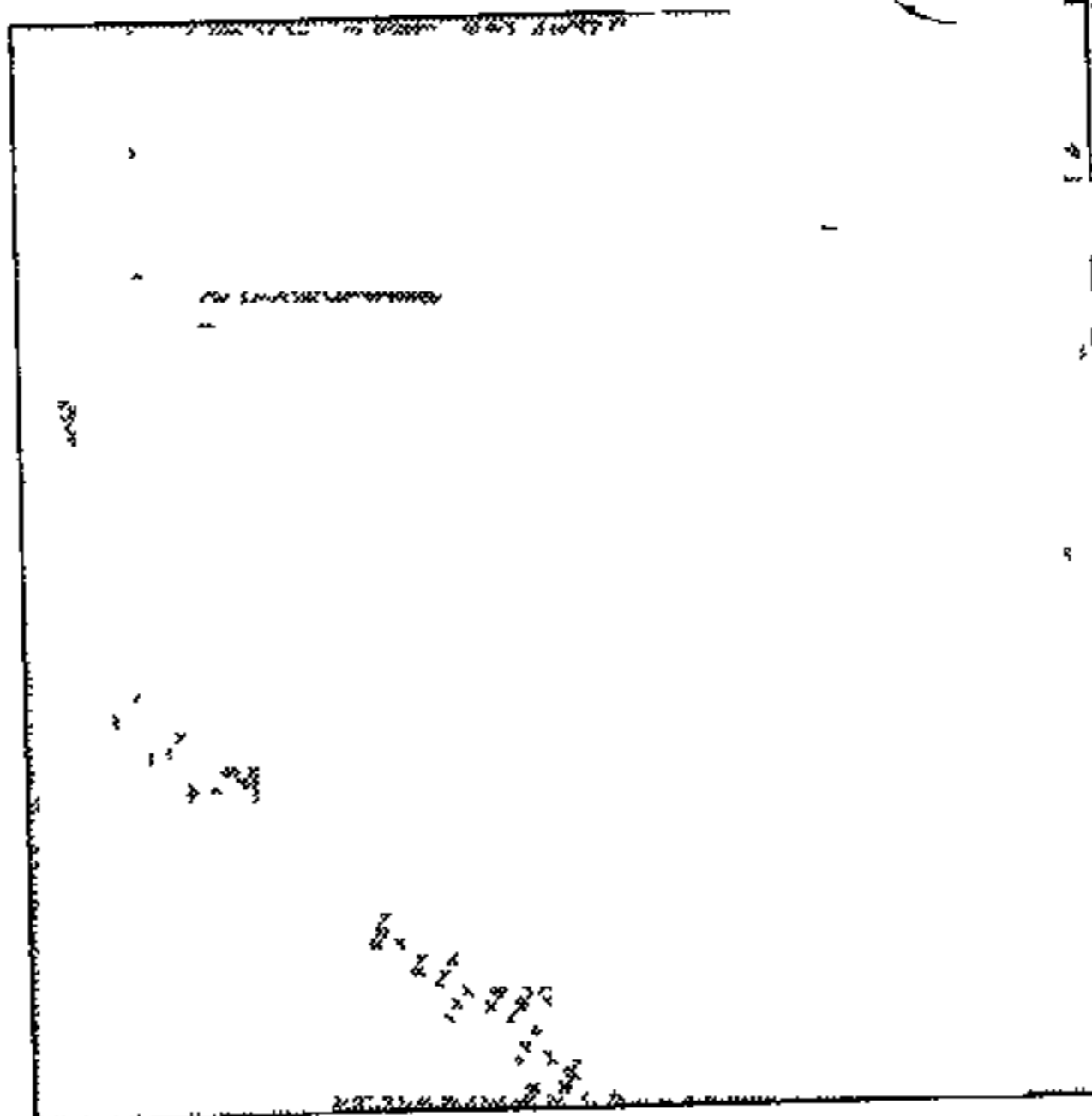
His utterances were very unfortunate and mischievous His attitude can only exacerbate tension between the two sides and will not help cleanse the civil service of officials who do not deserve high office

Secondly, the provincial leadership is placing too much emphasis and wasting time on infrastructure - thus postponing indefinitely projects which could substantially lighten the frustrations of people

The province is characterised by workshops, consultations, conferences, organograms and a myriad of other armchair exercises that have failed to kick off visible and tangible change for ordinary people

Mhlaba's facile explanation that the province had to deal with three administrations rings hollow if we take into account progress that has been made in the Eastern Transvaal

Disgruntled Transkeians boo President Nelson Mandela because they feel left out in the cold. They want premier Raymond Mhlaba to be sacked and a 10th province created, reports **Mzimasi Ngudle**



Eastern Cape premier Raymond Mhlaba is blamed for the continuing problems in the province.
PIC LEN KUMALO

The public service has ground to a halt in the former Transkei with civil servants coming to work as and when they like

The slow pace of merging the three administrations has resulted in low morale in the civil service and a virtual collapse in administration

Thirdly, Mhlaba's image has been tarnished by his own inertia The province needs a firm leader who towers above the collective leadership of the province without being a despot He is not that leader and heaven knows why he became premier in the first place

His ousting from office would be the first step to breathe life into a province that is virtually stagnant He is a veritable non-starter

Because of this, he has been used as a tool by bureaucrats who crave political power and financial gain

Rumour has it that former Transkei senior civil servants ingratiated themselves with the ANC provincial leadership shortly after the ANC's unbanning by using their offices to offer sanctuary to members who were not indemnified against arrest in South Africa

The dubious role played by these officials during KD Matanzima's and Bantu Holomisa's regime has since receded into the background as they worked their way up in the corridors of power in Bisho Which brings us to the fourth problem While the province has struck a deli-

cate balance between former Transkei bureaucrats and parliamentarians from the greater Eastern Cape, this was the worst solution

Mhlaba's expulsion should be followed by a deliberate retrenchment of senior civil servants from the old homelands, particularly Transkei It is small comfort to select merit alone as the reason for their appointments The fitness of these officials for high office is highly suspect Their past condemns them

It comes as a surprise, therefore, that there has been no response to the demands made by Transkei civil servants early this year It is possible these demands are being condemned by disgruntled senior civil servants who failed to make it into the provincial government or by the ANC's adversaries who derive pleasure from weakening the ANC

However, this does not exonerate these officials from their shady past and their involvement in financial scams The demands of the civil servants include

- The removal of Mr Monde Limekhaya, permanent secretary of finance and provincial expenditure, who is allegedly implicated in the misappropriation of Transkei Development Corporation funds,

- The removal of Mr Sintu Mpambani, one of the officials who was under investigation by the attorney-general for unusually high expenditure at Amatola Sun between May 30 and June 30 last year,

- The withdrawal of the services of Mr Jiyane Maqubela, a financial consultant to the Bisho Government, who allegedly siphoned away R41,4 million of Government funds to parastatals This amount has not been wholly accounted for

To cap it all, former homeland civil servants are aggrieved that there were no transitional arrangements when income tax was raised and housing subsidies reduced and taxed

This is a problem the province must address with vigour, regardless of the benefits which accrued from the *status quo* before the new dispensation As things stand now, the present civil administration looks unsuited to resolve these problems Hence the calls for a new administration - which should start by removing the man at the top

● See page 9

(2136) somefan
2/18/95

E Cape officials got double salaries

(2630)
The Argus Correspondent

PORT ELIZABETH — At least three senior Eastern Cape provincial government officials — including premier Raymond Mhlaba's permanent secretary — have been ordered to repay some of their "salary bridging allowances" ARG 25/8/95

This was confirmed by provincial Public Service Commission chairman Hofmeyer Tsen-giwe Secretary Sintu Mbambani may have to pay back as much R45 000

Premier Mhlaba hits out at media

Sowetan 28/8/95

By Mzimasi Ngudle

EASTERN Cape premier Mr Raymond Mhlaba has dismissed as a "trivial administrative issue" allegations that the permanent secretary in his office, Mr Smtu Mpambani, earned a dubious extra allowance (263b)

Mhlaba was responding to *Sowetan* reports that Mpambani, who was seconded from Transkei as an acting director general in Bisho, continued to receive his secondment payment notwithstanding Mr Thozamile Botha's appointment as the province's only director general

Mhlaba said Mpambani, who was employed as chief executive officer in the office of the premier and as leader of the strategic management team, was accorded the salary scale equivalent to that of a director general

"After Mpambani's appointment as permanent secretary of the Office of the Premier in March, the administration of the office approached the Public Service Commission to revisit and reconcile his remuneration package

"Thus at the time of your Press issue, this was in the hands of the PSC for consideration. It is not necessary that such a trivial administrative issue should be discussed in papers," Mhlaba said. "It makes good, responsible and fair citizenship and professionalism to verify information before going to publish as this can be costly"

Meanwhile, the South African Public Servants Association has asked that the brief of the Browde Commission investigating irregularities in former Transkei be extended to cover the greater Eastern Cape. "Following reports that three Eastern Cape government officials were paid extra, Sapsa has strong suspicion that there might be others as well," said the association

E Cape

GOVT

(2638)

28/3/95

SUED

Sometan

THE Eastern Cape government may have to pay up to R300 000 for the unlawful dismissal of 52 former Ciskei town councillors by local government MEC Max Mamase last year.

The Bisho Supreme Court last week found Mamase's action unlawful and ordered that the dismissals be set aside. However, Mr Justice Willem Heath said he could not order the reinstatement of the councillors as the councils had ceased to exist.

Attorney for the councillors Mr David Scrooby said he would be issuing a demand to the government to pay allowances of the councillors.

Earlier this year the government reached a settlement with two of the town councillors, awarding them R4 200 each (six months allowance). However, when the remaining 50 councillors instituted legal action against the government on the same grounds, it gave notice that it would oppose it.

Even if the government is only required to pay the 50 councillors their R700-a-month allowances for the six months from the time of their dismissal in June last year until the formation of the Transitional Local Councils in January this year, it will cost much more as Heath also ruled that the government meet the legal costs, which may be between R60 000 and R90 000. — *Ecna*

10 SOUTH AFRICA

Bureaucrats fight for their jobs

WM 28/7 - 3/8/95

(2638)

Eastern Cape civil servants are fighting against a decision to axe about 7 000 government jobs, reports **Steuart Wright**

A SHOWDOWN is looming between the Eastern Cape government, which is preparing to cut its bloated and inefficient bureaucracy, and the civil servants fighting to retain their posts.

The province's 155 613 civil servants were caught off guard by Finance MEC Shepherd Mayatula's announcement this week that they could be retrenched from January in what is seen in some quarters as a move to purge the civil service of troublesome employees and in others as a move to provide jobs for pals.

The South African Public Servants' Association (Sapsa) is to hold a meeting this weekend to map out its counterattack to provincial Director General Thozamile Botha's announcement that almost 7 000 stand to lose their jobs.

"They are breaking their election promises and the promise we got that our jobs are guaranteed by the Constitution after we marched to Premier Raymond Mhlaba in June," says Sapsa general secretary Sonwabo Joyi.

However, Mayatula's announcement is seen as long overdue as much of the government's strife has been at

the hands of the remnants of the four bureaucracies it inherited.

Botha says the decision to retrench 6 936 people is based on a "post-by-post analysis" of the staffing needs of the province's 11 departments, which must replace the chaotic bureaucratic remains of the former Transkei, Ciskei, Cape Provincial Administration and the old central government.

He says all civil servants from deputy director down will have to reapply for their posts and the surplus will be retrenched. Joyi is afraid the African National Congress-dominated government's retrenchment scheme will be prejudiced against those who served unpopular homeland governments.

Although Botha is adamant the retrenchments will be based on merit, Joyi's fears appear to be justified: last year, the provincial government embarked on a secret scheme to rehire almost 3 000 ANC-aligned bureaucrats lawfully sacked by Brigadier Oupa Gqozo after a wage strike in 1990.

With that track record and the large civil service even after retrenchments, some observers have questioned the government's commitment to national guidelines to create a "lean, effective and efficient" bureaucracy.

Botha insists the reduced bureaucracy of almost 150 000 posts is based on the "delivery needs" of the province with an estimated population of more than six million people.

— *Ecn*

Sisulu admits

E Cape crisis

ARY 6/9/95 (26BB)

UMTATA — African National Congress veteran Walter Sisulu has admitted the ANC-led Eastern Cape government faces serious problems but has called on those disenchanted with it to give premier Raymond Mhlaba a chance to "prove himself".

In an interview in Umtata, Mr Sisulu, 83, said of the premier "Raymond is a trusted leader of the liberation struggle but he's got failures like anybody else".

He dismissed as simplistic calls by government critics for the former Transkei to become a 10th province.

Mr Mhlaba's government has been criticised by the Pan Africanist Congress in Transkei and by the sole member of the National Party on the provincial executive, Tertius Delport, who warned of imminent administrative and financial collapse.

Mr Sisulu acknowledged that the government was too slow in delivering on some promises made in the run-up to last year's elections. — Sapa

Financial can of worms 'inherited'

Star 8/9/95 (263B)

■ BY JOVIAL RANTAO
POLITICAL REPORTER

Eastern Cape Director-General Thozamile Botha yesterday conceded that there were major financial and administrative problems in his province, but said these were inherited and certainly not created by the present administration.

In an interview with The Star, Botha said the problems were inherited from the former Transkei and Ciskei homelands. He added that control mechanisms were being implemented but emphasised that the problems could not be resolved overnight.

"We're busy integrating the computer systems of the former Transkei, Ciskei and the Cape Provincial Administration. We cannot have an overall financial computer system until then

"Our second step is that we have decentralised the budget. Each department is now going to run its own budget and each head of department will become an accounting officer. The departments have to account every month for their expenditure to myself and the standing committee on finance," Botha said.

He said the provincial government has appoint-

ed consultants to close the books of the former homelands, some of which have not been audited since 1987.

The Director-General said he was also busy with the rationalisation of the civil service and the appointment of employees of the former homeland administrations into the new provincial government.

"We cannot have water-tight controls when there's demoralisation, because people are not sure of their jobs."

He admitted that the Eastern Cape civil service was bloated. This was a "symptom of the past".

Sowetan 11/9/95

Mhlaba gets Mandela nod

(263B)

PRESIDENT Nelson Mandela yesterday denied there was a crisis in the Eastern Cape government and came out in support of premier Mr Raymond Mhlaba

Mandela, in Bisho to address an anniversary celebration of the Gospel Church of Power, went into a two-hour meeting with Mhlaba and top provincial officials

Minister for Public Administration Dr Zola Skweyiya and African National Congress MP Saki Macozoma were present

Mandela said after the meeting "There is no crisis in the Eastern Cape. There are problems, as there are with other provinces, but these problems can be solved"

Skweyiya said the problems of civil servants in the region were not discussed nor was a report-back by members of the provincial government to the parliamentary finance committee, on audits in the former homelands of Transkei and Ciskei

Mandela said he was opposed to a Pan Africanist Congress demand for Mhlaba to resign and be

replaced. He said Mhlaba was "totally trustworthy"

"I have no doubt that he is going to deliver what is expected of him"

Mandela also rejected a proposal that Transkei become a 10th province, made by former Transkeians who did not want to be ruled by Bisho

Meanwhile, Gauteng MPL 'Khoisan X, who is a leading member of the PAC, said yesterday that Mandela's speech in Bisho was an attempt to divert attention away from crucial problems facing his government

He said the situation in the former Transkei and Ciskei homelands was worse than when Chief Kaizer Mantanzima and Brigadier Oupa Gqozo were in power

The Government was trying to deflect attention from a crime wave, rampant corruption in many ANC-led provinces, and a conflict between Mandela and Inkatha Freedom Party president and Home Affairs Minister Mangosuthu Buthelezi, he said —
Sapa

E Cape's Mhlaba gets Mandela's vote of confidence

(263B)

OWN CORRESPONDENT

CT 11/9/95

BISHO: President Nelson Mandela denied yesterday there was a crisis in the Eastern Cape government and came out in support of Premier Mr Raymond Mhlaba.

Mr Mandela, in the provincial capital to address an anniversary celebration of the Gospel Church of Power, went into a two-hour meeting at State House before his speaking engagement

The meeting was with Mr Mhlaba and top provincial officials, including Economic Affairs Minister Mr Smuts Ngonyama and Administration Minister Mr Ezra Sigwela

Mr Mandela said after the meeting: "There is no crisis in the Eastern Cape. There are problems... but these can be solved"

He was opposed to a Pan Africanist Congress demand for Mr Mhlaba to resign and be replaced

Mr Mhlaba, he said, was totally trustworthy "I have no doubt that he is going to deliver what is expected of him."

In his address to the church, Mr Mandela said it was understandable that problems in government occurred when there was a party in power that had not ruled before.

"The National Party was in power for 45 years and yet it never delivered the services we have already delivered, including free compulsory education for all, free medical services for pregnant women and children, and a school feeding scheme"

He acknowledged the feeding scheme had collapsed in the Eastern Cape due to fraud, "by principals, inspectors and people involved in the supply of bread", but vowed "we will put every one of these educated criminals behind bars" — Sapa

Mandela confident about E Cape future

Star W/9/95

(26315)

Bisho - President Nelson Mandela yesterday denied there was a crisis in the Eastern Cape government and came out in support of Premier Raymond Mhlaba.

Mandela had a two-hour meeting with Mhlaba and top provincial officials, including Economic Affairs MEC Smuts Nkonyama and Administration MEC Ezra Sigwela before addressing an anniversary celebration of the Gospel Church of Power.

Minister for Public Administration Dr Zola Skweyiya and African National Congress MP Saki Macozoma were present.

"There is no crisis in the East-

ern Cape," Mandela said after the meeting.

"There are problems, as with other provinces, but these problems can be solved," he said.

Mandela said he was opposed to a Pan Africanist Congress demand for Mhlaba to resign and be replaced.

Mhlaba, he said, was totally trustworthy and had been involved in the liberation struggle for more than 40 years.

"I have no doubt that he is going to deliver what is expected of him," Mandela said.

Mandela also rejected a proposal made by former Trans-

keans who did not want to be ruled by Bisho that Transkei become a 10th province. Mhlaba was at present addressing the issue in the provincial executive council.

The meeting was not based on any crisis, Mandela stressed. Whenever he was in a provincial capital the government wanted to talk to him to discuss matters, which were not necessarily problems, he said.

In his address to Gospel Church of Power members, Mandela said it was understandable that problems in government occurred when there was a party

in power that had not ruled before.

"The National Party was in power for 45 years, yet it never delivered the services we have already delivered, including free compulsory education for all, free medical services for pregnant women and children, and a school feeding scheme," he said.

He acknowledged the feeding scheme had collapsed in the Eastern Cape because of fraud "by principals, inspectors and people involved in the supply of bread".

"We will put every one of these educated criminals behind bars," Mandela vowed - Sapa

Instability in Transkei to be probed

(263B)

ARG 12/9/95

□ DP calls for 'curatorship'

The Argus Correspondent

PORT ELIZABETH.— Instability in Transkei is to be investigated by a special task force, which will recommend how the central government can improve the situation.

Public Works Ministry MEC Thobile Mhlahlo said appointments would be made by the national and provincial governments.

There is growing concern among all political parties that the national government needs to play a decisive role in correcting the situation in the sub-region.

Last week the Democratic Party in the Eastern Cape called for central government "curatorship" of the former homeland after an audit report, tabled in parliament, showed that the situation in Transkei was deteriorating rapidly.

The Pan Africanist Congress has called on premier Raymond Mhlaba to resign before the end of September or face mass action.

The PAC had rejected Mr Mhlaba's inclusion in a special investigative committee set up by President Mandela to probe the general situation in the Eastern Cape — and the Transkei in particular.

Speaking after his return from Pretoria, where he discussed the situation

with Minister without Portfolio Jay Naidoo, Mr Mhlahlo said Bisho was in favour of central government's direct intervention in the Transkei situation.

"Transkei is a major headache, with underdevelopment being the major problem.

"It was designed by the previous government to be the bastion of apartheid, which would ensure that even in future there was continued support for the divisive policies.

"This has dragged the province down — and unless something is done as a matter of urgency, we are faced with an untenable situation," said Mr Mhlahlo.

He said the task team would operate independently of a committee appointed by the president.

"The president's team will be looking mainly at the political situation, while this one will be set up jointly by my ministry and that of Mr Naidoo.

"It will concentrate specifically on major problem areas like hospitals and other services which have collapsed."

DP Eastern Cape leader Eddie Trent welcomed the development, saying it was "about time people took our pleas for help seriously".

He described the Transkei situation as a "cesspool" — but warned people against expecting too much.

Position of Eastern Cape 'exaggerated'

Theo Rawana and Nontavenda Mathiane

BD 12/9/95 (2638)

REPORTS that Eastern Cape government finances were at crisis levels were exaggerated and calls for premier Raymond Mhlaba to be replaced were uncalled for, provincial finance MEC Sheperd Mayatula said yesterday.

In a report to the parliamentary public accounts committee last week, Mayatula had appealed for central government to get involved in addressing financial problems inherited from the former Transkei and Ciskei.

The committee had summoned Eastern Cape government officials to answer criticisms contained in the auditor-general's report on the former TBVC states.

All political parties criticised the provincial government for its failure, after 16 months in power, to devise a comprehensive plan to tackle widespread corruption and the breakdown of services in the former Transkei and Ciskei.

Mayatula had appealed to central government to treat the area as a "crisis area", saying firefighting action was needed. He said yesterday his report involved backlogs inherited from the former states, but it was blown out of proportion.

What the report said was that cen-

tral government had not given financial support to Transkei and Ciskei. The result was that we had a R400m backlog since we took over."

A lack of funds meant there had been no development, and hospital services could not be maintained. No bookkeeping had been done since 1987.

Mayatula said newspaper reports left out part of the report where it stated his government had engaged two auditing firms to look at the extent of the damage and close the books on the territories by November 15.

"We cannot be held responsible for that," Mayatula said.

He said the reported PAC call for Mhlaba to resign and be replaced was "uncalled for."

The warring factions in the Eastern Cape and the lack of leadership of Mhlaba were some of the problems that were making that province ungovernable.

A senior ANC member working for a parastatal said Mhlaba lacked drive and vision and was surrounded by equally incapable people.

"Mhlaba does not exude leadership qualities, and he does not carry himself as someone who knows what he is doing. What the province needs is a young, dynamic person such as the speaker (of the provincial legislature) Gugile Nkwinti," he said.

US law firm opens SA branch

Susan Russell

BD 12/9/95 (2638)

LEADING US law firm White & Case has extended its operations to Johannesburg, making it the first international legal firm to open an office in SA in the wake of last year's elections.

The 580-lawyer firm, founded in New York in 1901, already has 27 offices in 23 countries across Europe, North America, Latin America, Africa, Asia and the Middle East. A spokesman for White & Case said yesterday the firm had been expanding in emerging market economies and had also recently opened offices in India, Vietnam and Kazakhstan.

Its Johannesburg office, the 28th for the firm, will be staffed by three of the firm's lawyers who, acting as international legal consultants, will assist local companies with their international financing and operations.

White & Case will also facilitate foreign investment in SA and represent companies involved in international dispute resolution procedures.

One of the three lawyers in the Johannesburg office will be SA born Enos Banda, a member of the New York Bar and who has been based in White & Case's New York office.

Banda will work with two of the firm's partners Ron Goodman and Darryl Deaktor.

Goodman has been transferred from the firm's Paris office and was experienced in international arbitration, mediation and construction law, the firm's spokesman said.

Deaktor, who specialises in corporate and capital markets practice, is a member of the Florida, New York and Pennsylvania Bars and will leave White & Case's Miami office to take up his position in Johannesburg.

White & Case's spokesman said the areas in which the firm was active included international capital markets, mergers and acquisitions, international commodities and trade, international construction and engineering law as well as international litigation and arbitration.

ANC won't have Transkei as a province

Star 19/1/95 (263B) 263+

The Eastern Cape ANC has vowed to oppose demands for the former Transkei homeland to be declared South Africa's 10th province

Responding to growing calls in Transkei communities and the busi-

ness sector for the area to be delinked from the Eastern Cape, ANC provincial secretary Mxolisi Gxilishe said this was not "the solution to the complex challenges and realities that face this province"

The pro-Transkei lobby argues it is a viable unit with its own infrastructure and identity

The ANC said people who were making this call could not contend with losing power - Political Reporter

-101
S 411

Ciskeian white elephant stirs from slumber

Kevin O'Grady

EAST LONDON — Bisho Airport in the Eastern Cape has started receiving regular scheduled flights for the first time since it was built by the Ciskei government in 1987 at a cost of R25m.

And plans are under way for the costly white elephant to be used as a freight terminal that should relieve the pressure experienced at East London Airport 70km away.

Eastern Cape transport minister Mandisa Marasha said yesterday Transkei Airways had instituted three flights a week between Umtata's KD Matanzima Airport and Bisho

B0 20/9/95
Bisho Airport, which has a staff of 60 and a runway long enough to cater for Boeing 747s, received only two scheduled flights in the first five years of its existence. Before the start of the Transkei Airways operation at the end of July, the airport had not received a scheduled flight in more than a year.

Marasha said she was waiting for a report on the success of the new scheduled flights, aimed mainly at businessmen unwilling to travel between the two former homeland capitals by road.

A decision on increasing the number of scheduled flights would depend on the contents of the report. If an increase was warranted, facilities at the

airport would have to be upgraded.

Marasha said the provincial cabinet had also agreed on the need to create an international gateway to the province and that this should be at Port Elizabeth. It was hoped the decision, approved by the national transport department, would boost tourism, particularly along the Transkei coast.

The Airports Company was negotiating with international airlines to assess their interest in flying to the Eastern Cape, she said.

Infrastructure at Port Elizabeth Airport was in place and flights could start as soon as international airlines committed themselves to the idea.

Debt-ridden parastatals face closure

Kevin O'Grady

EAST LONDON — Five Transkei and Ciskei agricultural development parastatals could be liquidated as part of cost-cutting measures, Eastern Cape agriculture minister Tertius Delpont said yesterday

A commission of inquiry's final report on how to rationalise the Ciskei Agricultural Corporation (Uhmacor), the

Transkei Agricultural Corporation (Tracor), the Magwa Tea Corporation and the Transkei and Ciskei Development Banks is expected within 10 days

"We don't know yet what we're going to do but we have to rationalise, that is for sure

"We're spending a substantial portion of our budget financing these organisations and they are spending the

money on salaries the situation cannot continue," he said.

The parastatals employ thousands of people and are in considerable debt. Options open to government include scaling down, merging operations or opting for "total rationalisation — liquidation".

A number of irrigation schemes will be affected by the rationalisation, he said

RICHEMONT

**Compagnie Financière
Richemont AG**

("Richemont")



**Rembrandt
Group Limited**

(Registration number 05/31037/06)

("Remgro")

Cautionary announcement

Richemont and Remgro announce that they have commenced preliminary discussions with a view to determining the feasibility of merging their respective tobacco interests. Richemont's tobacco interests are held through its wholly-owned Dutch subsidiary, Rothmans International BV. Remgro's tobacco interests are largely held through its wholly-owned subsidiary,

which is expected to be

IDT has healthy finances after five years of progress

Edward West

CAPE TOWN — The Independent Development Trust (IDT) had between R100m and R200m left of its original funding grant of R2bn received from central government's 1990 budget, CE Merlyn Mehl said yesterday.

At the IDT's annual review, Mehl said the R2bn grant had been supplemented over the past five years with R1,3bn by investing the grant, R25m in 1993 from the sale of strategic oil supplies and R70m in the past year through the public works department for the IDT's community employment programme.

He was uncertain as to what future role the IDT would play regarding government's proposal to form a national development agency, suggesting that the IDT would either become an integral part of the agency or enter into a contract with it.

"We feel that with the experience and infrastructure we have created, we would be an obvious candidate to be part of the project," he said.

Of the funds received and gen-

erated by the IDT over the past five years, by June R2,9bn had been allocated to more than 3 000 projects, and of this amount R2bn was already "in the ground"

Mehl said the organisation had learned it was difficult to spend development funds rapidly. Necessary infrastructure needed to be created and process had to take precedence over product in the initial stages of development. Unless development was an empowering process, it would fail.

Projects undertaken by the IDT included the building of 5 000 classrooms over two to three years, of which more than 2 400 had already been built through 10 educational regional trusts. An amount of R300m had been allocated for this programme.

By the end of this year the IDT hoped to have funded the building of 300 new clinics in rural areas, for which R90m had been earmarked, while R115m had been granted over three years to development-related welfare projects.

The IDT had earmarked R70m over three years for pre-school facilities and training, while it had also launched the Thousand

Schools project to upgrade the quality of education offered at schools in every province.

Sapa reports IDT chairman Mamphele Ramphele said that in its anxiety to eradicate the prejudices and injustices of the past through the reconstruction and development programme, government might be creating a "bureaucratic nightmare" which could undermine a development capacity nurtured over many years.

She said non-government agencies and community bodies which had matured after years of trial and error were a development resource which was the envy of many developing countries.

"Autonomous civil society structures are crucial for the participation of poor communities in their own development."

Ramphele welcomed government's initiative to set up a national development agency, which would create a vehicle for channeling development funding.

"It seems to me extremely important to reiterate the need for development to be independent of party political interests of the day," she said.

Govt to help pay R9,9bn

(263B)
Kevin O'Grady

B0 21/9/95
BISHO — Central government has agreed to shoulder part of the burden of a R9,9bn debt — inherited by the Eastern Cape from Transkei and Ciskei — that has swallowed more than R800m of this year's provincial budget.

Eastern Cape finance MEC Shepherd Mayatula said yesterday the decision was made recently by the Cabinet.

The amount to be serviced by government was still to be determined by an audit of the former homeland and Cape administrations, he said.

The interim constitution provided for provinces to take responsibility for asset-related debts, but the former homelands had not been audited for up to eight years, Mayatula said.

He said R805m had been set aside from the 1995/96 provincial budget of R12bn to service the debt until such time as the agreement with central government was finalised.

Chiefs to boycott meeting

UMTATA — Tribal chiefs in the Eastern Cape have said they will boycott a meeting on transitional local authorities in Bisho on Monday, called by MEC for local government Max Mamase.

Paramount and other chiefs from the former homelands Transkei and Ciskei, said at a meeting in Umtata

they rejected the enforcement of local government transition in their rural areas and accused the provincial government of trying to destroy the chieftainship system.

The Bisho meeting was called to elect a committee to prepare for next year's local government elections.

Sapa (263B) ARG 24/9/95

Debt: Govt to help E Cape

ET 25/9/95 (2638)

BISHO: The government has agreed to help the Eastern Cape pay off an estimated R9,9-billion debt incurred under apartheid, President Nelson Mandela said at the weekend.

Mr Mandela confirmed this in a meeting with businessmen and community leaders here on Saturday, but gave no details of the terms of the concession.

"The tourism potential of the province is far beyond what is presently being exploited. For tourism to take off, you must rehabilitate your towns and cities, many of whose infrastructure is in a state of collapse.

"In this regard, the central government has undertaken to assist this province in settling the huge debt of R9,9bn inherited from the previous regime," he said.

'Agreement'

A government official said later the cabinet agreed recently to help the Eastern Cape to service the debt incurred mainly by the former Transkei and Ciskei homeland administrations.

"There has been no agreement to write off the debt, but the cabinet is willing to help service the debt, to pay a portion of the interest," the official said.

He said the Eastern Cape had to pay about R850 million in interest this year alone.

Yesterday, Mr Mandela took his local government election campaign to Upington and accused the NP of waging a racist campaign for the municipal polls.

He told a rally of about 2 000 people the ANC had involved all languages and races in the national and provincial governments. — Sapa-Reuter

FOR all the good being part of a post-apartheid SA has done them, residents of the former Transkei and Ciskei might as well still be living in cash-strapped, infrastructurally starved, lawless independent homelands.

Before they became the burden of a new province, Eastern Cape, after last year's general election, mounting debt and squalid conditions in Transkei and Ciskei were seen as the ultimate proof of failure of the NP's separate development policies.

Since then they have often been used by the ANC-led provincial government as a reason for the way it has sluggishly followed other provinces out of the starting blocks in the race to make good on the party's pre-election promises.

But usefully for the former homeland residents, and inconveniently for the politicians, these conditions in what are now massive regions of the Eastern Cape also serve as a yardstick to determine just how well government has been performing.

"Not well", was the judgment last week of many nurses, municipal workers, petrol pump attendants, hoteliers and businessmen canvassed, during a visit to the province, on how government has performed since its inauguration.

Inheriting and incorporating a huge portion of SA's failed apartheid experiment, along with a R9,9bn debt (which President Nelson Mandela this weekend announced would be taken over by central government), two bloated, inefficient and corrupt public services and practically non-existent infrastructure and essential services has been a financial and administrative nightmare.

On this most people agree. But, they ask, should government not be using its resources to bring the former homelands closer in line with standards elsewhere in the province, rather than using the conditions themselves as a reason why they cannot be improved?

It was precisely this Catch 22 type of argument that finance and provincial expenditure MEC Shepherd Mayatula proffered during an

The former Transkei and Ciskei remain SA's greatest failures

(2638)

KEVINO'GRADY RD 28/9/95

interview on the state of SA's second poorest province. Transkei and Ciskei's massive debt — which accounts for 67% of all debt inherited from former TBVC states — and a R400m overdraft run up by the Transkei government have been his major headache.

Equally troublesome for a government to whose departments Mayatula must supply funding, has been the lack of "any roads, hospitals and schools worth mentioning".

But these, Mayatula maintains, "cannot be regarded as provincial problems ... the Transkei's problems must be taken as a crisis and central government must go all out to level the playing fields ... If government says to the province 'it is your problem', then we will never even get to the starting line."

While central government may be willing to come to the province's assistance, it has suggested that premier Raymond Mhlaba's government should come up with a comprehensive rescue plan of its own. Apart from a R7,4m emergency aid package implemented by the Eastern Cape government to prop up bankrupt municipalities in the Transkei region, there has been no visible attempt to pull its infrastructure and health and education systems out of the quagmire into which they have sunk. This is despite as-



MHLABA

surances from Mayatula that the lion's share of the province's R12bn budget has been directed to health and education.

However, statistics show that the Eastern Cape's health facilities continue to be among the least adequate in the country: for every 1 000 people it has only 4,6 hospital beds, 0,3 doctors and 3,3 nurses.

In the Transkei, where more than half of the province's popula-

tion when its monthly salary bill exceeds its income.

One of the first sights one encounters on entering Umtata is the decaying Umtata General Hospital. Its crumbling facade belies its status as the teaching facility for the nearby Transkei University's medical faculty and its huge daily patient throughput. Inside, nurses and other workers complain of low salaries, staff and medicine shortages and inactivity on the part of government to resolve their grievances. At least, they concede, the hospital is functioning and has a roof to protect it from the elements, unlike many of its counterparts.

Back in the provincial capital of Bisho, the erstwhile capital of Ciskei, health and welfare spokesman Khululekile Bata adopts a defensive attitude common among those responsible for the Eastern Cape. "We did not create the crisis, we inherited it. The health services in the former Transkei that we have inherited are appalling. That is why we brought overtime pay back as an incentive to doctors, lots of money has been set aside for capital works such as the renovation of hospital buildings."

On the state of the province's finances, Mayatula says: "As far as my ministry is concerned there is no crisis. There is nothing we did not do that we were supposed to have done." They are hamstrung by having to pay R300m this year to service the homelands' debts, though Mandela's vague announcement could change this.

Perhaps, as Eastern Cape DP leader Eddie Trent suggests, the whole of the former Transkei should be placed under government curatorship, "forcing it to assume responsibility for that territory for a limited period until the situation has been brought under control."

Meanwhile, both those who govern and those who are governed in the Eastern Cape seem to have adopted a "wait and see" attitude. Government waits to see if its central partner will come to the rescue. The governed wait to see if things can get any worse.

Sitting of Eastern Cape legislature postponed

Kevin O'Grady

BD 28/9/95

(2638)

THE second sitting this year of the Eastern Cape legislature — it has convened for only 43 days since its inception 17 months ago — was postponed again this week because Bills were not ready to be tabled

Legislature spokesman Connie de Beer said the sitting had been postponed until early November because committees were still considering input from public hearings on the Youth Affairs and Tourism Bills

The postponement has raised concern that five Bills introduced, including the two which caused the delay, would not be passed this year

The legislature has passed only eight Bills since it first started sitting in May last year

And most of those were passed down from national government or were

largely technical in nature

De Beer said the legislature would reconvene on November 6

The contentious Promotion of Youth Affairs Bill is expected to come under intensive debate and be subjected to a number of amendments

The Tourism Board Bill, which will allow for the amalgamation of the former Ciskei, Transkei and Cape administrations' tourism bodies, has received the support of the tourism industry. Sapa reports from Bisho that the Eastern Cape was riddled with corruption and maladministration and likely to overspend its budget by almost R4bn this year, said a document before the province's executive council

Author of the document and agriculture and economic affairs MEC and NP provincial leader Tertius Delpont said he based his figures on data circulated by the provincial finance department.

Corruption, banditry on rise in T'kei (263B) CT 29/7/95

BISHOP Corruption and banditry are on the increase in the former Transvaal while other in the Eastern Cape are starving - provincial Premier Mr P. Mhlaba said.

Government has got to get till being paid to people no longer employed and people drawing salaries for dead jobs - he added.

Eastern Cape director general Mr Theo van der Merwe is to introduce anti-corruption control and work could start soon on economic policy - he said. Mr Mhlaba said.

He said his focus of rural areas has been to supply water, electricity, roads, and other basic services to the rural areas.

Democratic Party representative Mr Mhlaba from southern rural government should accept a transfer to the province and place under supervision - he said.

Land is sold for a swig and a song

263B

ST 8/10/95
By STEUART WRIGHT

WHITE South Africans seeking prime plots on the Transkei coastline are resorting to tribal customs to ingratiate themselves with local chiefs.

The Wild Coast Cottage Owners' Association, chaired by Ray Taylor, an Umtata businessman, charges that people are buying plots from local chiefs for as little as R200 and a bottle of cheap brandy.

The association is trying to halt the influx, which it says is damaging the environment.

One man who went the tribal route was Jeremy Ferrow, a Natal businessman. He joined a coastal Xhosa tribe and secured land in Mpantsana, near Port St Johns, through the local tribal authority.

Mr Ferrow and a syndicate of five other Natal businessmen are being prosecuted for illegally occupying land at Mpantsana.

Mr Ferrow's lawyer, Jeremy Chaplin, said. "Basically Mr Ferrow has gone about it in the same way as any black guy: through the chief. He applied for land and got the necessary consent and permit from the Port St Johns magistrate."

He said he did not know what it took to become a tribesman or how much it cost.

Mr Taylor claimed indigenous bush was being ripped up to make way for new holiday homes and roads.

This has prompted the Wildlife Society of South Africa to seek interdicts against four chiefs and the government to halt development at about 40 sites.

Mr Taylor said the occupation of land anywhere within a 1km-wide belt along the coast was illegal in terms of a 1992 decree issued by the former Transkei ruler, General Bantu Holomisa.

But the leader of the Mpantsana syndicate, Christopher Bailey, countered that now that the Transkei had been reincorporated into South Africa, the laws governing all South Africa's coastal zones applied.

"In many ways we agree with the cottage owners' association," he said. "Most occupations are illegal. But the association members think they have exclusive rights and have taken the attitude they want no more development."

"Their cottages are within 1km of the coastline and they continue to put in roads. They are not allowed to do that as much as we are not allowed to."

He said he had a life-long attachment to the area and was adamant that he had acquired his plot "by the book".

But he refused to divulge the procedures he had followed.

"I can't reveal that," he said. "There is a Supreme Court action against the chiefs and we do not want to complicate the issue."

k

NP 'likes' free Transkei idea

^{30/10/1995}
BISHOP — The idea of letting Transkei fend for itself as a 10th province is becoming a more attractive proposal, says NP chief whip Billy Nel.

Nel said yesterday the idea of another independent province was gaining popularity, especially among democrats in opposition parties.

"The total collapse of the infrastructure in Transkei is inevitable and probably the only way to get the citizens to understand services and rates have to be paid for by someone," Nel said.

"It seems to be the only part of the country that will never come out of Third World standards, but the ANC is too afraid of its support base in this area to take a strong stand." — Sapa.

(2638)

Holiday departures to the Comores resume

Stephané Bothma

HOLIDAY packages to the Comores islands would resume this week with World Leisure Holidays' Thursday departure almost fully booked, the tour operator announced yesterday.

After a visit to the islands last weekend, when meetings were held with the commander of the French forces which took back control of the island, Emirates Air and World Leisure said they were "totally comfortable and confident" that all three Sun International hotels on the Comores were fully operational.

World Leisure MD Bruce Hutchison said

that confidence in the Comores as a travel destination was sustained throughout the period of the coup. This was shown by the fact that even during the week of the coup World Leisure took 292 new passenger bookings.

During the following week when the French troops intervened, 193 bookings were taken.

"World Leisure has some 15% more forward bookings on file than prior to the entire situation," Hutchison said.

Thursday's departure already had 98 seats sold out of the 110-seat allotment, while Saturday's departure had 102 seats sold out of the allotment of 110.

tion-
ened
aid
sure
a re-

much
n on
ities
ntee
ust
id to
gov-

pply
turn
as it
Avia

ther
30

onal
re-

Pay scam uncovered in Eastern Cape schools

Star 11/10/95

(2638)

■ OWN CORRESPONDENT

The Eastern Cape education department has uncovered a huge scam in which thousands of rands in salaries are being drawn from its payroll for non-existent teaching posts and schools in the former Transkei.

This emerged during an interview with the Eastern Cape MEC for education Nosimo Balindlela. She confirmed that some schools registered with the Transkei education department in Eastern Cape "exist on paper but are not there" while some were found to have inflated their enrolment figures.

This means some individuals in the province are getting paid even though they are not

employed by the department, and certain schools are drawing salaries for more staff than they actually employed.

The permanent secretary heading the new Eastern Cape education department, Dr Ronnie van Wyk, said they had had "suspicions all along" that the numbers of schools and pupils were inaccurate - particularly in the former Transkei, which makes up over 70% of the unified department.

The department would be able "to save money" when this was finalised. They uncovered the irregularities during the spot checks on the school feeding schemes. One school claimed to have 300 more pupils than actually attended.

Homelands headache 'inherited'

CLIVE SAWYER
Political Correspondent

PROBLEMS inherited from former homelands could jeopardise proper financial management in three provinces for years to come

This warning was given today in a report by the parliamentary joint standing committee on public accounts

"The problems are very serious and larger than the provinces — Eastern Cape, North West and Northern Province — are able to resolve on their own"

Common problems were

- A shortage of expertise, skills and adequately trained staff
- Lack of funds and resources
- A virtual absence of systems and controls to safeguard assets
- Low levels of morale, motivation, enthusiasm and commitment among staff at all levels, worsened by job insecurity
- Failure and possible inability to update financial and other records long in arrears
- The impact of rationalisation of the provincial public service on administration in the new provinces
- An unhealthy tendency to increase the size and cost of former TBVC civil services when cutbacks were made on other spending
- A breakdown of governance in some areas

The committee noted that in the Transkei, audits had been overdue

since 1989; a 1988 attempt at integration of computer systems had failed, and statements of assets and liabilities could not be balanced.

In some cases, records had been destroyed by fire or removed by civic organisations

In the former Ciskei and Venda, there had been "material" increases in spending on salaries

In Bophuthatswana, there had been an irregular flow of funds to foreign countries

The former secretary of finance had refused to answer questions about alleged irregular transfers of funds.

The committee recommended that every effort be made to update all financial records by November 15.

Audits of these records should be done in time to be handed to the provincial legislatures by February

Those involved in fraud and misconduct should be brought to justice, the committee said.

Training and human resources development should be implemented urgently

Practical support should be lent to the provinces during the transformation period

The three provincial directors-general should work with the department of state expenditure and the public service commission to set up a plan of action for financial management

The unresolved allocation of functions and responsibilities to provinces be finalised as soon as possible, the committee said

BROKEN PROMISES, LOST POTENTIAL

Transkei towns in tatters

IDUTYWA: The former Transkei is in tatters, suffering from corruption, apathy and the absence of even the most basic services.

THE town of Idutywa in western Transkei looks like a pigsty. The roads are appalling and the town's financial records have "disappeared".

But the new town clerk, Mr Mlamli Bongco, insisted that "this is one of the better towns in Transkei".

Idutywa is one of at least 20 towns in the former nominally-independent homeland teetering on bankruptcy — where its hard to predict with certainty if basic services will be available the next day. Hotelier Mr Neil Owen thinks the situation is improving — but having just emerged from a water crisis which lasted five weeks, things can hardly get worse.

"We were losing customers every day, the local baker couldn't make any bread without water, eventually the business community had to step in and sort out the problem from their own pockets."

When municipal workers went on strike to collect unpaid wages, the sewers burst and eroded what was left of the pot-holed roads.

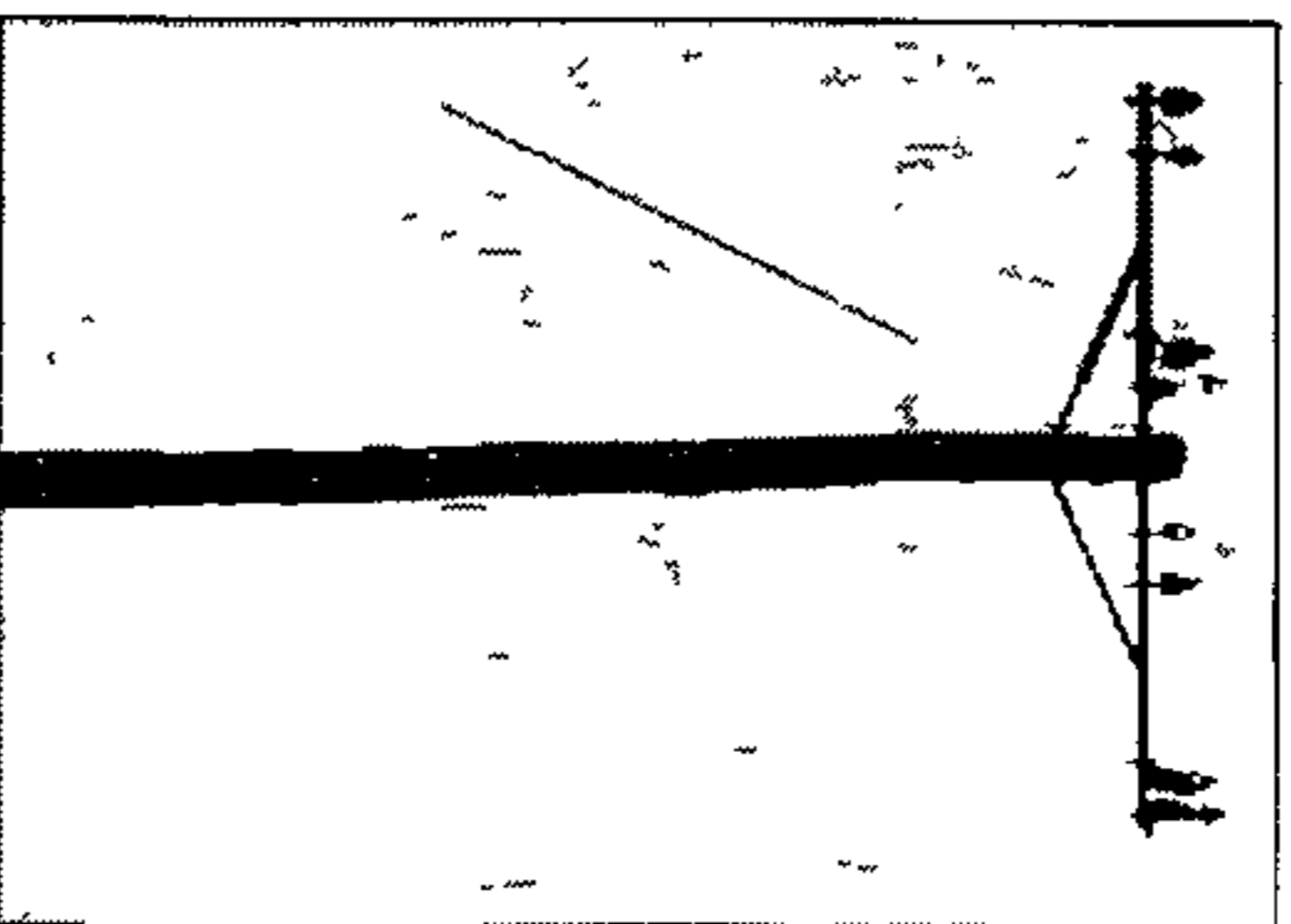
Mr Bongco, who took over as town clerk at the height of the crisis, has given up hope of recovering the town's vanished financial records.

The refuse department chugs along with one tractor and trailer, trying to clear overflowing rubbish bins. But the traffic department does not have a single vehicle, and its officers ran out of uniforms, firearms and speed-trapping equipment last year.

In bigger towns like Umtata, Butterworth and Port St Johns, basic services are more reliable — but it's as if a cloud of apathy has settled over much of the region.

"By April 1994 the wheels of Transkei had all but fallen off. Corruption was a way of life and the administration and infrastructure had been run into the ground."

"The feeling is that General (Bantu) Holomisa slipped out in the nick of time, never fulfilling the pledge he made to clean up corruption after the military coup," says a prominent businessman, who prefers not to be identified.



HELLO, VODACOM? The telephone service in parts of Transkei is often not in operation.

But another Umtata resident felt Transkei was singled out for too much negative publicity.

"The national opinion about this area is very exaggerated, there is still a lot of potential. This is our home and one has to keep going."

But the provincial government's failure to deep frustration has led to a government office in

CT 12/10/95

the city centre there are several slogans denouncing Eastern Cape Premier Mr Raymond Mhlaba and Mr Max Mamase, the provincial Minister for Local Government.

Some chilling reminders of political hostility can be found near Engcobo, where tourists are welcomed with messages such as "Apla kills whites" or "Whites must also bury in numbers".

There's an army of jobless people in Transkei, but Mr Les Holbrook, director of the Ken Chamber of Business, feels investors will be unwilling to pump money into the region until infrastructure is improved.

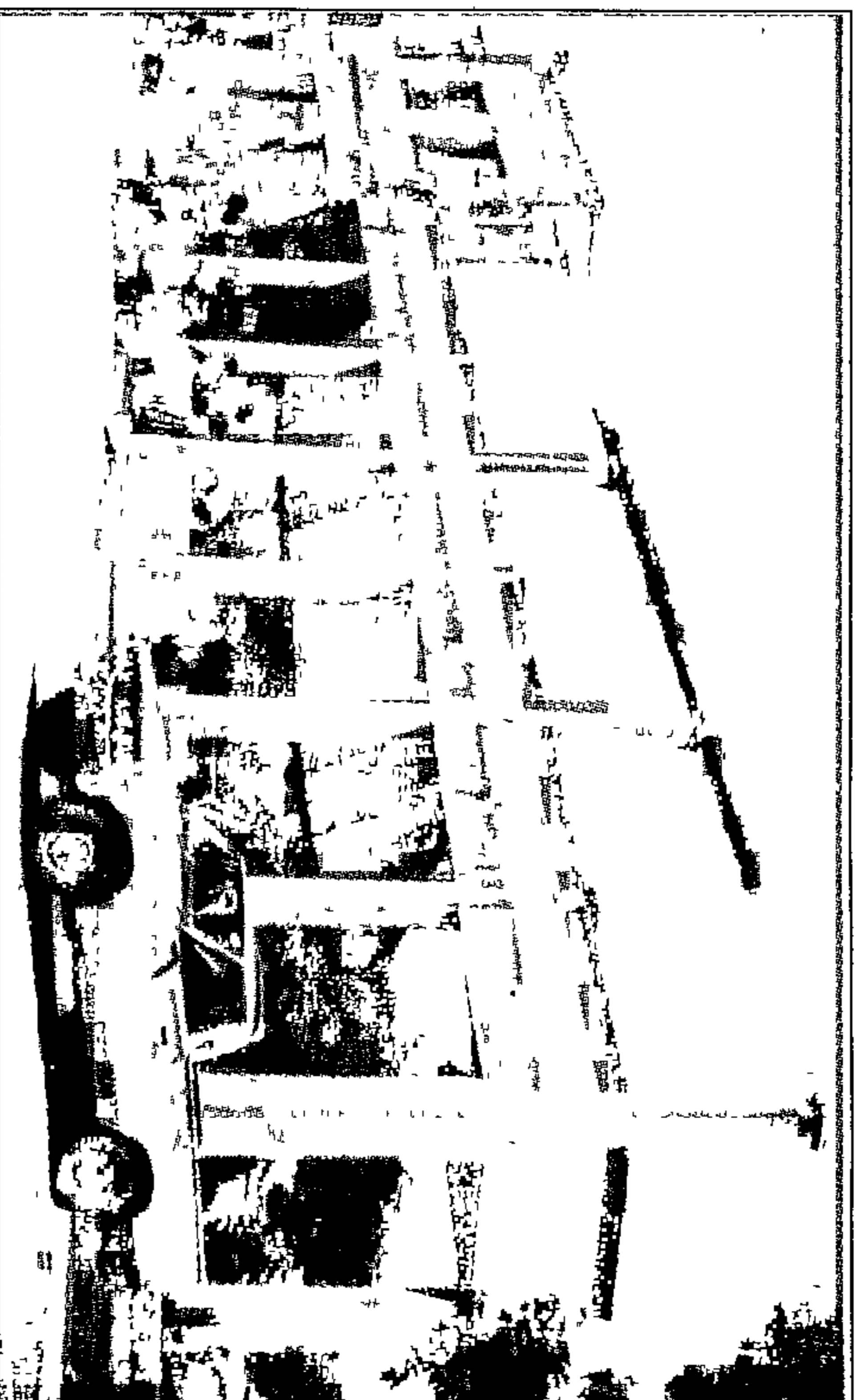
"Everyone is hoping that the local government elections will help us get out of the mess."

Port St Johns, once a thriving holiday town, also has problems but the beaches are magnificent, and tourists are trickling back.

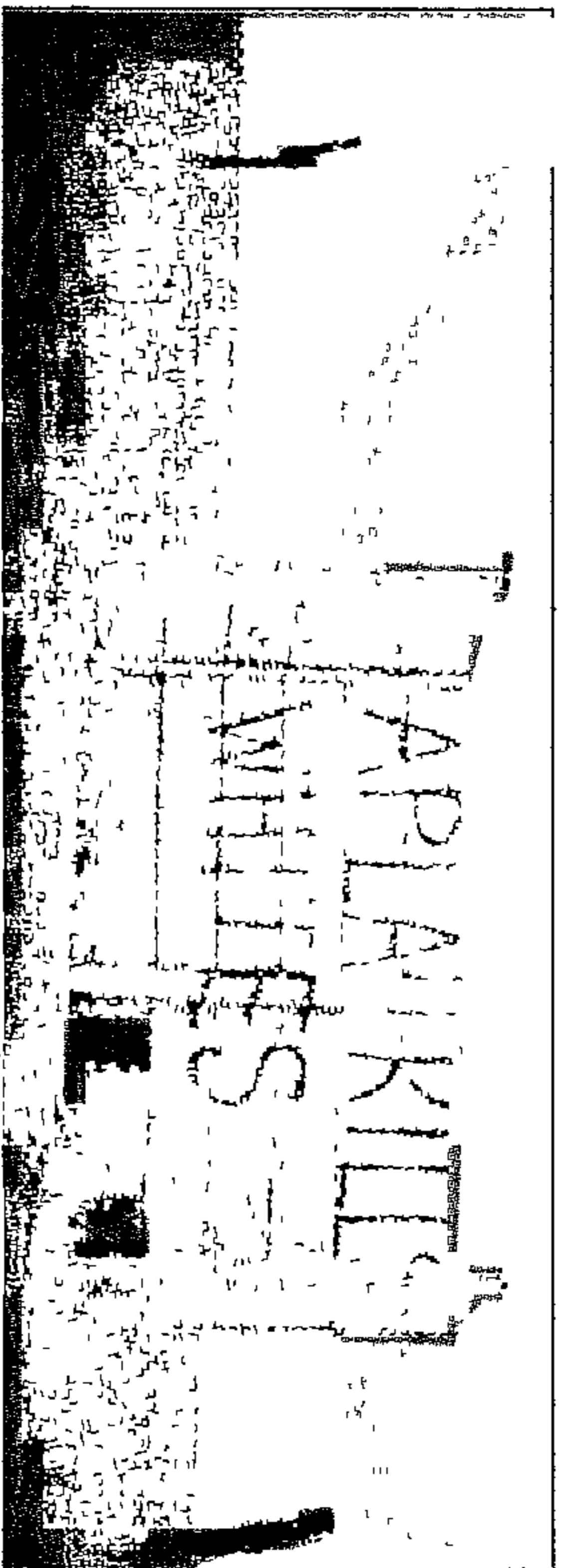
One of the brightest spots is the recently-revamped Umingazi River Bungalows, near Port St Johns.

A swimming pool, tennis court and several new rooms have been added and the resort is full.

It's one of the few shiny beaches in this sadly-neglected corner of the Eastern Province, so full of potential. (263B)



HEARTBREAK HOTEL: The old Winston Hotel in Port St Johns (above), a tattered legacy of the past, now a shelter for hawkers. **BELOW:** A cheery roadside welcome for foreign tourists near the town of Engcobo.



Warning on TBVC plight

BARRY STREEK
POLITICAL STAFF

(2638)

THE accounting problems in the former "independent" homelands were "very serious" and larger than the three provinces involved could resolve on their own, the Joint Standing Committee on Public Accounts said yesterday.

If effective action was not taken soon the provinces in question might not be able to implement effective financial management for years to come, it said in a report tabled in Parliament. The financial mismanagement of the former homelands of Transkei, Bophuthatswana, Venda and Ciskei (TBVC) have been chronicled in many official reports but the statement by the joint committee indicates the problems are more serious than previously realised.

CT/2/10/95

R108m for municipalities

(263B)
Own Correspondent

BD 17/10/95

EAST LONDON — The Eastern Cape would spend about R108m in the next few months upgrading municipal infrastructures, local government and housing MEC Max Mamase said yesterday.

Coupled with a R91m subsidy scheme, the programme is aimed at breaking a crippling cycle of non-payment for services

It was also hoped that the Masakhane campaign would be boosted by job creation and training. Upgrading and rehabilitation would be mainly labour-intensive, and were expected to create close to 1 000 jobs in

the initial phases.

"Maximum use of labour-intensive methods will be pursued except in cases where specialised work is involved," Mamase said.

Of the total allocated, R94m would be spent on water projects, R12m on electricity, R11m on sanitation and R550 000 on roads. Geographically, R48m would be spent in former Transkei, R42m in Eastern Cape, and R17m in former Ciskei.

All projects would be implemented by the provincial housing and local government department along with existing transitional local councils and their successors after the local government elections.

NP wants Holomisa to face fraud inquiry

Star 18/10/95 (263B)

The Skweyiya Commission's investigation into the affairs of the former Bophutatswana government and the homeland's president Lucas Mangope has sparked a debate over whether the previous National Party government and former homeland officials should also be investigated for fraud.

The NP said yesterday that commissions should be appointed to investigate all the former homeland leaders and staff.

"There is no reason why the kind of investigation done of former president Mangope in Bophutatswana should not also be done in other former self-governing areas and independent states."

The NP said former homeland leaders who now occupied senior positions in the African

National Congress, such as former Transkei president Bantu Holomisa, now a Deputy Minister of Environmental Affairs, should be subjected to the same scrutiny.

"There have already been a good many allegations made about Deputy Minister Bantu Holomisa's period of governance."

Holomisa yesterday said that he welcomed the idea of a commission of inquiry to investigate his rule of Transkei from 1987 to 1994.

"I am challenging the Government of National Unity to be holistic in investigating corruption. During my term, you will see my track record was clean and those accused of corruption were reported to the attorney-general," he said. - Sapa

Voters 'unhappy with ANC-led regional govt'

(2638)
Kevin O'Grady

BO 18/10/95

A SURVEY of political perceptions in the Eastern Cape ahead of the November 1 election has revealed considerable dissatisfaction with the performance of the ANC-dominated regional government, and indicates the emergence of a definite "floating vote".

More than 20% of respondents in the survey, conducted by Roger Southall and Geoffrey Wood of Rhodes University's political studies and sociology departments, said they would consider voting for different parties from those they supported in last year's general election.

The survey revealed that only one-third of respondents believed that national government had made sufficient progress in improving people's lives, while 43% felt strongly that it had not.

Southall and Wood felt that among an electorate whose political allegiances were widely deemed to be overwhelmingly determined by racial and first-language background, what may be worrying for the two major parties was how few respondents (49%) said they would never consider voting for another party.

This suggested that there might be more people than expected in the Eastern Cape who were prepared to support political parties that were unpopular in their immediate communities.

There was widespread scepticism about central and provincial governments' capacity to deliver on election promises, and 53,8% of survey respondents said the implementation of the RDP should be the task of local government.

Southall and Wood found a healthy voter scepticism about politicians and a desire to see their local authorities subjected to checks and balances.

"This bodes modestly well for the smaller parties — notably the DP and PAC — if they can exploit this sentiment in the run-up to polling day," they said.

Meyer rejects postponement requests

By CAROL PATON

THE Minister of Provincial Affairs and Constitutional Development, Roelf Meyer, rejected a request on Friday from the Eastern Cape cabinet to postpone the elections in five rural councils

The request for postponements in Algoa, Albany, Bathurst, Alexandria and Uitenhage was made because the large number of disqualified candidates in these areas was seen as a threat to the elections' legitimacy

"The minister is empowered to grant extensions only where administrative preparations have not been sufficient," said a ministerial spokesman, Izak Retief

The ANC was particularly badly

(2638) - ST 22/10/95
affected by disqualifications in three areas, where their entire party lists were rejected by the returning officer because the address of the ANC office was in town and not in the rural area

The Eastern Cape minister of housing and local government, Max Mamase, said the election regulations would be changed to allow party addresses to fall anywhere within the magisterial district

But all ANC candidates in Uitenhage and all but two of the party's candidates in Albany would remain disqualified Mr Mamase said Mr Meyer would again be asked to postpone the elections there and in councils where preparations now lagged behind

The ANC in Gauteng is also preparing a request that elections be postponed in five rural councils, where the party's candidates have been disqualified for not being on the voters' roll in their areas and for not paying for services

ANC elections co-ordinator Roshene Singh said the party had won reinstatement for a number of candidates through the Supreme Court in cases where there had been no proper services billing system or where the returning officer had been unreasonable

Court cases are still pending in Hazyview in Mpumalanga, the Eastern Cape, the North West province, the Southern Cape, the Western Cape and the Northern Cape

Holomisa warns of T'kei 'corruption cover-up...'

Own Correspondent

JOHANNESBURG — Former Transkei military leader Bantu Holomisa has warned the government that an inquiry into corruption in the previous homeland's administration could lead to a "massive cover-up" should it involve civil servants and judicial officials who served under the previous government.

In a letter to the cabinet yesterday, the Deputy Minister of Environment said former civil servants and judges should not draw up the terms of reference or be appointed to such an inquiry.

"On the question of inquiry I recommend that the composition of any future commission of inquiry into the corruption of the South African and homeland government must, of necessity, reflect the heteroge-

ARG 28/10/95
neous nature of the South African population. The National Party has always been, and is still, strategically placed in the governing process.

"There is all likelihood and probability that the Nats shall emerge unscathed in any commission of inquiry if it is composed mainly of old South African judicial officials who shall entirely rely on the co-operation of old Pretoria bureaucrats who have always demonstrated unshakeable loyalty to the National Party government," said Mr Holomisa.

Mr Holomisa said the imminent retrenchment of over 200 senior civil servants in Transkei could result in "mass suffering" on the part of the families of the affected employees. He also condemned the retrenchment of black civil servants while white bureaucrats were retained. (263B)

...g tomorrow. People came out into the streets to cheer them on. ... arrived in convoy through Soweto yesterday ...

Eastern Cape security MEC Mpehle fired

(263B) BD 31/10/95

ed
a
ch
n-
de
ed
s-
al
t-
ng
e-
he
u-
on
is-
s-
of
ad
te
as
ri-
ng
ng
in-
ct
he
in
re
lls
ed
s

BISHO — Eastern Cape premier Raymond Mhlaba dismissed his safety and security MEC Malizo Mpehle yesterday — in line with recommendations made by the Kroon inquiry into violence in strife-torn Tsolo in Transkei.

Mhlaba said he had informed Mpehle of his decision and would announce the name of a new safety and security MEC on Thursday.

His announcement followed the release on Monday of the inquiry's 360-page report, which called for the removal of the safety and security portfolio from Mpehle.

Commission chairman Judge Frank Kroon said Mpehle had made no effort to curb Tsolo's "alarming" violence and rampant stocktheft, which he described as a regional crisis.

He had failed also to act when a self-appointed joint monitoring committee in Tsolo interfered with the operations of the Umtata murder and robbery unit in the area.

Kroon said that by his own admission, Mpehle did not have any experience in police matters and initially was reluctant to accept the post.

Kroon said. "In my respectful opinion Dr Mpehle is not a suitable person

to hold the post of MEC for safety and security and my recommendation is that he should be relieved of that post."

Mhlaba appointed Kroon in March to investigate the causes of the violence after calls for calm by President Nelson Mandela went unheeded and the death toll continued to rise.

While Kroon cleared Mpehle of involvement in the violence, he described him as an "untruthful and evasive witness" who had failed to take any concrete steps in the 10 months he had been in office to address the deteriorating situation in Tsolo, his home town.

"The underlying cause of violence in Tsolo is stock theft, which has reached endemic proportions.

"The situation which has developed may be equated with a regional disaster," Kroon said.

Former Transkei military ruler Bantu Holomisa had acted unlawfully in sanctioning the "common practice" of issuing Transkei Defence Force weaponry, including automatic rifles, to civilians, the report said.

"Such a practice was not sanctioned by any legislative provision and was therefore illegal." — Sapa.

al world

Political comment in this issue
J Jones, newsbills by C Pickett
Cambridge, headlines by
Strauss, all of 11 Diagonal Str
Johannesburg

Holomisa accused of 'unlawful' arms supply

Star 31/10/95 (26BB)
Bisho. Former Transkei military ruler Bantu Holomisa had acted unlawfully in sanctioning the "common practice" of issuing Transkei Defence Force (TDF) weapons, including automatic rifles, to civilians, the Kroon Inquiry report said yesterday.

The inquiry, headed by Mr Justice Frank Kroon, was appointed by the Eastern Cape government to investigate the causes of violence in the Tsolo area of Transkei, where more than 285 people have been killed since January 1993.

Yesterday, suspended Eastern Cape safety and security MEC Dr Malizo Mpehle was dismissed, as recommended by the inquiry.

The judge said the inquiry had been told the TDF "made a practice of making firearms available to civilians, and that not all of these had been retrieved".

He singled out Holomisa, now a deputy minister, and former TDF chief General T T Matanzima for criticism, saying their decision to issue defence force weapons to Mpehle's civilian bodyguards in 1993 should be condemned as illegal. He said



Bantu Holomisa ... some of the guns are still missing.

Mpehle had asked the then Transkei Military Council for protection after hearing that a group of white men were asking for him.

In 1993 he was issued with an Uzi submachinegun and two R-4 rifles for use by the five men he had chosen as bodyguards.

At least one of the R-4s was later used in the murder of two people in Tsolo, while the Uzi was seized by police last August after the violent death of one of the bodyguards - Sapa.

Hlolomisa 'unlawfully gave civilians arms'

(263B) CT 31/10/95

BLSBO Former Transkei military ruler Mfengu Hlolomisa had acted unlawfully in supplying the common practice of issuing Transkei Defence Force weaponry, including automatic rifles, to civilians, the Erson inquiry said in its report released yesterday.

The inquiry, headed by Judge Frank Erson, was appointed by the Eastern Cape government to investigate the cause of violence in the strife-torn Tsolo area of Transkei, where more than 275 people have been killed in violence since January 1993.

The inquiry recommended that suspended Eastern Cape Safety and Security Minister Dr Mphahlele be dismissed.

He singled out Mr Hlolomisa and former defence force chief General J Matimuna for criticism, saying their decision to issue weapons to Dr Mphahlele's civilian body guards in 1993 should be condemned.

Dr Mphahlele had asked the then Transkei Military Council for protection and in January 1993 was armed with 12 sub-machine guns and two F1 rifles, ostensibly for use by his body guards. Sapa

Eastern Cape warns leaders

Farouk Chothia

MD/11/95

UMTATA — The Eastern Cape government warned yesterday that traditional leaders risked being dismissed from their posts if they prevented anyone from voting in today's election.

The warning came against the backdrop of the Congress of Traditional Leaders of SA's (Contralesa) decision to boycott the election due to central government's refusal to beef up their status in local government structures.

Eastern Cape traditional affairs department director Max Mlonyeni said circulars had been issued to traditional leaders in the former Transkei, warning them they would be charged with misconduct if they intimidated voters.

If any of the traditional leaders was found guilty, they could be suspended and have their stipends cut off or they could be dismissed.

"How can a traditional leader, who is the recipient of a government salary, campaign against government policy?" Mlonyeni asked.

Eastern Cape Contralesa president

(238)
Mwelo Nonkonyana accused government of continuing to harass traditional leaders. He said subjects of traditional leaders had decided on their own to boycott the elections.

Meanwhile, residents in Ezilandam, a rural area outside Qumbu, said they would not be able to vote due to clashes between cattle rustlers which erupted in Qumbu on Monday.

Umtata police spokesman Capt Monde Nqadini said communication lines had been cut in Lusikisiki at the weekend. Six people were arrested and it appeared they were disgruntled because they had not been employed as electoral officials.

The election task force said communication with Lusikisiki had resumed.

Qumbu returning officer Nokwasa Nondada said a stack of about 30 identity books were found on her desk yesterday. The books had been left there by the SA National Civic Congress who requested they be handed to the owners when they arrived to collect them.

She said yesterday was the cut-off point for people to claim the books.

Organising a small-town polling station turns into a nightmare

(263 B)

Farouk Chothia

BD 1/11/95

UMTATA — The election returning officer in Qumbu, Nokwasa Nondada, was in a frenzy yesterday the telephone lines were down for the second consecutive day and she did not have the required voting material for today.

The situation had become desperate. Nondada did not even have the little town's voters' roll. It was in Umtata

"We sent it to the (election) task force to make some corrections," Nondada said.

In desperation, she sent one of her assistants on the 50km journey to Umtata to retrieve the voters' roll. But when the assistant reached Umtata, the task force's offices were locked.

She returned to Qumbu, but Nondada sent her back to Umtata. She eventually returned with the voters' roll.

Nondada's problems were not over. There were six ballot boxes, but no locks and keys for them. There were no ultra-violet lights either, or ink.

"If it doesn't come, we'll have to improvise. I have already bought ink from the shop," Nondada said.

With only 1 290 voters registered in Qumbu, a quarter of the town's voting population, one would have expected that organising the election would be easy.

Yet it is a nightmare — as in most Transkei towns. This is because 24 of the 28

towns in the former homeland are in debt, and have no infrastructure.

To get the election off the ground in remote rural areas posed an even greater challenge. A fleet of taxis and four government-provided vehicles were parked outside Qumbu's municipal offices.

Their task was to deliver 80 ballot boxes to polling stations in areas around Qumbu, but there was a delay.

Taxi owners were dissatisfied with the R1/km rate offered. They wanted more. Negotiations were under way.

The main contest in Qumbu, as in most parts of the Transkei, is being waged by the ANC and PAC. A large number of independents — many are disgruntled ANC members — are contesting the election.

The PAC sees Umtata as the prized scalp and has directed much of its energy at winning the town. ANC MP Nat Serache is confident that the ANC will stave off the challenge comfortably.

But the PAC appears to be capitalising on disillusionment among ANC supporters. The decision to make Bisho, rather than Umtata, the capital led to bitterness.

But allegations that Bisho was neglecting the Transkei appear to be unfair. For the first time, bankrupt town councils have received grants from the provincial government to start providing services.

Crime is not the No 1 issue here: taps and toilets are.

Court actions, disputes in Eastern Cape

(263B)

ARCT 1/11/95

VOTING in the local government elections started smoothly in the Western Cape today but trouble flared early in the Eastern Cape — where court actions, electoral disputes and incorrectly printed ballot papers threatened the outcome in several areas.

Five applications for the disqualification of candidates were brought before the Supreme Court in Umtata.

In Komga, court interdicts ordering the reinstatement of two previously disqualified candidates forced the cancellation of the ballot in all but two wards in the Eastern Cape town.

Voting was delayed at Mdantsane near East London when election officials discovered that ballot papers for ward candidates did not reflect the African National Congress logo.

Election workers in the Eastern Cape capital of Bisho were frantically trying to supply material to some polling stations in the former Transkei which reported shortages.

● Voters turned out in large numbers to cast their ballots in the Western Cape areas where polling was taking place, but a power failure along the West Coast left voters making their crosses in the dark.

"They are using oil lamps and everything else they can lay their hands on so that people can vote," said Fritz Marx, private secretary of Local Government and Development Planning Minister Peter Marais.

● Enthusiastic voters began gathering at polling stations in Gauteng and other parts of the

country early today. No incidents were reported.

● Residents of three battle-scarred townships on the East Rand said when voting that they hoped newly-elected local councillors would at last begin rebuilding settlements destroyed by political violence.

Queues at Kathlehong, Vosloorus and Tokoza were mostly short and the dancing and joy which marked last year's all-race national and provincial elections were absent.

● Voting got off to a slow start in the North-West province as army patrols, including units in armoured personnel carriers, patrolled Mmabatho and Mafikeng.

Premier Popo Molefe said the authorities had to call out troops because of rumours of possible violence.

Thousands turned away in Transkei as names are found to be

Farouk Chothia
and Stephané Bothma

TENS of thousands of registered voters in the former Transkei were unable to vote yesterday after it was found that their names were not on voters' rolls.

By-elections might have to be held to address the problem, Eastern Cape local government MEC Max Mamase said yesterday.

A senior electoral source said the number of people unable to vote could be as high as 100 000. A foreign observer said one in five voters was turned

away in many towns.

The electoral source said the voters had signed up when registration reopened to bolster election figures. However, the new names were never placed on the supplementary roll added to the official roll.

Mamase said he was "seriously concerned" about the problem. Voters were not at fault.

He said a firm of auditors had been appointed to investigate the matter.

The provincial cabinet would decide at a meeting today on further action.

There will have to be discussions

placed voters did not materialise. Problems confirmed by the task group included

- Heavy rains affecting voter turnout in certain areas of the Northern Cape,
- Delays in opening Eastern Cape stations because of problems in getting material to certain areas. At Sterkspruit a polling station burnt down on Tuesday night, but was rebuilt yesterday to allow voting. In some areas disagreements between the PAC and ANC also disrupted voting;

Continued on Page 2

between ourselves and Constitutional Development and Provincial Affairs Minister Roelf Meyer," Mamase said.

Elections in the Eastern Cape were also marred by the fact that most polling stations — including those in Umhata — went ahead with elections without the required voting material.

One polling station in the Nkandule district — Congress of Traditional Leaders of SA (Contralesa) president Patekele Holomisa's stronghold — opened only at about 5pm.

However, disruption threatened by Contralesa members disenchanting

with local government structures failed to materialise.

West coast returning officer Goodman Sotikwa said police began delivering voting material to many rural areas only yesterday morning. This resulted in polling stations opening late.

The local government elections task group said less than 10% of polling stations countrywide reported problems.

At a news briefing in Pretoria last night, task group co-chairmen Van Zyl Slabbert and Khehla Shubane said expected problems with issuing temporary identification documents and un-

Transkei

(263b)

Continued from Page 1

BD 2/11/95

- In Gerteng, election staff had been intimidated at Orange Farm and a high number of voters had been placed in wrong wards. Polling stations in Nigel opened two hours late.
 - In Mfumalanga, trucks carrying ballot papers broke down, delaying the opening of several polling stations.
 - In the Northern Transvaal, isolated incidents of violence occurred.
 - The PAC complained about election staff in the Western Cape, and
 - A major power failure on the west coast affected a number of stations.
- Another major problem area was in Jabulani in Soweto, where voting was

disrupted for several hours following a dispute over ballot slips not carrying IFP emblems

Sapa reports the transitional metropolitan council ordered voting to resume at 6pm after the ANC and the NP argued that the IFP candidate had in fact registered as an independent and there was therefore no need for a party emblem on the ballot paper.

The polls were closed at 2 30pm after IFP complaints and some parties had agreed to seek a by-election in ward 18

Voters at the Mxolisi Higher Primary School polling station ripped up ballot papers in protest at the lack of an IFP symbol. There were no reports of violence

The IFP is likely to continue to insist on a by-election.

MISSING

'Madam' won, and it's back to the kitchen for 'Eve'

Morgan Bay - Madam has won - and it's back to scrubbing the floors for Morgan Bay domestic servant Ntombizodwa Nonqayi

It was a real-life replay of the popular all-South African comic-strip *Madam and Eve* which pokes fun at the relationship between white women and their domestic servants

In Morgan Bay, Nonqayi and her "madam", Peps Saunders, both contested the elections

But Saunders yesterday convincingly beat the woman she calls "Ivy", by 192 votes. She scored 237 votes to Nonqayi's 65.

Nonqayi was unavailable for

comment yesterday

She had reportedly gone to her humble home in Lokohlo Village, which is a scraggly collection of huts and shacks, without phones, on the hilltop above her madam's home

In sharp contrast, Saunders has her home and estate agency in Morgan Bay itself, an idyllic seaside village perched on the edge of a vast beach and framed by a series of spectacular basalt cliffs

Another losing candidate in the ward, Laurence Xolo, said he was with Nonqayi when the results were announced "She

was very angry about losing"

Xolo, the bartender at the festive Morgan Bay Hotel, said Nonqayi had badly wanted to defeat her employer at the ballot box

He claimed that in the build-up to the election whites in Morgan Bay had joked cruelly about "Eve wanting to get madam to wash her floors and cook for her if she won"

However, one white woman in town explained yesterday "Look, she (Nonqayi) was very uneducated. She could hardly speak English"

The winning "madam" was

gracious about her win

She said yesterday "I've got a lot of work to do and we'll get along together. She's a very nice person and if she's got an interest (in politics) she must carry on"

"She's got lots to learn. I probably have too!"

But it wasn't all bad news for Nonqayi.

Her party, the ANC, won four out of six seats in the Morgan Bay/Kei Mouth area.

That means Eve's party will rule over Democratic Party councillors F G Nieberding - and Saunders - Ecna.



What really counts... sealed ballot boxes are off-loaded at the Johannesburg Civic Centre in Braamfontein yesterday, a central counting point for many Greater Johannesburg wards. PICTURE THYS DULLAART

Communications thwarted

The election nightmare of Transkei

Star 3/11/95 (263 B)

BY MONDLI MAKHANYA
POLITICAL REPORTER

POLLING and collating election results had to be done without the help of telecommunications

Election official Goodman Socikwa paced the floors of the Botha Sigcawu building in Umtata - the nerve centre of the loval government elections - dispatching his troops to remote areas As reports streamed in of voting and counting materials not having arrived in certain areas, Socikwa was compelled to send people there to solve the problems

The virtual absence of a telecommunication infrastructure in the former Transkei made the polling and collating of the election results a nightmare for organisers in the area.

Problems that could have been solved with simple phone calls required car trips to the affected areas - often impenetrable for ordinary vehicles

Communications with many towns in the province - including reasonably sized ones like Tsolo and Qumbu - are impossible, and cars had to shunt back and forth reporting shortages of materials and other problems

In some parts election organisers used police radios to communicate with the police station in the next town

The problems were further exacerbated by the failure of the SANDF to provide the backup for

a two-way radio system after a private company had been brought in to establish a link.

While most of the medium-sized towns in the Transkei have never been connected to a telecommunications system, in those that have the crank-phone has just collapsed

Poor maintenance of the system during the homeland's independence era has been compounded by the theft of copper wire and wooden poles by peasants and squatters.

In Umtata, which is the only town in the Transkei with any semblance of telecommunications, the infrastructure has also deteriorated and it is not uncommon for lines to collapse several times a month

The city has no cellular telephone link, depriving election organisers of what has become an essential instrument in handling such a high-pressured task. An attempt to establish a cellular network has been thwarted by the theft of materials

ANC cements lead in E Cape

(263B)

ARC 24 4/11/95

BISHO — The African National Congress has continued to consolidate early gains in the Eastern Cape, with the latest results showing it had won most seats on the Port Elizabeth, East London and Umtata city councils.

Elsewhere in the province the ANC recorded comfortable victories in many urban and rural councils.

In rural Transkei the ANC won nine of the 11 magisterial districts.

In East London the party took 24 of the 43 council seats, recording more than 86 000 votes. The NP won two seats (14 529 votes) and the DP one (6 942).

In Port Elizabeth the ANC won 35 of the 55 seats.

In Umtata the ANC won 17 of the council's 20 seats, although early indications were of a poor turnout with only 10 018 of the 37 600 registered voters casting their ballots. — Sapa.

Cheers and ANC flag for PE's new mayor

ARG 7/11/95

(263B)

The Argus Correspondent

PORT ELIZABETH — The electorate here gave the African National Congress a clear mandate to determine the direction the city should take, the city's new mayor Nceba Faku has told the city council

Mr Faku, who had been widely expected to become the city's first democratically elected mayor, was greeted with loud cheers and the waving of an ANC flag from the public gallery when his election was announced last night

In spite of the fact that the ANC has a simple majority of 34 on the 55-member council and could pick and choose the top council positions, the National Party proposed one of its members, Colin O'Linsky, for the position of Port Elizabeth's first citizen

Impromptu discussions be-

tween the NP and the Democratic Party at the meeting seemed to indicate a brief alliance for the duration of the voting for mayor, deputy mayor and standing committee positions

Of the 55-member council, 37 voted for Mr Faku and 16 for Mr O'Linsky, with two councillors absent

Mr Faku appealed for all political parties to generate and sustain a spirit of mutual cooperation, understanding, tolerance and trust

He asked the city's residents to help the new council

"It is the first council democratically elected by the people of the city, both black and white, but this mandate brings responsibilities and challenges

"These are to transform the council into a body which is sensitive to its people, their needs and aspirations"

Who's to blame for Transkei collapse?

The former Transkei, one of South Africa's most visible Third World enclaves, is the subject of extensive political mudslinging **Ann Eveleth reports**

SMALL boys herding cattle during school hours and single-file rows of women balancing thick bundles of branches on their heads dot the sparsely populated landscapes along most of the dusty trails which pass for roads in the former Transkei.

The worn dirt paths are sufficient for the donkey-cart transport, but motor vehicles venturing off the N2 are in for a bumpy ride.

One of South Africa's most visible Third World enclaves, the former Transkei's decay has been the subject of extensive political mudslinging. The new Eastern Cape provincial government, saddled with the task of amalgamating two former homelands and a former white administration, rejects criticism that it has been slow to deliver.

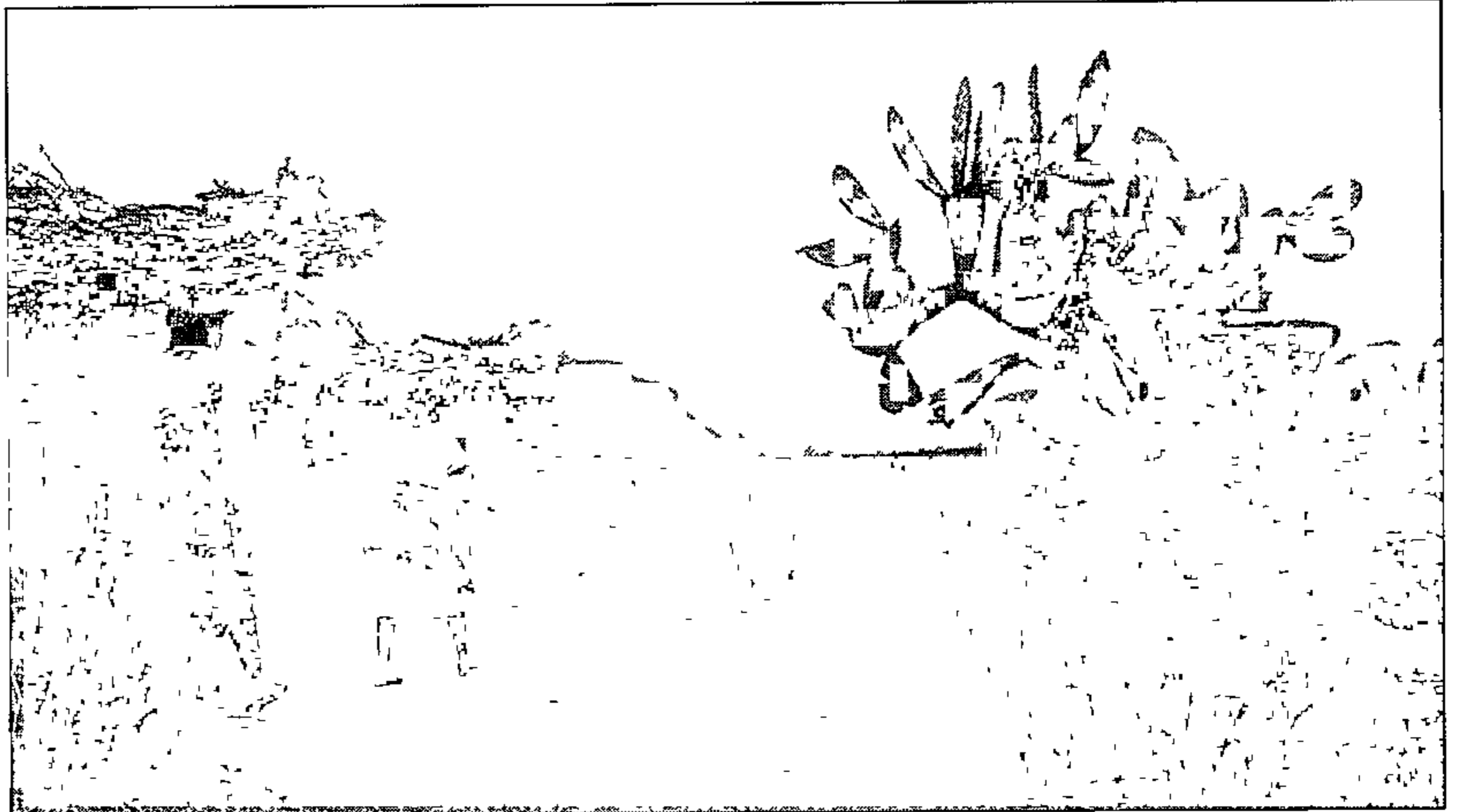
Eastern Cape Finance MEC Shepherd Mayatula says central government's promise to take over the R9,9-billion debt accumulated by the two

homelands has brought some relief. But, he says "Although theoretically that should level the playing fields, in practice we are still a long way behind provinces like Gauteng which are worried about rebuilding schools when we still have to build them."

Mayatula admits the former Transkei is the provincial government's biggest headache because it was "bigger, more remote and more isolated" than the former Ciskei.

A series of local government audits carried out by the provincial government indicated that 24 of the former Transkei's 28 town councils were bankrupt. This forced the provincial government to come to the rescue with a R7,4-million emergency grant and to negotiate R44-million in inter-authority grants from central government.

Eastern Cape Local Government MEC Max Mamase says "When the self-governing territory came into being there were only two towns: Butterworth



Third World enclave: The former Transkei is the Eastern Cape government's biggest headache

(263B) MTG 10-16/11/95 PHOTOGRAPH PAUL WEINBERG/SOUTHLIGHT

and Umtata. Then, the homeland's 26 township boards were given municipal status, without any financial injection from the self-governing territory. The township boards were never trained on how local government works."

Mayatula says the local government problem was exacerbated over the years when "the rest of the country and even the other homelands received intergovernmental grants for local government, but Transkei didn't."

Mamase argues this underfunding, together with "the confusion of autonomy and independence" of the town councils, led to administrative decay where corruption was unchecked. "These people weren't working against a budget," says Butterworth's new ANC mayor, Anthony Bam. "That's why they could buy luxury cars. They just borrowed against the town's fixed assets."

Mamase says one problem which could make it difficult for many town councils to provide services was the low revenue base — due to both rates and

service boycotts and the generally low tax base among Transkei residents.

Bam says South Africa's new uniform tax laws sounded the death knell for tax incentives previously used to entice businesses to Butterworth.

He says infrastructure in the former homeland suffered because all money for capital projects had to be borrowed from the Development Bank of Southern Africa (DBSA). "It was one of the ways the South African government controlled the independent homelands."

Fingers point to Bantu Holomisa

(263B) MTG 10-16/11/95

**Ann Eveleth and
Rehana Roussouw**

BANTU HOLOMISA always seems to be in hot water. More than eight years after he became the apartheid government's internal bogey-man by seizing power in the former Transkei, the boyish general, now Deputy Minister of Environmental Affairs and Tourism, is still the favourite scapegoat of the National Party (NP).

When the Skweyiya Commission uncovered massive corruption in Lucas Mangope's Bophuthatswana government, the NP and Democratic Party pointed their fingers south, prompting President Nelson Mandela to announce a commission of inquiry into corruption allegations in former state structures.

And last week, when former defence minister Magnus Malan and company joined Inkatha Freedom Party deputy secretary general Zakhele Khumalo and his Caprivi trainees in the dock over hit-squad allegations, the IFP — armed with the release of the Kroon Commission report into stock theft violence in Tsolo — wagged its finger at the former Transkei.

Buried deep in Judge Kroon's 400-odd page report are his comments that "the Transkeian Defence Force made a practice of making firearms, including automatic weapons, available to civilians and not all of these arms have been retrieved." Kroon said the issuing of these weapons had not been sanctioned by any legislative provision and, therefore, was illegal — and he blamed Holomisa for this.

"The evidence was further that (this) was done with the specific sanction, and indeed on the instruction of General Holomisa, and General T T Matanzima, the head of the then Transkei Defence Force."

Holomisa said it was "a pity" Kroon had not summoned him or Matanzima over the issue. "In 1991/92 I said publicly on television, radio and in the newspapers that the Transkei government does give weapons to the ANC and PAC to protect their leadership. I am not apologetic for that."

Holomisa said the Transkei Defence Force had issued the weapons "follow-



Bantu Holomisa: Still the NP's favourite scapegoat

ing discussions with the ANC and PAC leadership, because President FW de Klerk was refusing to give them firearm licences to protect leaders who came to the country to negotiate. In 1990, even Mandela did not have any security. We have never issued weapons to tribal leaders, or other civilians."

Holomisa said weapons were given to ousted Eastern Cape safety and security MEC Dr Mahzo Mpehle under the same scheme. "He was a senior ANC leader in the Transkei. He was the doctor of President O R Tambo and really the doctor of the ANC in Lusaka. When he returned he applied to us, saying he felt he was under threat and needed a weapon for protection."

Other criticisms of Holomisa's reign focus on allegations of corruption and nepotism. Holomisa "wholeheartedly" welcomed the proposed commission of inquiry into corruption in an open memorandum to Cabinet two weeks

ago, but, in an interview, he staunchly denied the allegations. "I don't have anything to declare that is untoward," he said. "I never had businesses, nor was I a sleeping partner anywhere, nor did I get a cut from tenders."

Holomisa's supporters point out that he declined to leave his six-room Umtata home for more luxurious ministerial housing after the 1987 coup, and paid himself only the R266 000 salary he earned as head of the defence force, together with a taxable R2 000 monthly allowance for members of the military command council, but his critics remain sceptical.

DP Eastern Cape leader Eddie Trent said there were good reasons for Holomisa's complacency about the pending inquiry. No audits had been done of Transkei's 20 government departments for the past seven years. Any commission would have difficulty proving the allegations because the

government departments' books had not been written up for years and many invoices are allegedly missing or destroyed.

Holomisa's memorandum says Transkei's monies were "closely monitored" by Pretoria through a structural adjustment committee.

Foreign Affairs Director General Rusty Evans, who was in charge of the South African foreign affairs department's Africa section at the time, said joint structural adjustment committees "had no control over the internal budgets of the territories once the transfers were made."

He said the structural adjustment committees were only intended to bring "fiscal regulation to the transfer system", and denied Transkei had been singled out.

"There were certainly tensions in the relationship between Transkei and South Africa due to the perception of General Holomisa's negative attitude. It was considered whether Transkei could be forced to take a different approach, even consideration of withholding the transfer money, but the suggestion was withdrawn because it would only have caused problems with the civil service," he said.

Holomisa admits his administration's procedures were not sophisticated. "It was a real Third World situation. Most documents were written by hand. If we wanted computers, we had to get approval from Pretoria."

The NP in the Eastern Cape was sympathetic to Holomisa's plight. "The problems in Transkei did not happen overnight," said NP Eastern Cape spokesman Andre Smith.

Smith said "There are rumours doing the rounds that funds were misused for personal benefit, but there are no hard facts at our disposal. It may well be that all an inquiry will discover is that the administration was so bad it allowed for certain officials to be corrupt."

While Holomisa's critics blame him for the "collapse" of the former homeland, Holomisa says Pretoria's "interference" was at the heart of the region's

continued underdevelopment.

Evans says all the rural areas of South Africa were underfunded. "I don't think Transkei is any worse off than Lebowa or Ganzankula. I don't think there was any conscious effort on the part of the South African government to underdevelop any particular area, but I agree there was insufficient money to sustain any of the territories."

Holomisa charged that the apartheid government effectively sabotaged Transkei's economy by delaying transfers until well into the fiscal year.

Evans said this was because Transkei had insisted on consensus on the structural adjustment committees. "If you delay the consensus, then the transfer is delayed."

Holomisa said Transkei had operated under serious financial constraints. "We had a budget of R5-billion to R6-billion annually and the biggest chunk of that went to servicing our debts. Another chunk went to pay civil servants and operating costs and only about nine percent was available for projects."

Holomisa's critics argue the "chunk" of money used to pay civil servants would have been better spent on infrastructure and job creation.

Holomisa counters that "Transkei's main source of employment has always been the government and the parastatals. Although we wanted to rationalise it to cut costs, the Cabinet felt it was senseless to introduce retrenchments when the political processes were unfolding. The unions would never have accepted unilateral retrenchments, so we shelved the issue until a new dispensation could come in."

Denying allegations that he "swelled" the Transkei civil service in the dying days of apartheid, Holomisa said a series of strikes, sit-ins and demonstrations from the entire civil service, from mid-1993 led to recommendations from the Public Services Commission and negotiations with the various unions over salaries, promotions and other issues.

'I don't have anything to declare that is untoward' — Holomisa

Oh shucks! — It's the Boks

'It's a jolly disgrace,' cry royalists as M-Net ad pokes fun at Princess Di. **David Beresford** reports

BRITISH royalists have been protesting to M-Net over the Will Carling commercial — showing the English rugby captain losing his pants as the Springboks defend the honour of Princess Diana

The 30 second advertisement, featuring Leon Schuster dressed up as Carling and breaking into Buckingham Palace in lustful pursuit of the Princess of Wales, is the latest exercise in "sledging" (psyching out a sporting opponent) by South African television stations

An M-Net spokesman confirmed gleefully this week that they had been getting dozens of complaints from viewers over the 30-second commercial exploiting recent speculation about the relationship between Carling and Princess Diana

The ad, boasting the network's live coverage of the November 18 test, depicts Carling in the captain's Number 13 jersey, tip-toeing into Di's bed-

room, where he switches on the light to find himself confronted not by the lathesome princess, but by the Springbok pack singing *Hier Kom die Bokke* as they charge. Carling gets such a fright his pants fall down and he flees, bare-bottomed — hopping through the royal corridors, tumbling out of a window and falling into a rose bush, the camera zooming in on a naked thigh, punctured by thorns, sporting a tattoo of a heart containing Diana's name. The ad fades out with the pay-off line "The English test at Twickenham. It won't be a bed of roses."

It is not the first time M-Net has flighted controversial rugby ads. Last year it caused some fury in UK rugby circles, in advance of the Wales-Scotland tour, with a newspaper advertisement showing two freshly pulled and bloodied teeth lying on the grass, captioned "Thouth Africa verthuth Thcolland and Waleth"

In the face of protests that it was



A right royal rumpus South African supporters of British royalty have taken offence at M-Net's latest ad, which features Leon 'Will Carling' Schuster attempting to enter Princess Diana's bedchamber, only to be repulsed by the Springboks



encouraging violence on the playing field, the network offered a tongue-in-cheek apology — in the form of a smiling rugby player, missing two teeth, and saying "Thorry Thorry about Majuba Thorry about that 44-0 Thorry about the teeth Thorry about thuth Thaturday"

SABC-TV, not to be left behind, is

currently running a commercial in advance of next week's first cricket test featuring a flock of vultures landing on a wicket. A message then appears reassuring viewers that "no animals were hurt in the making of this commercial just a few Poms"

A spokesman for M-Net said the network had received about 50 com-

plaints from English royalists for the slur on Carling and Princess Di, and one from a lady in a country town demanding to know what the Springboks were doing in the bedroom of the Princess of Wales. "The ad was not meant to be hurtful to anyone," he said. "It was meant to poke a little bit of fun."

How the west was (almost) won

Gaye Davis

AFRICAN National Congress morale soared this week as an analysis of Western Cape local government election results showed more coloured people voted ANC than for the National Party, in a startling turnaround on voting patterns during last year's general election.

The overall result for the region — with the NP at 45 percent and the ANC at 36 percent — indicated ANC inroads into NP support among coloured people. But the detailed analysis shows a major swing which took even the ANC by surprise.

"We're stunned," said ANC MP Willie Hofmeyr. "We won three times as many wards as the NP in the coloured community — a landslide victory in any terms."

Using detailed figures provided by the Local Government Elections Task Group, the ANC tallied the actual votes it won on second ballots cast in 260 Western Cape wards where coloured people made up 90 percent or more of voters. These were the proportional representation ballots, where people voted for a party rather than a candidate, and could thus be some measure of party loyalty.

The analysis shows that overall, the ANC won 44.3 percent (68 853) of 155 568 votes, while the NP won 37.3 percent (58 481 votes). This, said Hofmeyr, was a "huge swing" from last year's election, where the ANC won less than 30 percent of coloured votes overall and as little as 20 percent in rural areas.

The shift was even more marked when it came to the number of coloured wards won by the ANC, Hofmeyr said. "The ANC won 137, or 52.7 percent, of the 260 wards. This does not take into account independents who do or may support the ANC. The NP won only 45 wards (17.3 percent)."

Considering that in last year's general election the ANC failed to gain a majority at any Western Cape polling station except one, in the tiny town of Saron, the shift is remarkable.

The Western Cape ANC went into the local elections shadowed by its dismal

showing against the NP last year and bruised by major internal tensions.

Attitudes regarding the value of coloured voters had to change. "List conferences came up with names of people from African communities in the top positions. We revised them to achieve balance and there was genuine political acceptance of the need to do this. This was a coming of age for the ANC in the Western Cape and was a significant organisational and political shift. Many people voted against the ANC in 1994 because they couldn't accept an organisation with strong African leadership."

Rural ANC structures were revived and 10 regional offices — the bulk in rural areas — were set up, liaising closely with MPs and MPLs working in 32 constituency offices.

Pamphlets and posters were overwhelmingly in Afrikaans and Xhosa, focusing on land claims ("the ANC started the process"), scrapping arrears incurred up to February last year, and affirmative action (making the point that none of the NP MECs, unlike their ANC counterparts, had appointed coloured people to top posts in their departments).

Perceptions that the NP was still a white party — especially in rural areas, where racial oppression is more acutely felt — also helped, said ANC Western Cape secretary general James Ngculu. Relatively small numbers of African people meant the NP's "swartgevaar" tactics could not work, said Hofmeyr. "A key factor was Mandela's inclusive, unity-seeking style of leadership, as opposed to the NP's appeal to ethnic sentiment. And people's fears of losing houses and jobs to black people had been proved unfounded."

But the major challenge — elections in the Cape metro, where 1.5-million voters are registered, and the farming areas, with about 150 000 voters — lies ahead. "After the last elections, morale plummeted. There were tensions which led to squabbles," said Ngculu. "These results have helped people regain self respect and confidence. It bodes well for the campaigns that lie ahead."

DEVELOPING MANAGEMENT CAPACITY TO IMPLEMENT DISTRICT HEALTH SERVICES.

The Graduate School of Public and Development Management, University of Witwatersrand, is committed to addressing the challenge of management capacity building in the area of service delivery, development and health.

The certificate programme in Primary Health Care is a health and management development programme which equips health workers with managerial competencies to implement health care in the context of Urban and Rural Health Districts.

The programme will include a series of appropriately prepared health courses for the implementation of District Health Services in South Africa.

Course participants will be required to attend classes for a period of 12 months (or 5 months) and the programme will be completed by February to June of the following year.

Successful completion of the examination will result in a University accredited certificate.

PRIMARY HEALTH CARE SERVICE MANAGEMENT

ENTRANCE

REQUIREMENTS

PROGRAMME

CONTENT

3 years experience in health services in Urban and Rural Health Districts, University degree or recommendation but is not essential. Health, Urban and Private Sector institutions are required to select appropriate candidates for training.

Issues in Health Service Management, Introduction to Management - District Health Services Management, Health Resource Management, Management of Health Care Project.



CLOSING DATE FOR APPLICATIONS: 10TH JANUARY 1996

UNIVERSITY OF WITWATERSRAND

Transkei administration slowly running into the ground

MONDLI MAKHANYA
Political Reporter

On the walls of the Idutywa town clerk's office hang black and white pictures of grim, serious looking white men who ran the town before the former Transkei independence in 1976.

The days of these men's administration are the days the Idutywa assistant town clerk Velle Mkonono remembers very fondly. For those were the days when the books of the 50 000-strong town balanced, services functioned and the municipality did not have to dodge creditors.

Today Idutywa has a R400 000

debt, R60 000 of which is owed to Eskom and R28 000 to Telkom.

Last November the council had its electricity supply cut off, only to be switched back on in July in order to allow the administration to organise the elections.

Since then Mkonono and town clerk Mlamli Bongco have kept Eskom at bay by paying a token R3 000 a month. They also pay Telkom token amounts and are praying the company does not become exasperated and suspend their account.

Idutywa is just one example of the immense problem that will face newly elected councillors in the for-

mer Transkei when they take office next week.

Twenty-four of the former Transkei's 26 Transitional Local Councils are deeply in debt and are surviving on bridging finance from the Eastern Cape government.

These towns have been slowly sinking into debt since the former South African government terminated its grants to the councils when Transkei took independence 20 years ago.

Left to fend for themselves and with hardly any tax base, these towns fell into disrepair. This was exacerbated by rent boycotts in the 1980s and early 1990s.

While Kaizer Matanzima's homeland government's investment incentives brought some manufacturing concerns to the homeland, these companies only stayed for the seven-year duration of the incentive period and then moved on to the next bantustan to exploit incentives, there.

These have dried up since Transkei's reintegration into South Africa became certain five years ago. The harmonisation of tax structures has also driven investors away from Transkei to better equipped municipalities in the old Eastern Cape.

It is in these parts, where the

ANC was given huge majorities by voters, that incoming councils are likely to experience immense pressure from constituents to deliver.

ANC Premier Raymond Mhlaba's government has thus far borne the brunt of immense pressure from the highly politicised population of this former homeland.

In the impoverished rural areas of the Transkei the election campaign was fought around the real issues affecting ordinary South Africans - water provision, sewage disposal, job creation and housing - a far cry from the highfalutin debate about crime prevention that dominated Johannesburg's election cam-

paign.

Idutywa literally runs out of water every July because the dams do not have the capacity to cater for the dry season.

Water then has to be physically fetched from nearby Butterworth, whose water reticulation infrastructure is also inadequate.

Further north in the town of Tsolo the garbage collection tractor has broken down and the town is relying on a donkey cart to collect its rubbish.

In other towns the story is the same: collapsing services and a huge debt burden.

Since coming to power 18

as debts mount

(263B) Star 13/11/95

months ago the Bisho-based provincial government has been engaged in frantic efforts to prop up the rapidly collapsing municipal governance.

It is pumping in large sums of money to ensure the municipalities continue functioning.

It has also seconded key personnel to these towns to help get the books in order and kickstart RDP projects.

To ensure the long-term viability of these local authorities, the Eastern Cape government is trying to attract business to the area and encourage businessmen in order to give these towns a sustainable tax base.

A major initiative is also under way in which local government MEC Max Mamase and economic affairs MEC Smuts Ngonyama are jointly enticing investors to the former Transkei.

But before attracting investors, these towns will have to overcome the inefficient telecommunication network in the former homeland.

Incoming Butterworth mayor, Anthony Bam, who has also served as the town's commissioner for the past year, has been conducting negotiations with the MTN cellular network and an improvement in communications should materialise early in the new year.

ARG 13/11/95
Premiers sign
agreement on
assets share

~~263~~ ~~263A~~ (263B)
Labour Reporter

PREMIER of the Western Cape Hennis Kriel and his counterparts from the Eastern Cape, Northern Cape and the North West today signed an agreement on how the assets, budgets and posts of the former Cape Provincial Administration would be divided among the four new provinces.

While the signatories were unable to specify which assets would go to which province, save that the fewest assets had gone to the North West, all expressed satisfaction with the agreement which outlines a process for the division.

The assets include vehicles, land, posts and budgets.

Mr Kriel was unable to say how many of the Western Cape posts would specifically be targeted as affirmative-action placements.

Premier of the North West Popo Molefe said the agreement should result in greater equity in human and material resources.

He said a meticulous audit of assets had been started.

TRAINING OFFICIALS THE PRIORITY

Provinces club together to tap local, foreign funding

SIX PROVINCIAL PREMIERS agreed yesterday to join an investment forum to be set up by the National Business Initiative. **CHRIS BATEMAN** reports.

SIX of the country's provincial premiers agreed yesterday to form a joint investment forum aimed at boosting their respective economies — and have asked the National Business Initiative (NBI) to convene a workshop before Christmas.

In a joint announcement after a gathering hosted by Premier Mr Henus Kriel in the city yesterday, the six — excluding Mpumalanga, Gauteng and the Free State — said they had all received international pledges for the training of councillors and local government officials. They had formed the Premiers' Local Government Investors Forum to tap the resources of the international donor community, the private sector and central government.

"Only through vibrant training programmes can we empower our officials to engage with the diverse challenges and needs of our communities," the six said.

The NBI would set up the forum and had been asked to convene a workshop before Christmas.



SHARING THE CAKE: Provincial premiers (from left) Mr Manne Dipico, Mr Henus Kriel, Mr Popo Molefe, Dr Frank Mdlalose and Professor Sheperd Mayatula sign an agreement to start a joint investment forum yesterday

PICTURE: ANNE LAING

The six premiers are Mr Manne Dipico (Northern Cape), Mr Popo Molefe (North West Province), Mr Kriel, Dr Frank Mdlalose (KwaZulu/Natal), Mr Ngoako Ramathlodi (Northern Province) and Professor Sheperd Mayatula (acting premier, Eastern Cape). The three unrepresented premiers said "unforeseen circumstances" prevented their attendance.

Yesterday also saw the four premiers

who govern what 18 months ago was the Cape Province sign a historic agreement dividing billions of rands worth of budget, assets and posts.

Mr Dipico described the signing as "the culmination of a painful, protracted process", and praised the officials who made the signing possible. Mr Kriel said all had agreed upon a "verification process" to ensure equity in distribution.

Eastern Cape axes 29 top public servants

Own Correspondent

FISH RIVER MOUTH — All 29 directors-general from the former Transkei and Ciskei had been retrenched, Eastern Cape public service and administration permanent secretary Khanyisile Malghas said yesterday.

At an Idasa-sponsored conference on rationalising the public service, Malghas said the province had inherited 124 000 public servants, many of whom could not be accommodated.

It had been allocated only 143 managerial posts, but had inherited 231 senior officials previously employed in similar posts in the former Cape

BD 21/11/95
Provincial Administration and homeland administrations

All 29 inherited directors-general had been retrenched

While a further 26 deputy directors-general were inherited, only 11 posts existed on this level. Similarly, there were 38 chief directors and only 26 posts, and 139 directors and only 105 posts for them.

Malghas said: "No one has a solution as to what exactly should be done with personnel who will eventually not be absorbed into the newly established provincial administration."

However, rationalisation was unavoidable if the public service was to be

(2638) streamlined in order to deliver effective administration.

"There are many officials from management who could not be absorbed. It will cost government millions of rands to give them severance packages," Malghas said.

"This is not a healthy situation at all as some of these officials did not want to leave the service, but government had no option."

These changes in the public service had led to conflict and uncertainty and government would have to work on "change management training and conflict management to alleviate fears and attitudes", he said.

'No option' as civil servants' jobs face axe

(263B)

ET 21/11/95

FISH RIVER MOUTH There was no acceptable solution to the problem of civil servants being made redundant by rationalisation, the Eastern Cape government said here at the weekend.

Rationalisation was unavoidable in streamlining the public service to deliver effective administration, the permanent secretary of public service and administration, Mr Khanyisile Malghas told an Idasa-sponsored conference on the rationalisation of the public service.

The province had been allocated 143 managerial posts, but had inherited 231 senior officials who had held similar posts in the former Cape Provincial and homeland administrations.

"It will cost millions of rand in severance packages"

— Own Correspondent

ANC forfeits seats in delayed poll

ET 21/11/95

(263B)

PORT ELIZABETH: The ANC, despite enjoying massive support in rural Eastern Cape, will forfeit a number of seats when elections take place in three rural districts tomorrow.

Voters in Bathurst, Alexandria and Port Elizabeth go to the polls this week, three weeks after the November 1 local government elections.

Elections in those areas were postponed after a host of ANC candidates were disqualified because they were not on the voters' roll. Now the majority party will have little direct representation on transitional rural councils in those areas.

Eastern Cape elections manager Mr Keith Wattnis said yesterday the ANC would have to "forfeit" seats in those areas because of the disqualifications.

Earlier, ANC candidates in five rural areas were disqualified on

technical grounds because of party bungling, but intervention by the Provincial Committee saved the ANC from acute embarrassment.

In all five cases ANC candidates had either provided the wrong party or candidate addresses, forcing their disqualification on a technicality.

Bungling

The bungling cost the party dearly in the Uitenhage rural districts, where the NP took all six seats in an uncontested election. In the Albany district the party won a majority of 80% but secured only two seats on the transitional rural council.

Tomorrow the same scenario faces the ANC in Alexandria and Bathurst, where only two out of nine and three out of nine party nominees respectively will be standing for the ANC — Sapa.

Saame favours affirmative action

The Argus Correspondent

PORT ELIZABETH. — The South African Association of Municipal Employees (Saame) in the Eastern Cape favours a locally-managed municipal affirmative action plan, and will seek a meeting with Local Government and Housing MEC Max Mamase to discuss a weekend statement he made on the subject

Addressing an Institute for Democracy in South Africa conference at the weekend, Mr Mamase said local authorities had six months to implement changes in top and middle management to bring legitimacy to new councils.

He spoke of retirements, resignations, early retirements and in some cases retrenchments, to effect this. The possibility of moving officials to the new district councils, which replace regional services councils, was also raised.

Mr Mamase said that at top management level in particular, appointments must be made on merit.

Saame's Eastern Cape general secretary Mike Kritzinger said yesterday the union wanted to meet Mr Mamase to discuss the government's plans.

He said the union favoured local affirmative action programmes.

In Port Elizabeth, he said, this could be managed by the affirmative action sub-committee which was started by the former TLC and was to be reconstituted by the new council.

Mr Kritzinger said local conditions had to be taken into account. An example of this would be the impact of a PE-Uitenhage-Despatch metropolitan government, which was currently being investigated by the three local authorities.

Saame chairman Johan Crafford said the union supported

the concept of affirmative action and was party to an agreement on this by the National Labour Relations Forum in Durban on August 15 last year.

He said the union was also involved in the practical implementation of this agreement on a local level. The agreement was adopted by local industrial councils, including that in Port Elizabeth *ARG 22/11/95*

"Affirmative action is a sensitive issue which is best dealt with at grassroots level between all affected parties," Mr Crafford said.

"Consequently, statements which may create misperceptions on the implementation of affirmative action are noted with concern, and as a matter of urgency in order to ensure that the terms of the national agreement (inclusive of the provision that no employee shall suffer loss of employment) are adhered to."

Trickle of rural voters in delayed East Cape polls

Own Correspondent

BO 23/11/95 (2638)

PORT ELIZABETH — Voters trickled to the polls in belated local government elections in three Eastern Cape rural areas yesterday.

Local elections were delayed in these areas from November 1, after technical problems about ANC candidates' registration could not be solved in time.

Algoa Regional Services Council returning officer Fred Baker confirmed that — aside from a few minor hitches — voting proceeded smoothly and slowly in Alexandria, Bathurst and Port Elizabeth.

Baker said the hitches mainly involved voters not being registered, but stressed these comprised no more than a handful of occurrences.

Other problems included voters arriving at the wrong polling stations and attempts by people who should have voted on November 1 to cast ballots.

Baker said voting started slowly in Port Elizabeth, but by 6pm 41% of the 7 450 potential voters had cast their ballots.

Six parties are vying for seats in the PE rural transitional representation council. Here, established parties like the ANC, NP and DP are being challenged by a motivated trio of non-party political organisations.

They are the Sunday's River Party, the PE Rural/Landehke Party and the Algoa Party.

In Alexandria 54% of the 4 424 registered voters had been to the polls by late afternoon, while 63% of the 3 433 registered voters had voted in Bathurst.

The Bathurst contest looks one-sided, with the ANC mustering only three candidates to oppose the powerful Albany and Bathurst Rural Party.

In Alexandria the ANC has only two candidates against the seven-strong Alexandria Distriks Party.

E Cape (263B)

government

starts gazette

MG 24-30/11/95

THE government in the Eastern Cape, one of South Africa's most impoverished regions, has started a monthly newspaper with a projected budget of more than R1-million for the next six months.

Acting premier Smuts Ngonyama said the *Eastern Cape Review*, launched in Bisho on Wednesday, would be a vehicle for communication, focusing on development issues. "It is not intended to be used as a mechanism to deal with criticism levelled against the government. It is purely a vehicle for communicating facts and information with a view to promoting public awareness."

The 16-page publication has an initial print run of 50 000 and will be distributed free of charge from subregional government offices in Umtata, Kokstad, Queenstown, East London and Port Elizabeth - Sapa

Delport says malice behind allegations

EASTERN Cape transport MEC and provincial NP leader Tertius Delport said yesterday he believed malice was behind allegations that he was involved in the collapsed Masterbond investment scheme

He had nothing to hide and had not acted unethically, he said

Delport was reacting to reports that several former NP ministers and MPs had links with the Masterbond group. Delport said that as a deputy minister at the time he had not been allowed to act as a consultant or to serve on company directorates, but as an ordinary MP Nic Koornhof had been free to do so

Delport said he had discussed the allegations with his legal advisers

Meanwhile in Cape Town yesterday jailed Masterbond chairman Koos Jonker said Delport urged Masterbond

to form a consultancy link with Koornhof

Koornhof's brief was to attend parliamentary meetings regularly and report back to Masterbond directors on the latest legislative trends, he told the Nel Commission of Inquiry

Koornhof confirmed he had been a consultant but resigned immediately and returned the previous month's payment as soon as the group's problems surfaced

Jonker said he met Koornhof through Delport after the latter suggested it would be useful if Masterbond had a political consultant such as Koornhof in Parliament

He thought it a "great business decision" His directors decided to hire Koornhof at a monthly fee of R2 000, R600 of which was to go to the study fees of Delport's son, Gert. This was at Delport's insistence — Sapa (263B)

Mandela meets Yutar

PRETORIA — President Nelson Mandela and Percy Yutar met yesterday for the first time since they clashed as accused and prosecutor 30 years ago

They had only kind words for each other. Yutar spoke of the "great humility of the saintly man" he had charged with sabotage in the Rivonia trial in 1964. Mandela, for his part, said Yutar had played a minor role compared with those using brutality to suppress the aspirations of the majority

The Rivonia trial culminated in the conviction of eight leading ANC and SACP members, and marked a major setback in the struggle against apartheid. It led to Mandela's 28-year imprisonment

Yutar said he had never believed Mandela deserved death. He had been urged to charge him with high treason, but had charged him only with sabotage — Sapa.

Bengu delays decision on financing of public schools

Kevin O'Grady

PRETORIA — Education Minister Sibusiso Bengu has deferred his decision on how public schools should be financed until after legislation on the organisation and governance of schools has been passed

Bengu's draft white paper on the organisation, governance and funding of schools, to be published for public comment today, has endorsed proposals that there be only two categories of schools — public and independent

It also supports to recent proposals by a government-appointed review committee that public school governing be given responsibility for a number of "basic functions" and be permitted to negotiate further powers

Once implemented, this decision would be recognised by most South Africans as "the most significant devolution of responsibility to school governing bodies in the history of South African education", the white paper says

However, the question of school financing was one on which "it is neither possible nor desirable for the government to make an early decision"

Because of the amount of work involved, a new national schools Bill was unlikely to reach Parliament before

the middle of next year. Assuming that provincial legislation would follow in the second half of next year, the earliest date for implementation of a new national school finance policy would be January 1997, the white paper says.

There was also no possibility of incorporating the full implications of a new government policy on school finance into the budget, which would be presented to Parliament in April next year. The 1997/98 budget would therefore be the first in which the new policy could be fully incorporated

The review committee had recommended implementation of compulsory, income-related school fees from which parents who could not afford to pay would be exempt.

The committee's proposal that all state and state-aided schools — including Model C schools — be incorporated in the public school category had the "merit of simplicity"

"The act of renaming all schools in the public sector as public schools will also make a fundamental point of policy," the paper says

Bengu had also accepted the committee's recommendation that all independent schools be "required by law to register with the provincial education department and comply with certain conditions of registration"

BD 24/11/95 (263B)

BD 24/11/95 (263B)

MG 24-30/11/95

Concern over affirmative action in E Cape

(263B)

Bronwen Roberts

THE South African Association of Municipal Employees (Saame) has sought an urgent meeting with Eastern Cape Local Government MEC Max Mamase following his announcement that several hundred white municipal workers are to be replaced by blacks.

Chairman of the Eastern Cape Saame branch Johan Crafford said this week the union is concerned the statement could create "misconceptions about the implementation of affirmative action".

Crafford said: "The union supports affirmative action and was party to an agreement on affirmative action by the National Labour Relations Forum in Durban on August 15 1994."

Some white municipal employees will be encouraged to take early retirement and some will be involuntarily retrenched. — *Ecna*

Millions lost to fraud and theft in Eastern Cape, KwaZulu govts

Own Correspondent

BISHO — A senior Bisho public servant has been arrested in connection with multimillion-rand fraud in the health and welfare department.

Finance department computer section director Malcolm Knight has been released on bail after appearing in the Zwellitsha Regional Court.

The fraud, involving between R5m and R10m, allegedly involves officials pocketing pension payouts to bogus pensioners and to dead people whose

names have not been removed from computer records.

This is the second time this year the Eastern Cape's health and welfare department has been hit by fraud involving officials allegedly pocketing money intended for the underprivileged.

Commercial branch detectives are investigating a R2,5m fraud in the province's primary schools feeding scheme. The latest scam is believed to have been going on for 18 months.

Police experts would examine computer back-up tapes confiscated on

Wednesday, police liaison officer Lt Col Garry Neuwenhuis said yesterday.

The arrests followed an anonymous tip-off.

A second suspect had been arrested and up to 15 more arrests were expected, Neuwenhuis said. The second suspect had not yet appeared in court.

Neuwenhuis said computer operators in positions of trust had allegedly put false names into the computer dispensing pension and welfare payouts. Pensions due to these non-existent people were fraudulently paid out to

BD 24/11/95

Bisho officials

Meanwhile, Farouk Chothia reports from Durban that thefts and irregularities amounting to R8,3m occurred in the former KwaZulu government in the 1992/93 financial year.

There had also been unauthorised expenditure of R12,13m, KwaZulu-Natal auditor-general Chris Foster said in a report released earlier this week.

He said cash, cheques and other government property had been stolen. There had been 251 cases of theft and irregularities during the financial

Fraud

Continued from Page 1

many of the cases of theft had not been completed. This meant government officials who were implicated had been suspended, but were receiving full salaries. Committee members were angry about this, and wanted investigations speeded up so guilty officials could be dealt with.

Foster identified the finance department as the worst affected. Theft involving R6,71m had been unearthed in 43 cases. In the justice department the figure was R1,04m, in the works department it was R186 254, in education and culture it was R174 471, in the interior department it involved R75 434, in the health department it was R34 816, and the figure for police was R31 159. The thefts and irregularities in the police department involved firearms and ammunition.

(263B)

BD 24/11/95

Foster said the health department was responsible for unauthorised expenditure of R8m, the works department for R3,6m, the police department R264 655, the economic affairs department R158 887 and the chief minister's department R481.

During the 1991/92 financial year, he said, a government-owned vehicle in the police department had travelled 101 629 km without log sheets having been completed. In the 1992/93 financial year, funds allocated to the health department for a national nutrition programme had been kept in a private account without treasury approval. In the works department, projects had been shelved or cancelled after R4,3m had been paid to architects, surveyors and engineers for services rendered.

Other problems were that accounting records were not properly updated, stock registers were non-existent, annual stock-taking had not taken place and job control records were not properly maintained.

Government officials had been implicated in 161 cases.

Provincial public accounts committee chairman Thno Volker said there had been delays in completing the report because government departments had been slow in supplying information to the auditor-general's office. Statements and appropriations accounts were returned to departments as they were incomplete or incorrect, Volker said. Investigations into

Continued on Page 2

Govt urged to take control of Transkei

(263B) BD 28/11/95

Own Correspondent

BISHO — Central government should assume temporary curatorship of the Transkei to "force national focus on this neglected area", Eastern Cape DP leader Eddie Trent said yesterday.

In a motion before the Eastern Cape legislature, Trent said government should be forced to accept responsibility for creating infrastructure and improving services

The need for a special focus on the region was evident from a total collapse of hospital and clinic services, deteriorating educational services and rural infrastructure in general, he said

"I am not calling for a 10th province, only for central government to assume temporary curatorship for a given period"

However, Trent failed to win support from any of the 15 MPs taking part in the house debate, with the ANC, NP and PAC all rejecting the motion.

Local government and housing

MEC Max Mamase said while delivery was not as visible on the ground as the government would have wished for, problem areas were being addressed.

The Eastern Cape had already received R128m from central government to upgrade municipal infrastructure. Projects to the value of R108m had been approved, with the largest portion of this — R48,2m — going to the Transkei, he said. "Of these allocations, 25% of all project costs will go towards job creation and training."

Priorities would include effective operation and maintenance of infrastructural services, as well as the provision of adequate social services, land and housing to accommodate the rapidly increasing urban populations. Funds would also be sought for new infrastructural development.

Deputy speaker Anne Nash (NP) said problems in the Transkei were a result of the provincial government "not being committed to making a difference

in this area. The solution is to either move the administration to Umtata to really make our presence felt, or we once again open the matter of two provinces"

Nomsa Jajula (ANC) said while problems in the Transkei were "beyond a person's understanding", they could be corrected if government stepped up delivery of the reconstruction and development programme in the region

NP whip Billy Nel said the motion of curatorship was "devastating", and should not even be considered. "It is a bad reflection on the premier and the executive council, and is tantamount to a vote of no confidence in the provincial government," he said.

PAC leader Tsepo Letlaka said he agreed something drastic should be done "However, I reject any form of curatorship. A democratic government is capable of handling the situation provided its seriousness is recognised. The entire province must be rallied and galvanised," he said.

Transkei, Ciskei to receive priority

Development Plan to save Eastern Cape

David Greybe

BD 4/12/95

(2638)

CAPE TOWN — The Eastern Cape government was putting the finishing touches to a multipronged development plan to save the beleaguered province, economic affairs MEC Smuts Nkonyama said yesterday.

It would be based largely on job creation and training in partnership with central government and the private sector, Nkonyama said. A focal point of the plan would be to identify "provincial corridors" for development.

The former Transkei — where infrastructure and services have largely collapsed — was a priority area. The former Ciskei would also receive urgent attention.

The public service, local government, education, health and corruption were other key areas. The provincial government, particularly the office of finance MEC Sheperd Mayatula and the auditor-general's office, was also looking at ensuring sound financial management was in place.

Nkonyama said a number of ministers, including premier Raymond Mhlaba, were in the Far East seeking foreign investment. Countries being visited included Hong Kong, Taiwan, Singapore, South Korea and China.

The province had also recently "twinned" with two provinces in Germany, and had signed co-operation

agreements to boost development. Nkonyama said three rural projects were already in the pipeline.

A "health for all" and "education for all" campaign had been initiated. A "keep the Eastern Cape clean" campaign would soon be launched.

The Transkei Wild Coast would include one development corridor, to cultivate ecotourism. A second corridor would focus on the agricultural industry such as sugar and timber. A third project would upgrade roads. Security was also receiving urgent attention.

The provincial government and the ANC have rejected a call by the DP for central government to assume temporary curatorship of the Transkei to force national focus on the "neglected province". They argued such a step would be tantamount to a vote of no confidence in the government.

The issue of the R11bn debt inherited from Transkei and Ciskei is still under discussion between the two levels of government.

Eastern Cape ANC MP and parliamentary finance committee chairman Gill Marcus said "The provincial government is working hard to find solutions to a very real problem. What is needed is a close interactive approach between the two levels of government, not a takeover."

Continued on Page 2

Eastern Cape

Continued from Page 1

BD 4/12/95

(2638)

Nkonyama said the Brogde commission into public service corruption was playing a crucial role in helping government stop corruption.

The Eastern Cape provincial service commission has estimated that at least 10% of the province's estimated 140 000 public servants face retraining next year. Public Service Minister Zola Skweyiza said last week up to 20 000 public servants in the province could be retrenched without affecting the delivery of services.

Nkonyama said a special task team was looking into the "many collapsed services" in the Transkei.

The provincial government has received R128m from central government to upgrade municipal infrastructure. Local government and housing MEC Max Mamase said projects worth

R108m had been approved. Almost half was going to the Transkei. A quarter of all project costs would go towards job creation and training.

Priorities included effective operation and maintenance of infrastructure services, and the provision of adequate social services, land and housing to accommodate rapidly increasing urban populations.

Border Chamber of Commerce president Stuart Nicol described the situation at local level in Transkei and Ciskei as "a complete and absolute shambles", and said misappropriation of funds was still rife. However, he credited the "new provincial powers" for their determination to reverse the chaotic situation it had inherited.

Nicol recently submitted a local government action plan to Mamase. It is expected to be brought before the provincial cabinet soon. The plan proposes a partnership between the private sector and municipalities, based on the retraining of officials.

Eastern Cape govt bid to stem 'brain drain'

(263B) BD 5/12/95
Own Correspondent

BISHO — Eastern Cape director-general Thozamile Botha has called a mass meeting of senior public servants to try to stem a looming "brain drain" in the top echelons of several government departments.

Botha is also expected to confirm at Thursday's meeting the exact number by which the public service would be slashed, as well as the full financial implications.

This follows an unexpected rush by senior management staff to apply for retrenchment packages amid the provincial government's newly invigorated public service restructuring.

Botha announced last week that an estimated R166m would be paid out to 196 public servants who received retrenchment notices in October.

Earlier, Public Service and Administration Minister Zola Skweyiya said 15 000 Eastern Cape public servants would be retrenched by the end of the year.

In an interview yesterday, Botha said the government was obliged by law to give staff with a

minimum of 10 years' experience three months' notice. In a bid to accommodate those employees who have secured alternative employment, the government has undertaken to consider releasing staff with full entitlements before the end of their notice periods.

However, this has led to a much larger than anticipated group of senior officials applying wanting to take advantage of retrenchment packages, he said.

"This has put us under a lot of pressure, especially because the majority want to leave before the end of their notice periods," he said.

While he was not able to specify how many senior officers had applied for retrenchment packages, there were "a lot of them", he said.

Botha said he would urge those employees who could be accommodated in a restructured public service to stay on, to prevent a mass exodus of qualified personnel.

Also, he would encourage public servants with redundant previous posts to apply for vacant posts in the new departmental structure.

Trust signs R60m contract with EU

Mduduzi ka Harvey

BD 6/12/95

(2638)

MICROPROJECTS Programme Trust, a programme intended to meet the priority needs of marginalised Eastern Cape communities, has signed a R60m contract with the European Union to provide a base for community and economic development.

The project is a joint initiative of the Kagiso Trust and the EU initiated in 1992. It supports community-led projects whose success owes much to the different communities and their involvement in the project.

To date, the trust has approved more than 200 projects worth more than R14m. These have included projects in agriculture, education, education, health, community centres, water and sanitation, access to roads and bridges and economic development.

The new contract provides for more than R48m for direct distribution across the Eastern Cape between next year and 1998. It will be channelled through trust offices in Umtata, East London and Port Elizabeth.

The trust, constituted in 1993, represents one of the first projects in the special EU programme dedicated to apartheid-neglected communities' reconstruction and development needs.

The Eastern Cape was chosen as the site for the pilot project because it was one of the largest provinces incorporating a cross section of economic conditions found countrywide.

Also, due to successive droughts in the area and the effects of the 1980s recession in the SA manufacturing sector, the area experienced severe declines in output and employment, particularly in rural areas.

Idasa calls for help in Eastern Cape

(2638) BD 19/12/95

CAPE TOWN — Bureaucratic malaise in the Transkei and Ciskei was seriously hampering the Eastern Cape government's attempts to address poverty in the province, the second poorest in the country, according to the Institute for Democracy in SA (Idasa).

Central government should seriously consider seconding capable officials to help the provincial government address this problem, Idasa's

poverty reduction monitoring service co-manager Conrad Barberton said in a publication by Idasa's public information centre.

Barberton stressed the importance of provincial governments and departments becoming more involved in the national planning and budgeting processes.

He said the government failed to prioritise its reconstruction and development programme goals with the result that MPs and bureaucrats were left to "mill around like a flock of sheep at an abattoir".

"They know there is a crisis but they have no effective plan for escaping from it."

The inability to prioritise development

goals permeated all levels of government. Barberton said the government was short-sighted in not recognising some issues were more important than others.

Getting the basic nutrition programme off the ground, for instance, was more urgent than attending to land claims even though they might be equally important.

Prioritisation was vital if the government was to use all the resources at its disposal as effectively as possible to meet the challenges facing the country.

It would also minimise the likelihood of politicians and officials using policy and public funds to further their own interests, he said. — Sapa.

Idasa calls for help in Eastern Cape

(263B) BD 19/12/95

CAPE TOWN — Bureaucratic malaise in the Transkei and Ciskei was seriously hampering the Eastern Cape government's attempts to address poverty in the province, the second poorest in the country, according to the Institute for Democracy in SA (Idasa)

Central government should seriously consider seconding capable officials to help the provincial government address this problem, Idasa's

poverty reduction monitoring service co-manager Conrad Barberton said in a publication by Idasa's public information centre.

Barberton stressed the importance of provincial governments and departments becoming more involved in the national planning and budgeting processes

He said the government failed to prioritise its reconstruction and development programme goals with the result that MPs and bureaucrats were left to "mull around like a flock of sheep at an abattoir".

"They know there is a crisis but they have no effective plan for escaping from it."

The inability to prioritise development

goals permeated all levels of government. Barberton said the government was short-sighted in not recognising some issues were more important than others

Getting the basic nutrition programme off the ground, for instance, was more urgent than attending to land claims even though they might be equally important.

Prioritisation was vital if the government was to use all the resources at its disposal as effectively as possible to meet the challenges facing the country.

It would also minimise the likelihood of politicians and officials using policy and public funds to further their own interests, he said. — Sapa.

D

to sell, subject to Government Inc. of the United States for an agreement between the parties of time on a basis consistent nt is being prepared and further soon as possible
eir share dealings pending the

Financial and legal adviser



ARTHUR ANDERSEN

INCE

Irate KwaMashu passengers torch and damage Putco buses

BD 19/12/95

DURBAN — Three Putco buses worth R1,2m were set alight and two damaged by irate passengers in the Newlands main road near KwaMashu's Lindelani squatter settlement north of Durban yesterday.

Public order policing unit spokesman Inspector Chris Overall said a group of about 500 Lindelani residents torched the buses at about 10am, apparently to protest against the bus service to their area being temporarily discontinued

Townships' bus services were reduced due to a drop in passenger numbers in the holiday period.

Putco managing director Michael Oldham said in Johannesburg the company always ran according to a holiday schedule over the Christmas period from December 16 until the first week in January.

Oldham said that Putco was operating according to the schedule "year in and year out", in line with reduced transport needs in the Christmas period

He said, however, had the Lindelani residents communicated the need for transport in their area, the company could have accommodated them and an agreement could have been reached

Overall said the buses were set alight while drivers were waiting for passengers from the Newlands residential area.

No-one was injured in the incident and no arrests were made — Sapa.



Not another day in paradise ... silhouetted against a rising sun, a woman leaves her hut in the Embotyi area of the former Transkei.

'Old' Transkei seeks peace

The reincorporation of the former homeland has been difficult but commentators are optimistic

By **NORMAN CHANDLER**
Defence Correspondent

The tortuous path leading to the full and final integration of the reincorporated Transkei and Ciskei homelands with South Africa's former Eastern Province and Border areas depends to a large extent on the perceptions of the Xhosa people

The Government of National Unity, as well as the new Eastern Cape administration, commerce and industry, the army and the police are well-aware of the pitfalls in trying to stabilise the political and social life of an extremely volatile region.

Problems are no more acute than in the old Transkei homeland, once the preserve of the Matanzima brothers, who were placed in power by the former South African regime, and of the military government which overthrew at the end of the 1980s what passed for democracy

That the homeland was a huge drain on already meagre resources has been well-documented for years. Contributing to the drain have been dubious attempts to build a harbour at the mouth of the Umtata River and to establish a navy at Port St John's

The root causes of the historic territory's problems appear to stem from the insecurity and perceptions of the Xhosa people, perceptions which have been fostered by decades of apartheid-era shenanigans involving squabbles over paramount chieftainships, border boundaries with Ciskei, the favouritism of Pretoria officials serving the former government towards those they appointed to high office, as well as the policy of industrial development incentives

The prime force working against stability at present is the decision to place the new Eastern Cape government capital at Bisho, in the former Ciskei homeland, instead of in Umtata, for decades the administrative seat of successive governments of the historic Tembuland Protectorate, the Native Territories, Kaffraria, the Transkei, and finally the nominally independent Republic of Transkei

The Ciskei and Transkei were at loggerheads for years during the Bantustan days, resulting in intense rivalries which included pitting their respective soldiers against one another in a sad commentary on the Xhosa nation, of which both countries were a part

"There are many disgruntled civil servants in the Transkei as a result of the decision to place the capital at Bisho," says Colonel Kinnie van Eeden, officer commanding Group 14 of the South African Army. "It has brought with it huge unemployment, a situation not helped by the decision to discontinue industrial incentives. It is a fact that only 20% of the factories which operated at Butterworth are still working as a result of the loss of these incentives"

Butterworth was the industrial capital of the old Transkei, and successfully attracted investors and industry from all over the world, in particular the Far East, through some astute marketing from the Transkei Development Corporation

Van Eeden says that as far as the army is concerned, the "biggest need to ensure stability is to have a cohesive policy in place

"The Xhosa nation as a whole is known as a peaceloving one, and I believe that is true to a certain extent. But there are frustrations which boil over, such as the recent police blockade of Umtata, the nurses' strike and taxi wars

"Another is that there was a government in Umtata, now it is in Bisho. This has put on the streets disgruntled civil servants. But I do not, in the end, believe there will be instability in the long term"

The coup engineered by General Bantu Holomisa, now a deputy minister in the South African Government, and colleagues in the old Transkei Defence Force to install a military council some years ago also saw the police force downgraded. That resulted in the local population losing all respect for what was once a worthwhile and proud force

Emphasis is now being placed, as one of the building blocks leading to complete stability, on restoring the police to their previous role in society - that of fighting crime

"It is astonishing what new uniforms, new vehicles, even telephones, radios and fax machines are doing to the police here," says prominent businessman Pat Goss. "During the days of the military council, and even before them, the police reaction time to a call for assistance was often zero. They simply could not help because of a lack of vehicles, no petrol, disinterest or disenchantment with the political system in force"

Goss says that the efficiency of policing in the Pondoland area, for instance, has increased fivefold and the police are now basking in the support they deserve in the rural districts

"I am very confident criminals are

aware of the change in attitude. No longer can they hit-and-run, secure in the knowledge they will not be followed. Now, villagers are passing on information about criminals and criminal acts, something which they previously did not do"

A striking example of this was the help given in tracking down and apprehending some of the perpetrators of a horrific rape and assault on four foreign tourists during September. That case comes up in the Umtata Supreme Court in early February

Hotelier Terry Bowler says "in the old days" the police were "more of a nuisance than a service". He adds that community policing has come into its own - "local people are aware of the dangers criminality can have on their livelihoods"

At the hotel he manages at the mouth of the Mngazi River, the local community has taken to helping the police who, in turn, are now more visible than at any time in the recent past

Next year (1996) will see a major emphasis on recruitment to the units, hopefully with the support of paramount chiefs, because it is widely recognised by government leaders and the military that without support from traditional leaders, no advances will be made

A tourism representative said while there were criminal incidents, the political situation had led to these being blown out of proportion. Violence unfortunately engulfs the whole of South Africa and to single out one area (the Transkei) was misleading

Star 27/12/95 (263B)

PS - LA - E - CAPE

1996 - 1997

18 000 Eastern Cape public service jobs to go

Star 9/1/96
The Eastern Cape government was set to retrench 18 000 public servants early this year, the province's director-general Thozamule Botha said yesterday.

The provincial government would decide exactly how many to retrench at the end of this month, Botha said.

The government was currently adver-

(263B) ~~(263B)~~
tising all posts below management level.

Many posts had been scrapped following restructuring.

In an earlier interview, Public Administration Minister Zola Skweyiya confirmed that at least 15 000 Eastern Cape public servants would be retrenched in the near future - Sapa.

Alarm at E. Cape govt cutback

(263B)

OWN CORRESPONDENT

... The number of businesses and the South African Public Services Commission are concerned about the proposed cuts in the number of employees and the impact on the economy.

Mr. Tobile, former president of the Federation of South African...

... and the... could be... the... effect on the... economy. The... from... have... on... resolved... and... that... could be... made... that... Mr. Mthembu... of... Cape... and... could... not be... undertaken... and... from... measures... in... to... the... economy.

CT 10/1/90

Mandarins cry foul as job-loss fever spreads

BD 14/11/96
By RYAN CRESSWELL

(2638)

CIVIL servants in the Eastern Cape are disturbed and confused because hundreds of government positions were advertised at the same time as they were told 18 000 of them could face retrenchment.

Eastern Cape director-general Thozamile Botha announced the figure early this week, but said fluctuations were possible and that the final number would be known only at the end of March.

If retrenchment goes ahead it will be part of a rationalisation programme intended to trim down a civil service made unwieldy by the amalgamation of three former administrations — including the former Ciskei and Transkei homelands — that now make up the province. The Eastern Cape has inherited about 155 000 civil servants, but rationalisation could slice this down to 124 000.

Mr Botha said although the government was advertising a number of posts below management level as part of the huge reshuffle, it would strive to employ about 90 percent of the people from current staff.

But this has not placated uneasy civil servants in the former Transkei and Ciskei, who see even a 10 percent influx from outside as a betrayal.

Mthumkulu Mashya, spokesman for the South African Public Servants Association, which represents nearly 20 000 of the government workers in the two former homelands, said there was "profound concern" among members.

He claimed that in terms of the Public Service Act and the Public Service Staff Code, the government was required to first give consideration to serving public servants when making appointments.

Mr Mashya said more than 700 positions had already been advertised and thousands more would be made public over the next two weeks.

"The Eastern Cape government has misdirected itself by its headlong rush to advertise posts in the national and local newspapers," he said.

"It is premature to talk of retrenchments without having negotiated a possible alternative with unions, and it is also an unfair labour practice."

WEDNESDAY
JANUARY 17, 1996 ★

(263B)
E Cape
settles
its debt
ET 17/1/96

CAROL CAMPBELL

THE Eastern Cape government paid R200 million owed to the Western Cape Education Department for the salaries of Eastern Cape teachers at noon yesterday — narrowly averting a pay crisis

The money was made available to the Eastern Cape yesterday by the Department of State Expenditure and is to be taken off the province's education budget

The Western Cape Minister of Education, Mrs Martha Olckers, gave the go-ahead for the computer payroll programme, which issues teachers' pay cheques, to be run. Eastern Cape teachers are to be paid at the end of the month

Mrs Olckers stopped the payroll on Monday when the Eastern Cape government failed to pay the R200 million owed for teachers' salaries since September

She said the pay arrangement would have to be tightened. The Eastern Cape would have to provide funds in advance

The Western Cape administers Eastern Cape teachers' pay because it has the computer infrastructure. The Eastern Cape is expected to take over its payroll in April.

Yesterday teacher unions expressed anger at the fiasco.

The chairman of the Western Cape Council of Teachers' Organisations, Mr Chris Jaftha, said his organisation would not tolerate teachers' being used as pawns in problems that should be solved politically. The organisation was assured by Mr Brian O'Connell, head of the Western Cape Education Department, that no teacher would be without a salary at the end of January.

South African Democratic Teachers' Union spokesman Ms Vivienne Carelse urged the education department to tell teachers if there was a crisis so they did not learn about it from newspapers.

Boycotting farmers to discuss R1m arrears

Louise Cook

DISGRUNTLED Eastern Cape farmers would meet next month to decide whether to pay about R1m owed in levies to local authorities in the province's rural areas, Eastern Cape Agricultural Union manager Rory O'Moore said yesterday

Members of the 5 000-strong union have been boycotting payments since the end of November because they failed to win 35% representation on local government structures. They were allocated 10% as a special group.

BD 19/1/96 (263B)
O'Moore said the Eastern Cape Agricultural Council, representing at least 5 000 black farmers, also supported the boycott. However, this could not be confirmed.

The Algoa and Kamdeboo regional services councils said the effect of the boycott had been limited because most levy income came from urban areas.

Algoa regional services council spokesman Robert Verson said farmers made up less than 2% of levy payers, contributing only R200 000 a month to the region's coffers.

Matanzima: Start of big shift — NP

MICHAEL MORRIS

Political Staff

NATIONAL Party strategists say the signing up of influential Paramount Chief Kaiser Matanzima, the former Transkei's longest serving president, is a political coup that could herald a pre-1999 realignment of party politics.

They are hoping the 80-year-old chief's influence will help crack the ANC-dominated mould of rural politics in the Xhosa heartland of the Eastern Cape, and even lead to a wider shake-up.

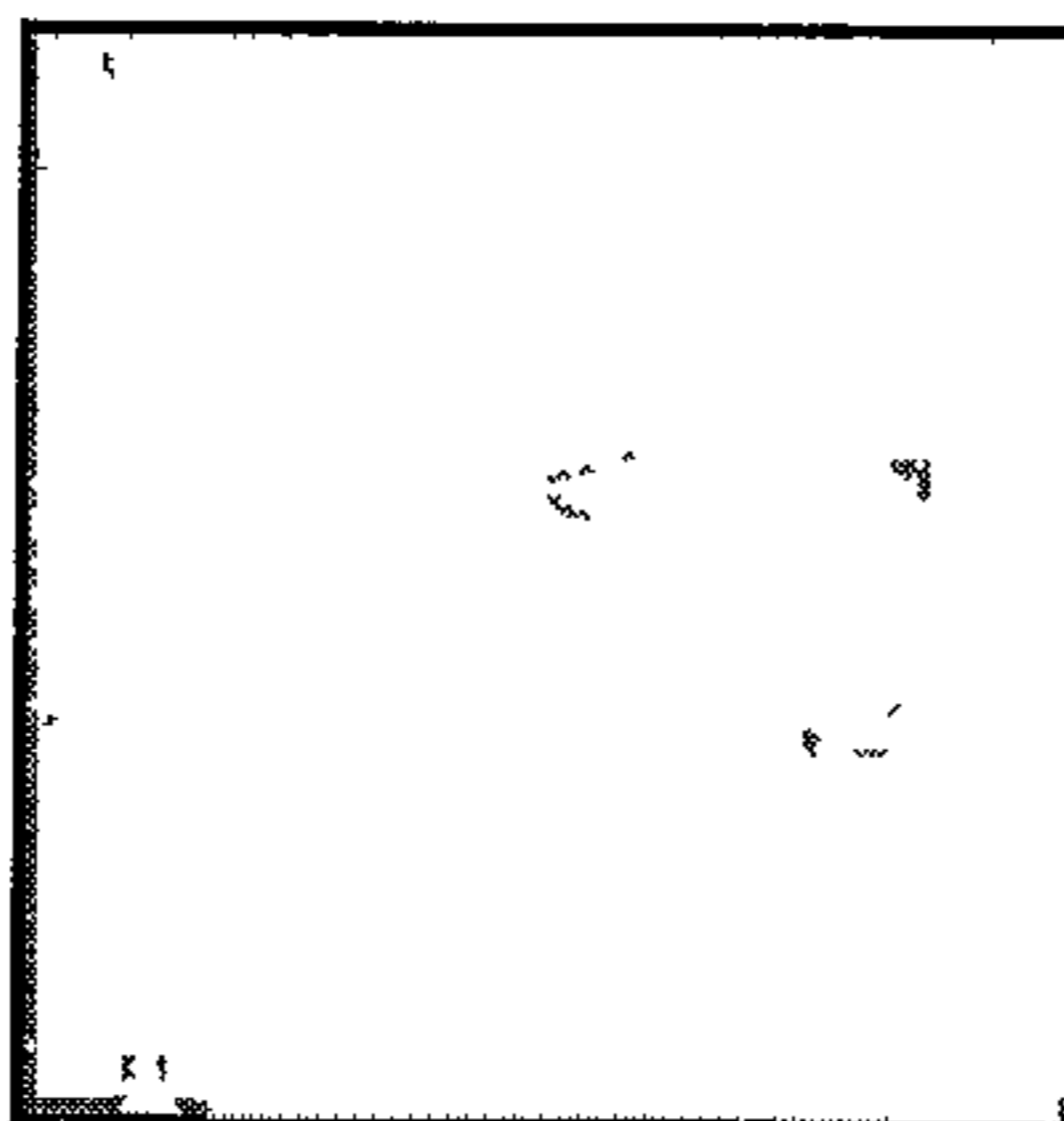
But Kaiser Matanzima's new son-in-law, the African National Congress aligned leader of the Congress of Traditional Leaders of South Africa (Contralesa), Chief Patekile Holomisa, thinks differently.

He respects the old man's tribal authority and experience, but considers him a "spent force" politically.

Only last month Chief Holomisa married Kaiser Matanzima's daughter Bukelwa.

Phone lines to Chief Matanzima's Great Place at Qamata — between Queenstown and Umtata — were down this week and Saturday Argus was unable to ask him about his links with the NP.

But the man who broke the news, NP MP Manie Schoeman, con-



firmed that the former Transkei president had indeed signed up.

"One of our canvassers working in the Transkei was summoned by the paramount chief and he signed up," Dr Schoeman said.

This had been followed up with a visit by Eastern Cape NP senator Ray Radue and the party's regional chief secretary Andre Smit.

He added "One must be realistic about such developments, but I think one should definitely see this as having a broader significance.

"I am convinced this is part of a realignment of party politics as we know it." Such realignment could not be "forced", but would develop "naturally" as the country moved towards 1999.

The revelation of the NP's new high-profile recruit came days after party leader F W de Klerk ac-

■ Transkei strong-man Kaiser Matanzima has "joined" the Nationalists in what strategists believe could be the start of a long-awaited party political shake-up.

□ **COMEBACK CHIEF:** The NP's latest coup, Paramount Chief Kaiser Matanzima

knowledgeed the need for a "restructuring" of South African politics.

Mr De Klerk said "A strong NP that is the voice of millions of South Africans is a prerequisite for the successful completion of political restructuring."

Dr Schoeman said "The fact is that Kaiser Matanzima is the paramount chief and still wields vast influence, not only among the people, but among the *unkosi* (chiefs), so I do think this could be a development that augurs well for moderate-minded people looking for a new political home."

However, Chief Holomisa said he found it hard to believe his father-in-law had joined the NP, adding "My understanding is that he is no longer interested in party politics."

Yet, if it was true, it would not be entirely surprising, since Para-

mount Chief Matanzima had "always been aligned" with the previous Nationalist establishment.

Asked what likely impact this would have, Chief Holomisa replied "He is still valuable as a traditional leader. He has a wealth of experience, regardless of how he used his power in the past. But I think he is a spent force, politically. I do not think his joining the NP will make any difference. I don't think people will come flocking."

Chief Holomisa's uncle, Deputy Minister of Environmental Affairs and Tourism and former military ruler of Transkei, General Bantu Holomisa — who was equally wary of the NP's announcement — agreed with his assessment.

"I guess he (Kaiser Matanzima) has gone back to his stable, because he has worked with the NP for many years."

"This is not a new thing, and I don't think this will have any impact, politically, in the Eastern Cape."

"With the PAC crumbling, I don't think the ANC will have any opposition in the Transkei and Eastern Cape for quite some time."

General Holomisa also discounted the prospect of traditional leaders moving in with the NP.

"He (Kaiser Matanzima) will be alone. I do not think there will be an exodus of supporters. Instead, he might alienate himself in the area," he said.

ARG 20/1/96 (263B)

Eastern Cape's R200m project to kick off soon, but it needs

Robyn Chalmers

(2638)

BD 9/2/96

R1,5bn

shoring up local government structures and ensuring floundering RDP projects were pushed ahead. Other targets included the effective operation and maintenance of infrastructural services, and providing adequate social services, land and housing for rapidly increasing urban populations.

Mhlahlo said all the representative bodies involved in Eastern Cape's socioeconomic consultative council would be on the task team, involving labour, business, non-governmental organisations and government.

tributable to red tape and the fact that all procedures had to be approved by the State Tender Board.

However, this had not held back the task team, which would implement the project as soon as the announcement was made, he said. "The team has a big task to complete and will begin with addressing requirements in terms of infrastructure needs, particularly in former Transkei, which has been identified as 'an important development corridor," he said.

The team would also concentrate on

year development plan would kick off with R200m, launched in Umtata by Deputy President Thabo Mbeki on February 23. The RDP office had hoped for a January 5 launch.

Mbeki would name members of a high-level joint task team drawn from central and provincial government to oversee the development plan. Provincial public works minister Thobile Mhlahlo, who heads Eastern Cape's RDP office, was expected to lead the team. Mhlahlo said yesterday the delays in launching the task team were at-

THE Eastern Cape government will need more than R1,5bn over three years to shore up its struggling local government structures and meet infrastructure needs, says the provincial interdepartmental technical team.

The need for funds has put pressure on government to launch its development plan, intended to provide relief for the province, after a costly wait for State Tender Board approval.

Sources said yesterday that the two-

The development plan's initial R200m would be made up of R128m from the national RDP fund for "quick-fix" municipal infrastructure projects to unblock delivery of new projects. The rest was tied up in RDP projects which were not moving ahead, he said.

The plan would tackle the breakdown of local authorities. Transkei had been hit particularly hard, with 24 of its 28 town councils in serious debt. Many infrastructural and local government services in Transkei were close to collapse.

Department denies report of huge debt

Susan Russell

EASTERN Cape's public works ministry denied reports yesterday that it owed R1,7m to one of a number of creditors who had cut services to it and other regional government departments

Department spokesman Luzuko Jacobs acknowledged there were some problems with forwarding payments

"It is important to note that the situation is being taken care of and a new arrangement has been devised to expedite the process of payment of all

BO 14/2/96
dues," said Jacobs (263B)

He said an Umtata fuel supplier, one of various creditors that had closed accounts held by public works and other departments, was owed about R300 000 and not "millions", as reported in the Press

Jacobs also denied that public works was in arrears with municipality payments

He said rationalisation had affected productivity but committed employees had been identified and backlogs were being addressed.

Too many E Cape officials

ALTOGETHER 16 000 public servants in the Eastern Cape are not required, provincial director-general Mr Thozamile Botha told a parliamentary committee hearing on the public service yesterday.

Botha said the province's public service would have to be rationalised

He said it was possible that salaries were being paid to fictitious public servants.

The committee will hear evidence from Gauteng, Northern Province and Mpumalanga today

In Bisho, Public Works Permanent Secretary Mr Linda Salie alleged a policeman and officials in the Department of Public Works were involved in a R3 million scam in which they paid fictitious people.

And this month, eight computer staff in the department were trapped red-handed paying themselves R10 000 each in "arrear salaries"

Earlier, he told the Bisho Public Accounts Committee that dockets often went missing — "if it is not the investigating office who loses it, it is the clerk of the court"

The result is that cases are now reported to the police, and the department acts to recover the money.

Mr Salie said one of the major cases concerning fictitious payouts of R3m. Some of these took the form of cash payments to non-existent casual labourers, while others were cheque payments

These were drawn by officials from the department and cashed by accomplices outside ~~(250)~~ (263B)

He said the police investigation of the case, in which a policeman was allegedly involved "got nowhere", and he subsequently handed it to the Heath Commission. — Own Correspondent, Sapa

CT 28/2/96

Aid for E Cape councils

ARG 11/4/96

(263B)

UMTATA - Cash-strapped municipalities in the former Transkei will receive R73 million in grants so that they can write off their debts and provide services, the Eastern Cape government has announced.

Housing department spokesman Litha Twaku said Housing and Local Government MEC Max Mamase would present the money to 27 municipalities today.

Municipalities in the former homeland have complained

they cannot provide services because of huge three-year debts incurred by people not paying for services such as water and electricity.

Mr Mamase is expected to encourage people to pay for their services in a speech scheduled for today in Umtata.

The grants, from the provincial government budget, do not have to be paid back and will be paid out on the basis of municipalities' expenses and debts - Sapa

BIG NEW BANK SCANDAL BLOOMS

Commission of inquiry uncovers 'numerous discrepancies and irregularities'

(2638)
ARG 20/4/96

■ The former Transkeian government drew millions of rands every day from an overdrawn salary account guaranteed by the South African government.

JEAN LE MAY
Staff Reporter

ANOTHER financial scandal involving the former homelands could erupt in a formal hearing next month by the Heath commission of inquiry in the Eastern Cape

It has been claimed that the former Transkeian government was at one stage drawing millions of rands a day on its Paymaster-General's salary account (PMG2) with the Bank of Transkei.

Bantu Holomisa, now Deputy Minister of Environmental Affairs and Tourism, who was until May 1994 head of the former Transkei's military government, told SATURDAY Argus he was unable to comment yesterday because he had no records with him. He referred SATURDAY Argus to the present Eastern Cape government, under which the former Transkei now falls.

However, Eastern Cape Premier Raymond Mhlabha has referred all dealings between the Bank of Transkei to the Heath commission, with a brief to extend its investigation back to 1976, when the Transkei was given nominal independence.

Monde Limakaya, a Finance Ministry official in the Eastern Cape government, has alleged that the Bank of Transkei was charging 33 percent on capitalised interest on a South African government-guaranteed overdraft of R700 million in 1993.

This was more than double the prime rate at the time and four percent above the maximum allowed by the Usury Act.

The commission, headed by Justice Willem Heath, has already heard evidence from Alpha Financial Services, a company which investigates bank charges.

Alpha was commissioned last year by the Eastern Cape Ministry of Finance and Provincial Expenditure to investigate its accounts with the Bank of Transkei.

The commercial branch of the Police Services started investigating possible breaches of the Usury Act last year. The commission said last week that it had uncovered numerous discrepancies and irregularities in the course of its investigation into the Bank of Transkei.

Steve Barkhuizen of the police commercial crime unit, who has been seconded to the commission, said that the bank had been given notice to appear before the commission in Umtata on May 23.

The commission had had problems in the past getting all the documents it needed and it was hoped that the public hearing would produce evidence to complete the investigation, said Captain Barkhuizen.

The bank is at present 50 percent owned by Absa Bank subsidiary Volkskas, while 24 percent is held by Transkeian authorities and 26 percent by other shareholders.

Three Transkeians, S H L Matebese, J Maqubela and D B Ntsebeza, were members of the bank's board in 1995, according to the annual report.

Mr Ntsebeza replaced Mr I M Mdlulwa as Transkeian government representative in 1993.

The bank's assets were shown on March 31 1995 at R789 million, up from R305 million the previous year.

There was a move last year by Msele Bank Holdings, controlled by the Thebe Investment Corporation, to acquire the Bank of Transkei for R52 million.

Litha Nyhonya, executive director of Thebe Financial Holdings, told SATURDAY Argus that new reviews were requested following the allegations of overcharging.

They would be considered by the Thebe board this week, he said.

Marlene de Wit of Alpha Financial Services told SATURDAY Argus its investigations had found that during 10 months of 1994 the PMG2 account had been overcharged R4,9 million by the Bank of Transkei.

Millions a day 'were drawn from 'Kei coffers'

Star 20/4/96 (263B)

By JEAN LE MAY

New claims that the former Transkei government was at one stage drawing millions of rands a day on its paymaster-general's salary account (PMG2) with the Bank of Transkei are to be raised at next week's hearing of the Heath Commission of Inquiry in the Eastern Cape.

Bantu Holomisa, now Deputy Minister of Environmental Affairs (who until May 1994 was head of the former Transkei's military government), said yesterday he was unable to comment because he had no records with him. He referred inquiries to the Eastern Cape government, under which the former Transkei now falls.

However, Eastern Cape Premier Raymond Mhlaba has referred all dealings between the Bank of Transkei to the Heath Commission, with a brief to extend its investigation to 1976, when Transkei was given nominal independence.

Monde Limakaya, a finance ministry official in the Eastern Cape government, has alleged that the Bank of Transkei was charging 33% on capitalised interest on a South African Government-guaranteed overdraft of R700-million in 1993.

This was more than double the prime rate at the time and 4% above the maximum allowed by the Usury Act.

The commission, headed by Mr Justice Willem Heath, has already heard evidence from Alpha Financial Services, a company which investigates bank charges. Alpha was commissioned last year by the Eastern Cape ministry of finance and provincial expenditure to investigate its accounts with the Bank of Transkei.

The commercial branch of the SA Police Service began investigating possible breaches of the Usury Act last year.

The commission said last week it had uncovered numerous discrepancies and irregularities in the course of its investigation into the Bank of Transkei.

Captain Steve Barkhuizen of the police commercial crime unit, who has been seconded to the commission, said the bank had been given notice to appear before the commission in Umtata on May 23.

The commission had had problems in the past getting all the documents it needed, and it was hoped that the public hearing would produce evidence to complete the investigation, said Barkhuizen.

The bank is at present 50% owned by Absa Bank subsidiary Volkskas, and 26% by other shareholders. Three Transkeians — SH L Matebese, J Maqubela and DB Ntsebeza — were members of the bank's board in 1995, according to the annual report.

Ntsebeza replaced J M Mdlulwa as Transkei government representative in 1993. The bank's assets were shown on March 31 1995 at R789-million, up from R385-million the previous year.

There was a move last year by Msele Bank Holdings, controlled by the Thebe Investment Corporation, to acquire the Bank of Transkei for R52-million.

Litha Nyhonya, executive director of Thebe Financial Holdings, told the *Saturday Star* that new reviews were requested after the allegations of overcharging. They would be considered by the Thebe board next week, he said.

◆ Transkei probe (263B)

Marlene de Wit of Alpha Financial Services said its investigations had found that, during 10 months of 1994, the PMG2 account had been overcharged R4,9-million by the Bank of Transkei.

Alex Hogg, director of corporate relations for Absa Bank, said "they received prime interest rate for the whole period except for when they went over the agreed overdraft".

He pointed out that the Transkei government had had its own representatives on the board of the Bank of Transkei. Hogg said he was "delighted" to hear that the Heath Commission was holding public hearings, adding "Now the truth will come out".

The Reserve Bank has said the Bank of Transkei does not fall under its jurisdiction because it is not registered under South African banking laws.

The Transkei, like the other homelands, also had its own Usury Act based on earlier South African acts, but seldom gazetted permissible rates charges. From 1990, the maximum rate was 32% for amounts up to R6 000 and 29% for higher amounts, according to Usury Act registrar Walton Mzabzi.

De Wit said that during its investigations, the company had found that the Transkei government had had an exchequer account into which all funds received from the South African Government were paid. It was always kept in credit but all the other accounts were run on overdrafts, she said.

Guarantee refused

At the end of every day, the people running the accounts would telephone the finance department and say they needed an order to transfer money. An order number would be given and the transfer would then be made from the exchequer account.

It has been estimated the transfers amounted to millions of rands every day. This led to a comment from Auditor-General Peter Wronsley that the former homelands were using overdraft facilities to supplement deficits on their budgets.

The trouble started when the South African Government refused in 1991 to guarantee any further overdrafts. After talks between Pik Botha, then SA foreign minister, then finance minister Barend du Plessis and then Transkei minister of finance Rodney Keswa, a plan was worked out to stop consistent overspending by Transkei. South Africa agreed to guarantee overdraft facilities to the tune of R55-million.

But the problems did not end there. In 1993 the total short-term debt of the four "independent" homelands amounted to R3-billion and the public investment commissioners arranged for them to place their total debt in the financial markets.

When Transkei was amalgamated into the Eastern Cape in 1994, there was a R300-million overdraft in government accounts. Holomisa claimed in January last year that this had been reduced to R68-million. He blamed the South African Government, saying officials had decided to tamper with Transkei's cash flow by simply stopping transfers to it.

Last week the Eastern Cape government shelled out another R73-million to enable 27 former Transkei towns to pay off their debts and provide services.

Star 20/4/96

Boundary dispute coming to a head

Farouk Chothia

DURBAN — Central government said yesterday that the Trengove commission report, which was believed to have proposed that Kokstad, Matatiele and Umzimkhulu should form part of Eastern Cape, would be tabled for representatives of the two governments on Tuesday

Government's announcement came after KwaZulu-Natal local government MEC Peter Miller

BD 26/4/96 (263B) (257)
lashed out at it for allowing "this important matter to hang in the air"

News reports quoted government sources yesterday as saying the commission had submitted a report to Deputy President Thabo Mbeki on April 4. They said the commission had proposed that the disputed areas should fall under Eastern Cape

Miller said he was concerned about the reported recommendation, and government should release the commission's findings immediately in the interest of transparency. Government had shown gross insensitivity by failing to do so. The economy of the region and the investments of thousands of people were at stake, Miller said

Constitutional Development Deputy Minister Valli Moosa's spokesman, Mpho Mosimane, said the commission's findings would be made public only after the interprovincial committee on which both provinces served had considered it on Tuesday. He refused to say whether the commission had found in favour of Eastern Cape

Miller said he would be convening a meeting of the KwaZulu-Natal task force dealing with the border dispute to formulate an official response on government's handling of the report

Observers said the commission's recommendations could not take effect unless both provincial legislatures approved the new boundaries

KwaZulu-Natal was expected to oppose the recommendations, setting the scene for a clash with Pretoria and Bisho

East Griqualand to be in E Cape — vote

(2638)
THE Trengove commission of inquiry into the future of East Griqualand has recommended that the region be incorporated into the Eastern Cape. *CT 1/5/96*

Provincial Affairs and Constitutional Development Minister Chris Fisser said Mr Justice W Trengove and two commissioners from the Eastern Cape had voted in favour of incorporating the region into the Eastern Cape. The two commissioners from KwaZulu-Natal had voted for it to remain in KwaZulu-Natal. — Sapa

11
0
19
11
M
el
d
J
v
26
6
14
10
101
11e
11
12
15
11

Shock over decision on E Griqualand

Shock over decision

(2638) (SAP) ARG 1/5/96

Trengove inquiry recommends incorporation into Eastern Cape

THE Trengove commission of inquiry into the future of the disputed East Griqualand area has recommended by a small majority that it should be incorporated into the Eastern Cape.

The announcement has been greeted with shock by political leaders and businessmen in KwaZulu-Natal.

The commission's report, handed to Deputy President Thabo Mbeki some weeks ago, was kept under wraps until the steering committee was given copies at Tuynhuys last night.

East Griqualand abuts the south-western border of KwaZulu-Natal and the north-east of the Eastern Cape.

The deputy president's office confirmed that KwaZulu-Natal premier Frank Mdlalose and acting Eastern Cape premier Shepherd Mayathula were at last night's meeting.

No press conference was held or statement released.

Provincial Affairs and Constitutional Development Minister Chris Fisser said Judge Trengove and two commissioners, both from the Eastern Cape, had voted in favour of incorporating the region, which at present is part of KwaZulu-Natal, into the Eastern Cape.

The other two commission representatives, both from KwaZulu-Natal, had voted in favour of the status quo.

Mr Fisser said the Trengove recommendations were not the final decision and the matter would be discussed further by the steering committee - including the two premiers.

He said the steering committee had itself referred the

contentious issue of the region's future to the commission.

If the steering committee failed to reach agreement, a decision would have to be taken by the legislatures of the two provinces.

If these decisions conflicted, parliament would make a final ruling on the matter.

Dr Mdlalose could not be reached for comment last night. His spokesman, Theminkosi Memela, was reluctant to comment on the decision without consulting Dr Mdlalose, who was on a flight.

But Mr Memela said he did not think the premier would be too pleased.

Kokstad mayor Bevan Gartrell, who is deputy chairman of the Democratic Party in KwaZulu-Natal, expressed "shock and disbelief".

"I have always said it would spell disaster for this region if we go over to the Eastern Cape," he said.

"Some people see East Griqualand as an economic powerhouse which will supposedly uplift the northern Pondoland area. Unfortunately they are living in cloud cuckooland."

Mr Gartrell said he had not been officially informed but if the announcement was correct, he would be sad to see that "ethnicity and politics have triumphed over reason".

He also suggested that it might well make political sense for the African National Congress to favour East Griqualand remaining part of KwaZulu-Natal, "if indeed there is an ANC majority in this region" - Sapa

Province prepared to surrender Matatiele

Farouk Chothia

26380

DURBAN — KwaZulu-Natal representatives on the Trengove commission had agreed to hand over Matatiele to the Eastern Cape but wanted Umzimkhulu to be given to KwaZulu-Natal, a summary of the commission report released yesterday said.

However, the two KwaZulu-Natal representatives were in the minority. Their two Eastern Cape counterparts, backed by commission chairman Adv Wim Trengove SC, supported the inclusion of Matatiele in Eastern Cape, and for Umzimkhulu to remain part of the province.

Constitutional Development Minister Chris Fismser presented the report earlier this week to KwaZulu-Natal premier Frank Mdlalose and Eastern Cape acting premier Shepherd Mayatula.

The KwaZulu-Natal representatives wanted the province to retain jurisdiction over Kokstad, but the other three felt it should also fall under Eastern Cape. Fismser said the commission's findings were not binding, and negotiations on "this very difficult issue" would take place with both governments before the dispute was finalised.

The constitution required that border changes could be made only with the approval of both the Eastern Cape and KwaZulu-Natal legislatures, Fismser said. An NP source said the dispute had an effect on KwaZulu-Natal local government elections scheduled for May 29. Two of the NP's top candidates for the Midlands regional council came from the Kokstad/Matatiele area, and they would have to be removed from the candidates list if the towns were incorporated into Eastern Cape.

Mdlalose accused the Eastern Cape of "invading" KwaZulu-Natal after claims that it had established offices in Kokstad.

DD 2/5/96

Judgment could strain protection programme

Stephen Laufer and Linda Ensor

DD 2/5/96

TWO retired senior security policemen's court victory requiring the truth commission to give alleged perpetrators of human rights violations full notice before victims publicly name them could place enormous strain on the commission's witness protection programme, sources said yesterday.

More victims could be inclined to ask the commission for adequate protection from those who might have an interest in preventing them from giving testimony in open hearings, sources close to the commission said.

Chairman Archbishop Desmond Tutu said in response to the judgment that the commission's concern was not to jeopardise the safety of the witnesses. But not naming the alleged perpetrators would imply stage management of the process. "Maybe the perpetrators protest too much," Tutu said.

Requiring detailed disclosure of allegations against them, including dates of incidents and names of those making the allegations, Judge Edwin King's ruling in the Cape Town Supreme Court could increase the victims' sense of vulnerability. The commission is understood still to be in the process of finalising details of its witness protection programme under former Natal assistant attorney-general Chris McAdam. King's ruling is likely to place demands on the programme which were not budgeted for.

Some witnesses have already been

placed in the protection programme, including a man who testified on Monday to having been beaten and abused in an ANC training camp in Angola.

On Tuesday King ordered the commission and its human rights violations committee not to receive any evidence implicating the two security policemen without first giving them reasonable notice of the date of the hearing as well as all relevant information about the allegations.

King said this was necessary to enable former brigadier Jan du Preez and major-general Nicolaas Janse van Rensburg to identify the incidents and persons involved in the allegations and place them in a position to exercise their rights. King said the men were entitled to the statements of witnesses and copies of the transcripts.

The two men were alleged to have been involved in the poisoning and disappearance of a Mr Mkhmkhulu in Port Elizabeth in 1981/82.

During legal argument the commission's counsel conceded that the notice and the information received by the security policemen were insufficient.

King said Du Preez and Van Rensburg had a legitimate expectation of a fair hearing and the application of the audi alteram partem principle. The opportunity to be heard presupposed being given reasonable notice. He said a limitation of this right to a fair hearing would be unconstitutional.

See Page 10

Unique challengers in SA ad

Unequal cost of government bodyguards

BISHO — Bodyguards protecting Eastern Cape MECs were earning up to R14 000 a month, while others in the 52-strong elite were being charged for firing their weapons at the public or at each other

Premier Raymond Mhlaba, in a written response to a question by DP member of the provincial legislature

(263B) 3028/5/96
Eddie Trent, also revealed that at least one guard charged with attempted murder was still on duty.

Taxpayers forked out R43 038 a month for ANC Eastern Cape finance MEC Shepherd Mayatula's three bodyguards — R14 346 each.

Mhlaba said the government's 52 bodyguards cost almost

R300 000 a month
ANC housing MEC Max Mamase's three bodyguards were paid R12 828, or R4 276 each a month.

NP member and deputy speaker Anne Nash's two bodyguards received R20 387, or an average of R10 193 each.

Mhlaba has eight bodyguards at a monthly cost of R72 578. — Eena.

Fraud costs the Eastern Cape R1,58m

(2638)
Own Correspondent

BISHO — Cheque fraud cost the Eastern Cape government R1,58m last year, finance MEC Shepherd Mayatula told the province's legislature in Bisho yesterday

He said that 37 government cheques had been stolen, of which 21, with a total value of R21 571 423, had been presented. The total loss, however, amounted to R1 581 591.

On July 7 last year 18 cheques had been stolen from the education department, of which 14 had been presented and two worth R984 697,76 had been cashed.

Payment of the other 12 had been stopped. He said the total value was R11 797 181.

Implicated officials had been suspended.

Cheques valued at R67 822 had been stolen from the health and welfare department and cashed. The bank had accepted liability.

A cheque worth R90 478 had been stolen from the premier's office but the bank had not honoured it. He said seven cheques had been stolen from his own department and cashed, resulting in a loss of R397 423,65.

Three cheques from a batch of 1 000 taken from the Tribal and Trust Accounts had been cashed, costing the government R219 469,30.

Police dockets had been opened in all cases, and in some the matters were already before court. Once the cases had been finalised, steps would be taken to recover the amounts lost.

PEANUTS

SOMETIMES, IF YOU STARE AT THE BACK DOOR HARD ENOUGH, YOUR SUPPER COMES OUT EARLY.



... processing students
set fire to two residences
this week.

before taking up a diplomatic post. der
He said he had been drawn to the thin

All political parties reject Kokstad-Matatiele finding

Farouk Chothia

MARITZBURG — All parties in the KwaZulu-Natal legislature, including the ANC, yesterday rejected a central government appointed commission of inquiry's recommendations that Kokstad and Matatiele be included in the Eastern Cape, setting the scene for continued conflict between the two provinces

This was the first time the ANC and IFP had joined forces to oppose a central government recommendation, suggesting they were willing to put provincial interests above national interest.

Central government appointed advocate Wim Trengrove SC to chair a commission to break the tussle between KwaZulu-Natal and the Eastern Cape for control of the two towns, as well as the Umzimkulu area

(263B) (215) B031/5/98
ANC KwaZulu-Natal MP Mike Sutchffe said the decision to appoint the commission was a mistake. A political problem existed between the two provincial governments and it had to be resolved through negotiations

About 1-million people were affected

At present Kokstad and Matatiele fall under KwaZulu-Natal Umzimkulu, currently under the Eastern Cape, should be incorporated into KwaZulu-Natal, the commission recommended

Local Government MEC Peter Miller (IFP) said the commission's report was fatally flawed and a politically motivated decision seemed to have been reached.

Miller said KwaZulu-Natal would continue with negotiations, but he believed the affected communities should be left to decide on the issues in a referendum.

Eastern Cape MEC is accused of interference

(263B) BD 31/5/96

BISHO — Eastern Cape Tender Board chairman Bongani Finca has accused provincial health and welfare MEC Trudi Thomas of interfering in a tender for a multimillion-rand contract to pay the province's 600 000 social pensions.

Finca was testifying before a parliamentary committee investigating the tender board's decision to award the R400m contract to Pretoria-based Pensecure and Umtata-based Balraz, which came last on two welfare technical committee recommendations to the board.

Finca said he was told Thomas required him to sign the first technical committee's report recommending a Fidelity Guards-Standard Bank bid, which was R165m cheaper, before the board even sat to assess the contract.

"I did not feel very comfortable with that. I went to my typewriter and typed onto the page I signed, that this matter had not been before the tender board and my signature was not to be understood as an approval of the recommendation," Finca said.

Following a complaint from Balraz, the board decided to investigate the technical committee

The tender board later rejected the technical committee's report because it was "not satisfied with the way the technical committee did its work."

He said some technical committee members were excluded from drawing up the final report by members who had seen demonstrations by the bidders and felt that the excluded members could not make informed decisions.

A second technical committee was formed and also recommended Standard Bank-Fidelity Guards for the contract, but this was rejected by the tender board in favour of Pensecure and Balraz because of their commitment to affirmative action principles.

Following the tender board's decision, Thomas called on the board to explain its decision and Democratic Party member of the provincial parliament Eddie Trent referred the matter to the Heath Inquiry into irregular Eastern Cape Government deals. Judge Willem Heath will hear the case independently next Friday.

The ANC-led parliament chose to rather investigate the tender board decision itself. The hearing was postponed until June 10. — Ecna.

The E Cape Bantustan boomerang

REPORTS
By GRAHAM LINSOTT

The Eastern Cape is where apartheid caused its worst mischief. It was out of this region that two of the less edifying bantustans were carved - statelets that very soon collapsed into corruption, chaotic administration, coups d'etat and military rule. Transkei and Ciskei became tragicomic stereotypes of misrule in Africa, kept afloat courtesy of the South African taxpayer.

Now the people of the Eastern Cape are picking up the pieces. It is no easy task. The new provincial government has to mesh the civil services of Transkei and Ciskei (shattered in terms of performance but strong on the payroll) with a fragment of the old Cape provincial administration.

From that shakiest of administrative bases it has to develop a style of government to bring services to a province where conditions range from the affluent suburbs of Port Elizabeth and East London (where it is cheap and

easy to provide services) to the most remote and poverty-stricken rural hamlets of Transkei (where it is expensive and difficult).

Quite apart from this logistical nightmare, parts of the Eastern Cape are among the most depressed in the country. Unemployment is said to be running at 70% in Mdantsane, the crowded township outside East London. In Transkei it could be 80% or 90%.

The proportion of households relying on wages remitted by migrant workers is twice the national average. And future prospects are not bright.

Although people speak hopefully of Gencor establishing a multimillion-rand zinc smelter at Port Elizabeth or East London (more probably the latter because of availability of land), tangible short- and medium-term prospects are not obvious.

At Butterworth, the industrial hub established in Transkei by a system of financial concessions and incentives, four large factories - clothing, textiles and food processing - have closed recently

This is mainly the result of the withdrawal of concessions and incentives. Now only 19 are left.

The Butterworth industries face further marginalisation when, in two years, they become fully subject to heavier South African income tax in terms of a phasing-in agreement.

But it is nothing like the marginalisation that will be faced by similar industries in Ciskei, which now have a zero tax rating.

The implications for employment are severe. Also for the port of East London, which handles the imports and exports of Transkei and Ciskei. East London's harbour is quiet, handling Zambian copper (that still dribbles through after being railed through southern Africa), regional grain production and not a great deal else.

Add to this the bantustan boomerang. A large section of the Eastern Cape - the Transkei and Ciskei and the old East London-Queenstown Border corridor - has gone very quiet economically. Reason: much of its trade was generated by the spending of well-

paid Transkei and Ciskei civil servants. These paid a maximum marginal rate of individual tax of 15% in Ciskei and 27% in Transkei.

With reincorporation, they found themselves paying South African tax at the marginal rate of 45%. Disposable incomes have dried up overnight. Businesses all over the region are experiencing a slump. It is enough to bring smiles to the marble features of Verwoerd and M C Botha in whatever dusty boxrooms their busts are stored today.

Dismantle apartheid - en kyk net! The Eastern Cape faces a steeper uphill struggle than any other province. While some might be poorer in terms of natural endowment, none has quite the same fractured and fragmented past, coupled with widespread rural poverty. It is also a challenge to the ANC. The Eastern Cape is its political heartland. The Transkei is the home of President Nelson Mandela himself. The Eastern Cape government simply has to deliver - but nowhere is the task more difficult.

R1,8-bn to be spent over next two years to uplift Transkei

To the visitor in transit, the Transkei is looking good. The scenery is as pleasing as ever, last summer's rains have left the winter veld in magnificent condition and the cattle are fat. In picture postcard terms it is idyllic.

In fact the Transkei is desperately poor, its people scabbling for an existence. It is the Eastern Cape's priority challenge. Home to five million people (most of

them rural), its male absenteeism rate is double the national average.

The urban infrastructure and normal municipal services have run down, especially in the smaller towns and villages. Although there are still vibrant trading centres, they have decayed visibly.

People are not paying rates or service charges, partly because no meaningful services are being

provided (almost all the machinery is broken) and partly because the local authorities are unable to draw up and present meaningful bills.

But all is not lost. Into this scene of desolation has moved a high-powered Presidential Task Team, whose members have targeted five towns (Umtata, Port St Johns, Butterworth, Mount Ayliff and Cala) and their surrounding

communities, for a multifaceted, holistic programme of upliftment - the first of its kind in the Reconstruction and Development Programme.

Initiated earlier this year by the Eastern Cape department of local government, the task team will spend about R1,8-billion over the next two years focusing on agriculture, education, housing, tourism and security upgrading.

Star 24/6/96

(2638)

East Cape coffers (2636)

swell by

R26 million

AKG 4/7/96

EAST LONDON - The East Cape Development Agencies has received a R26 million contribution from the Eastern Cape premier's office to boost finance programmes for potential entrepreneurs who are disadvantaged

The contribution was in addition to R121 million from the budget of the Department of Economic Affairs to be divided between the western, central, northern, eastern and north-eastern regions of the province, said economic affairs MEC Smuts Ngonyama

A spokesman said ECDA would allocate R3 for every R1 received from government.

The finance programmes provided by ECDA would offer assistance to potential entrepreneurs who had difficulty obtaining finance elsewhere

New ventures proposed by students or young adults were specifically mentioned

ECDA consisted of four parastatal organisations - the Transkei Development Corporation, the Transkei Small Industries Development Organisation (Transido), the Ciskei Small Business Development Corporation and the Ciskei Peoples' Bank

With its head office in East London, ECDA would also have regional offices in Port Elizabeth, Bisho, Queenstown, Umtata and Kokstad, and 14 district offices - Sapa

Bill set to give 'teeth' to investigations

(263 B)

BD 11/7/96

David Greybe

CAPE TOWN — Government plans to use legislation providing for investigative units and tribunals to close loopholes plaguing the Heath commission on corruption in the Eastern Cape.

The Institution of Special Investigating Units and Special Tribunals Bill would be tabled in Parliament next month, justice department official Johan de Lange said yesterday. The Bill had been approved by the Cabinet.

De Lange said the legislation "will render most of the (current) investigative commissions of inquiry obsolete"

Current legislation did not guaran-

tee any follow-up. The Bill provided for special tribunals — headed by judges — which could issue interdicts, set aside contracts and adjudicate civil disputes. It would remedy any defects in the Heath commission, whose validity was being challenged in the Bisho Supreme Court by former Ciskei ruler Brig Oupa Gqozo.

The commission, set up in June last year under Judge Willem Heath, is investigating a wide spectrum of alleged corruption in the Eastern Cape, including three farm deals linked to Gqozo.

In promulgating the Heath commission Eastern Cape premier Raymond Mhlaba gave it the power to act against

parties guilty of corruption. Gqozo's lawyers have questioned these powers.

Heath said yesterday the new Act "will resolve these problems". His commission could then be converted into an investigation unit and a tribunal, each headed by at least one judge, putting the probe on a more solid constitutional basis and giving it teeth.

De Lange denied that the special units would be tantamount to "kangaroo courts". All decisions would be taken by a judge. Any party which felt aggrieved could apply to the Supreme Court to have findings set aside. Any ruling set aside by the court would be referred back to the tribunal.

Ciskei staff to repay millions

(263 B) (2000)

By BRETT ADKINS

ST 14/7/96
EMPLOYEES of the former Ciskei auditor general's office will have to pay back the millions of rands they awarded themselves in pay increases before being incorporated into South Africa

Professor Bertie Loots of the auditor general's office in Pretoria said that a review committee found that Bisho office staff had overpaid themselves R3,6-million.

Loots said staff used the May 1995 amalgamation process to claim promotions and salary increases, based on incorrect job evaluation certificates. These were then back-dated to May 1994, when they were part of the Bisho civil service.

Loots said that disciplinary action would be taken against those responsible.

APR
AL

AG to institute legal action over R3,6-m

By Waghied Misbach
Political Reporter

THE auditor general is set to take legal action against civil servants in the former Ciskei to recover R3,6 million in unauthorised salary increases that the civil servants awarded themselves, it was learnt yesterday

Sowetan reported last week that the auditor general had launched a special investigation into millions of rands owed to the Government by more than 50 000 civil servants in the former homelands, who had also given themselves illegal salary increases

Professor Bertie Loots, chief executive officer in the office of the auditor general in Pretoria, told *Sowetan* yesterday that the 92 civil servants in the Bisho audit office had given themselves the illegal salary

(263B) *Sowetan 16/7/96*
More than 50 000 civil servants in the former Ciskei paid themselves illegally

increases on May 1 1995

Loots said the Bisho staffers had given themselves promotions "based largely on incorrect job evaluation certificates" which did not meet the requirements of the Public Service Commission

Increases back-dated

All the staff at the Bisho office were promoted by two grades and the salary increases were backdated to May 1 1994

Loots said the civil servants had no authority to implement those promotions which had also been rejected by the Heath Commission appointed by the Government to investigate the situation

He said the Bisho management had been warned by his office and the Heath Commission not to implement the increases but had still gone ahead and done so

He said disciplinary action would be taken against the staff but Loots did not rule out the possibility of criminal charges being laid against the Bisho management which had implemented the promotions

Loots, in the meanwhile, confirmed that the investigation into the money owed by civil servants in the former TBVC states would continue

These investigations would centre on salary increases civil servants had received between April 1993 and September 1994

Assurance on Bisho's dicey finances

BISHO — Finance Minister Trevor Manuel came out in defence of the Bisho government's precarious finances yesterday, but said he was concerned about claims that state cash was disappearing into a "black hole".

An interim report by auditor-general Chris Oosthuizen slated the province's finances for being "out of control" yesterday.

Manuel and his deputy Gill Marcus met all provincial finance MECs at one of regular meetings held around the country.

Addressing the media, Manuel said the Eastern Cape's financial

problems had to be sorted out at provincial level. He was confident that this was happening under the authority of Eastern Cape finance MEC Prof Shepherd Mayatula.

Manuel said of the report: "Of course we are concerned. We are ultimately responsible for ensuring that taxes are spent efficiently ... If people are saying there is a black hole into which money is disappearing, we are concerned."

"But systems are being put in place to ensure that what happened in the past does not happen again. People are being trained to manage those systems."

(2638) 20 19/7/96
Manuel said the problems facing the Eastern Cape were a legacy from the past. "Over the past two years we have been implementing corrective measures and systems and building capacity and competence so these problems do not happen again."

Manuel said a white paper on budgeting procedures was being worked through by all provinces.

Oosthuizen's interim report recommended that competent people be brought into government "to regain control and establish sound financial management and administration". — Ecna.

Eastern Cape gets help in nick of time

(2636)
BISHO — The enormous financial chaos of the former Transkei was being chipped away with satisfactory results, a team of RDP experts set up five months ago said at a report-back in Bisho yesterday

However, help had come at the last minute for the key towns of Umtata and Butterworth in the form of a R1m government pledge to cover the updating of the two municipalities' accounts

The two former Transkei towns had not had their books audited since 1993.

Armed with a R1,2bn budget, the team was given the task of speeding up RDP delivery in five areas of the former homeland in the next two years

Addressing the media after its bi-monthly report-back to government yesterday, the team said R1bn would be spent over five years on upgrading Transkei's roads

Team leaders spoke of "satisfactory" emergency interventions in Umtata, Butterworth, Mount Ayliff, Cala and Port St Johns

They said they had asked the auditor-general to appoint consultants to ensure that the Umtata and Butterworth audits up to June this year would be completed within the next three months

BD 23/7/96
The meeting reported that most of the treasury staff of the Umtata council had resigned or left and that the treasury was facing collapse

However, the task team leaders said effective financial management systems and staff were expected to be in place in Umtata in six months

It was also reported that only 65 of 250 items of transport and plant equipment owned by the Umtata municipality were in working order

The team had submitted an emergency application to the provincial RDP unit to provide more vehicles

In Cala the team applied for emergency funds after realising that the local authority had R2,6m debt and only R13 000 in the bank, with R52 000 to pay in wages

Port St Johns was reported to be "slightly better than other towns" but lacked refuse trucks and transport for the town clerk

The overall leader of the 22-person team, Pepi Silinga, said emergency intervention had in many cases been necessary to sustain the "rudimentary" local authorities

Silinga said a planned central computer system, linked initially to the five priority towns and later to 23 oth-

er municipalities, would see the centralisation of service bills at a cost of R6m

He hoped that this would "facilitate the Masakhane campaign" Other plans included a R1m entrepreneurial centre at Cala to assist in the marketing of local produce as well as setting up farmer support centres

Other priorities for Cala were water supply for industry and domestic use, training for small contractors at a cost of R650 000 and rebuilding police stations in the violence-torn area

Silinga said the team had commissioned "status reports" for the five priority areas which would cost a maximum of R590 000 and that these reports would be completed by the end of next month He said the reports would be used to help the team identify further areas for "unblocking" and "fast tracking" delivery

Eastern Cape director general Thozamile Botha said all the team's projects would be funded through the affected departments and certain specifically funded programmes

All the business plans for the intervention had been approved at national and provincial government levels Botha said — Ecna

Dickey benefits: 3 000 probed

EAST LONDON — More than 3 000 Eastern Cape public servants have been grilled by the White commission on irregular promotions and benefits

In response to a written question from Eastern Cape DP MP Eddie Trent, provincial finance MEC Shepherd Mayatula said 218 cases had been finalised and 2 905 were still awaiting hearings.

Mayatula said 500 people were awaiting hearings in each of the agriculture, postmaster-general and justice departments

He said 107 cases had already been finalised in the justice department. Only five defence department civil servants were being probed.

Mayatula said: "In almost all the hearings, officials who had received benefits were not involved in the decision-making to institute the various benefits."

(263B) B025/7/96
He said the White commission, formerly the Browde commission, did not look into irregular salary increases.

"Departments are furnished with the rulings of the commission and they must act thereon.

"The auditor-general has agreed to oversee the actions of the departments and report to the joint standing committee on public accounts of Parliament," he said.

The commission is investigating irregularities implemented between April 1993 and September 1994.

It was reported yesterday that the SA Public Service Association criticised the commission for investigating civil servants only in the former homeland states.

Civil servants across the country are expected to return to government millions of rands in irregular salary hikes. — Ecna

Call for central govt to sort out financial chaos in the Eastern

David Greybe

CAPE TOWN—The Eastern Cape auditor-general called yesterday on central government to help rectify chronic problems in the province which could result in further deterioration of financial control and accountability.

Provincial auditor Chris Oosthuizen, author of a damning report on the issue, said an audit was underway into the finances of former Transkei and Ciskei.

However, because of inadequate

and often non-existent financial records in former homelands, a proper probe was out of the question.

The audit affected R32,883bn in expenditure — R28,334bn in Transkei in the 1989-1995 financial years and R4,549bn in Ciskei in the 1993-1995 financial years. Substantial sums were not supported by proper documents.

Oosthuizen reported that the new regional administration had in April this year — three months after being informed of serious shortcomings in its accounting system — still "not taken

adequate steps to decisively address the (inherited) problems". The provincial government was informed in January of the interim report's findings on its financial management and accounting systems, Oosthuizen said. The report was drawn up at end-April and released in June.

Oosthuizen warned in his report: "The situation regarding accounting and financial management remains a cause for grave concern and, if these matters are not put on a sound footing as a matter of the utmost urgency, the

administration will not be able to exercise proper control and account to taxpayers for its actions."

The administration suffered from a shortage of properly trained and qualified accounting staff and, as a result, had been forced to hire independent companies at considerable expense.

He said further delays in rectifying the problems could adversely affect chances of attracting foreign investment — regarded as vital to the provincial administration's plans for economic recovery. He called on central gov-

Eastern Cape (213B)

Continued from Page 1

PD 11819b
not, at the time of Oosthuizen's report, in order because they were "based largely on the old system." This was in spite of "new treasury regulations".

In response to Oosthuizen's call for central government assistance, he said: "I will accept assistance from any quarter if it helps to tighten the control screws." He attributed the province's continuing financial control problems to low morale among public servants because of uncertainty about their futures, the fact that a new middle management had not been appointed at the time of the inquiry and the fact that the

administration had inherited "flawed financial control systems".

Botha said his administration was introducing control measures.

Every department would in future have to produce monthly financial reports for submission to the provincial cabinet and steps were being taken to put a stop to the theft of blank cheques, mainly at the printing stage.

Other measures included assigning newly appointed internal auditing teams to each department, the introduction of electronic turnstiles linked to a computer system to check on absenteeism and a computerised system to curb abuse of government transport. He conceded, however, that the new control measures "were only as good as the people who manage them".

ernment to send a team of experts to assist in bringing about the necessary changes. He said: "Central government should be giving this province a lot more attention."

Oosthuizen said that while the Eastern Cape government appeared to be addressing the problem, "the ship is being turned around too slowly".

Eastern Cape director-general Thozamile Botha conceded yesterday that financial control systems were

Continued on Page 2

Cape

A basket of crises

LIESL HATTINGH of Sapa writes about the plethora of problems which face the Eastern Cape as it tries to catch up economically with the rest of South Africa.

(263B) ARG 8/8/96

EASTERN Cape province, with the help of national reconstruction and development programme funds, faces the daunting task of developing two neglected apartheid-created Bantustans where poverty is rife

And experts say controls over the provincial budget are insufficient to protect RDP funds from disappearing into a bottomless pit should they be invested in the region

That the Eastern Cape urgently requires development is beyond doubt. The province is often at the bottom end of several development barometers, according to Development Bank of Southern Africa statistics

The province's 1991 illiteracy rate of 27,66 percent and life average expectancy of 60,65 years were only worse in North-West, and the Eastern Cape had the highest infant mortality rate of all the provinces

In 1994, only the Northern Province had a lower personal income per capita than the Eastern Cape's R3 985, and the Eastern Cape's unemployment rate of 45,3 percent was the second highest

A 1996 report from the Central Statistical Service shows the Eastern Cape's human development index to be the lowest in the country. The index takes into account life expectancy at birth, adult literacy and level of education, and per capita gross domestic product

Premier Raymond Mhlaba, in the preface to a reconstruction and development programme document last year, said "The development challenges in the Eastern Cape are daunting, especially because this region has been the dumping ground of apartheid-induced problems for decades"

The biggest challenge lies in the underdeveloped former homelands of Transkei and Ciskei, according to Eastern Cape Social Economic Consultative Council head Nthobise Jonas.

But there is light at the end of the tunnel

Some R800 million from the RDP fund has already been allocated to projects in the Eastern Cape, and the presidential lead project has pledged R1,2 billion to the Transkei over the next two years

In the Transkei presidential lead project, the help and expertise of businessmen have been enlisted to ensure efficiency and control

Eastern Cape RDP and provincial planning director Silumko Ncume says RDP funding has been channelled through line-function departments, while funds for presidential lead projects have been handed on by the provincial executive directly to local authorities

"It involves a business plan with clear cash flows," he said

Deon Ramoo of the Transkei presidential lead project says the project is aimed mainly at speeding up delivery in the region and developing infrastructure

And Port Elizabeth Chamber of Commerce chairman Kevin Wakeford says several of the chamber's members are involved in joint development projects as part of the presidential lead project, supplying resources and expertise

"The basket of crises inherited (from the former homeland system) has also been a strength in that the government has had to rely on other sectors to thrash out solutions," says Wakeford

A major concern is the ugly spectre of corruption which continually raises its head in the Eastern Cape with numerous cases involving millions of rands already uncovered. White collar crime not only hurts development through the loss of money, but also bashes investor confidence

Says Ramoo "It is certainly not in our frame of reference to investigate fraud and corruption. I am not sure whose responsibility it is"

Public Works MEC Thobile Mhlahlo says RDP funds were protected by standard government fiscal procedures, which he said had no loopholes for mismanagement

"We have never failed to account for a single cent (of RDP money) despite all our problems in the Eastern Cape," Mhlahlo said

Mhlahlo's spokesman Jacques van Zuydam however admitted that control loopholes in the primary school feeding scheme had resulted in fraud involving R2,4 million last year

"I know we have had problems with the primary school feeding scheme, but it was not much worse than other provinces," van Zuydam said

Six people have been arrested in connection with the Eastern Cape feeding scheme fraud, in which pupil numbers were allegedly inflated, invoices dupli-

cated and cheques forged

One of those arrested was Phakamisa Yazini, who was suspended as chairman of development company Into Africa VDZ Investments when charges were brought against him

Van Zuydam said the loopholes were eliminated and control measures strengthened in conjunction with the province's appointed banking institution after the incident

Van Zuydam contended the RDP had the advantage of being a political programme, "managed by people who are politically closer to the objectives of government". This, he said, ensured "a closer political check on RDP funds"

"The success with the RDP bodes well for eventual control over the whole budget," he said

Heath Commission chairman Judge Willem Heath has criticised the provincial government for the lack of control over the issuing of cheques, and provincial auditor-general Chris Oosthuizen in a recent report pointed to several loopholes in the management of finances

Forensic accounting company KPMG's Herman de Beer said RDP funds were especially susceptible to white collar crime and required "incredibly good controls"

"Any money the state gives away is like compost for such crimes"

While the implementation of RDP projects through line-function departments would help fiscal control, corruption might still occur in the allocation of funds as officials were dependent on advice from consultants and stakeholders in the community, said de Beer

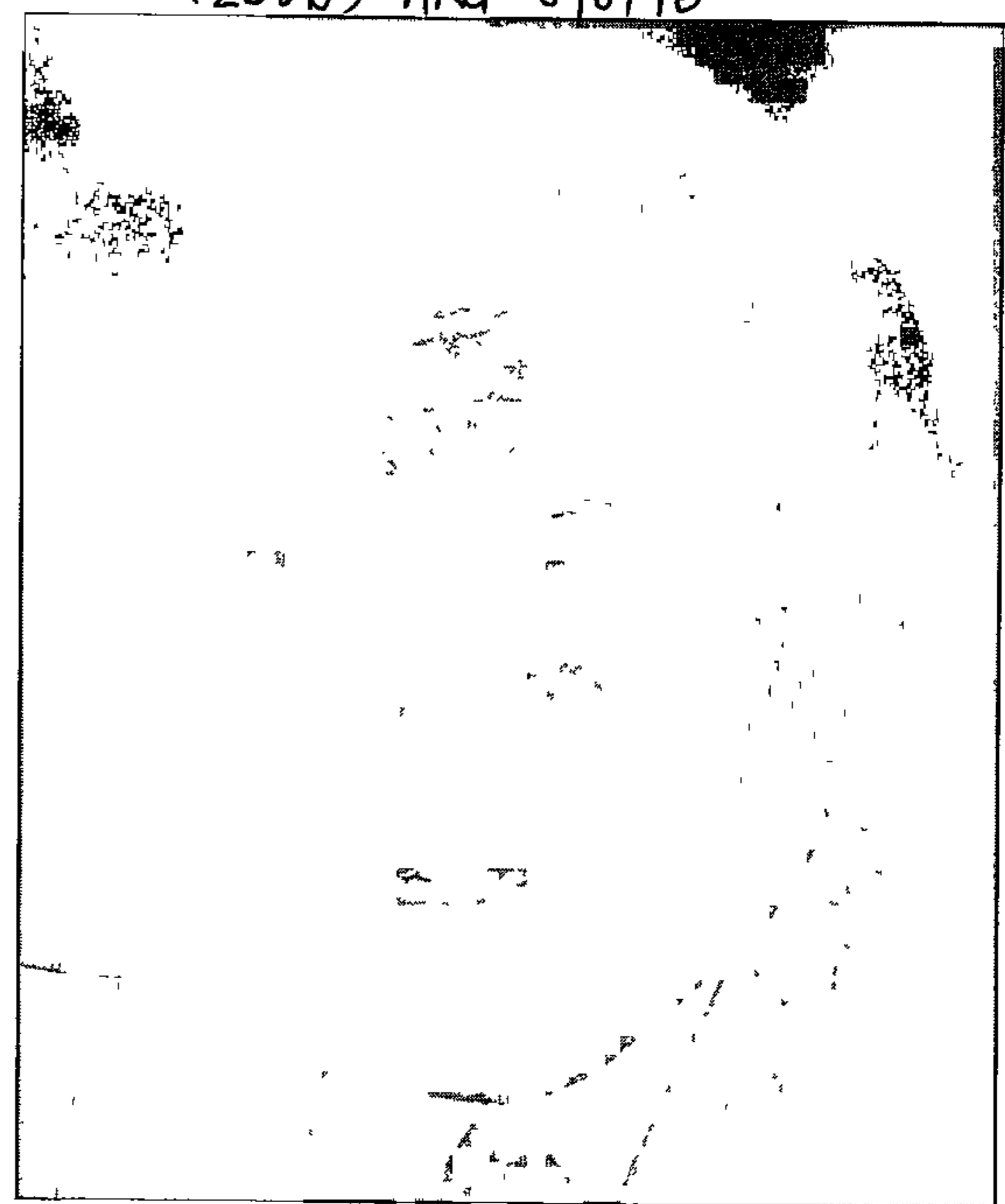
"Corruption could devour us. That is the problem when it becomes the norm like in some African countries. We are not yet there, but we are on our way"

De Beer's KPMG colleague Petrus Marais said the ideals of the RDP made adequate supervision of funds "a lot more onerous"

"By its very nature it is utilising sub-contractors of a more informal nature than one would normally use for such big contracts," he said, adding that decentralisation also hampered effective controls

"I believe the problems are not a product of negligence, it just comes with the territory"

NP MPL Billy Nel this week accused the ANC-led government of handling the RDP with a "shot-



Eastern Cape premier Raymond Mhlaba

gun attitude"

He asked the legislature if the province was not sliding into an abyss of fraud and bad management

"We are sitting on the empty shell of our RDP and there are many disgruntled, unhappy and hungry people in the Eastern Cape"

Nel said the province was losing money, and entrepreneurs were avoiding the region because of bad management

Experts agree that the province's potential will only be realised if the provincial government is seen by local and foreign industrialists to be cracking down on corruption

Central Economic Advisory Service regional development director Dr Hans van Rensburg warns that a lack of action against corruption "does not create a climate conducive to investment. The government must set the pace"

Port Elizabeth Vista University

dean of economic sciences dean Prof Machiel Levine warns that corruption inevitably leads to market failures

"As soon as you have market failures, more reason is there for the government to interfere. The more that happens, the more corruption there is"

Border Chamber of Commerce executive director Peter Miles says business is willing to assist the provincial government in cleaning up the system

As an example, he said the Eastern Cape Social Economic Consultative Forum representing government, labour, non-governmental organisations and business was working on a development strategy which would hold all role players accountable

"We have inherited the problem, but need to address it very quickly or it will pull the whole province down"

Sapa

14-71A

MAIL & GUARDIAN
August 8 to 15 1994

Special session to deal with F Cape scandals

Bronwen Roberts

A SPECIAL session of the Eastern Cape legislature was convened this week to look at ongoing charges of corruption and maladministration.

Whenever the Eastern Cape government faces another scandal involving internal corruption, officials emphasise it is because of their own efforts that corruption is being exposed. The implication is that the government is working hard to clean its slate.

While this may well be true, it is hardly heartening for the people of the province who are increasingly frustrated with tales of primary school children going hungry or pictures of destitute pensioners shuffling through unnecessary queues.

Eastern Cape National Party leader Dr Tertius Delpoit said he would use the latest occasion to express extreme concern at mismanagement and corruption in the province. Delpoit said he did not believe the present government at all levels was taking the situation in hand.

The outspoken Democratic Party leader in the province, Eddie Trent, agreed. In a statement, he said "Ever since we have come to Bisho, it has been pointed out that our province inherited a bloated, inefficient and corrupt civil service. In the past 26 months, however, the government has been working on one program after another.

2/15/94

(2638)

MTC

8-15/8/96

1 2/2/94

Crooks put a spanner in the works

ST 11/8/96

(2630)

By STEUART WRIGHT

MECHANICS at the government garage in Umtata have only one spanner between them — the rest have been stolen by workers, along with 90 percent of the car parts

The garage also has no record of the number of cars under its control or of how many have been bought, sold or crashed in the past five years

These are some of the findings of a damning report by the Eastern Cape's parliamentary transport committee on the chaos in the province's government garages.

Presenting the report at an urgent "corruption" sitting of the provincial legislature this week, the committee's chairman Sakkie Louw, said there

was "no system, no control, no discipline" at the garages "There is nothing."

The sitting also heard that the Eastern Cape tender board had awarded a welfare contract to a company costing R165-million more than one recommended by two welfare committees.

The committees had recommended that the contract, to distribute government pensions and social grants, be given to Standard Bank Fidelity Guards But the tender board had ignored them to award the contract to a Pensecure-Balraz partnership — for R400-million

The Eastern Cape welfare minister, Trudi Thomas, told the legislature her department feared the winning company was too expensive and incapable

of doing the job properly.

Details of the chaos at government garages and of the tender bungle are the latest in a series of almost weekly revelations of government graft in the province. They sparked a new round of accusations and counter-accusations by the ANC government and its predecessor, the NP

The province's finance minister, Sheperd Mayatula, blamed the NP for having "planted, watered and nurtured the trees of corruption, mismanagement and fraudulent activities. Now they are blaming us for the fruits of their toil."

The NP's Tertius Delpport called on the ANC to resign for failing to tackle corruption, saying it was time to stop hiding behind legacies of the past.

Eastern Cape govt lacks 'vision and creativity'

Own Correspondent

PORT ELIZABETH — The Eastern Cape needed a premier and leader, Mercedes-Benz GM Ian Russell said during a privatisation debate between labour and business. Government existed to support and not control

The habit of "patting government and telling it how good it is" had to stop since the province lacked vision, creativity and commitment

Russell said retrenchment was inevitable if prosperity was to be achieved, and appealed to the unions to reconsider plant level bargaining.

BD 23/8/96 (263B)
National Union of Metalworkers of SA (Numsa) general secretary Enoch Godongwana said he understood Russell's frustration with the Eastern Cape government but cautioned against "secessionist stances"

Numsa's primary brief was to keep jobs in the province needed to be flexible on the issue of plant-level bargaining

Russell said the province should concentrate on job creation and education. However, organised labour argued government should invest in housing and roads.

Eastern Cape suffering as 'water goes to Gauteng'

Own Correspondent

BD 23/8/96 (E) (263B)

PORT ELIZABETH — The channelling of Orange River water to Gauteng is damaging the development potential — agricultural and industrial — in the Eastern Cape, it was claimed at the annual Congress of the East Cape Agricultural Union yesterday.

Alwal North delegate Gawie Swart told delegates in Port Elizabeth that Orange River water was of utmost importance for production in the Eastern Cape, the second poorest province in the country.

"The government invests little in the rural areas and always seems to be boosting Gauteng," he said "Continued action like this will lead to rural deterioration and depopulation of these areas."

Steynsburg delegate Gerhard Bekker said industry should be forced to develop where water is available.

"Half of the Eastern Cape's 7-million people are under the age of 18. The province will face huge unemployment

if there is no increase in development here

"We have the labour and the water for industrial development. Industry should come to where the water is."

Bekker said that Orange River water was already supplied as far south as Port Elizabeth.

Water affairs department representative Claus Triebel said water usage for the future should be carefully planned. "As things are going at the moment, the country will run out of water for further development by the year 2010, unless there is strict demand management."

"Since 1934 there has not been a year when there was not a drought in some part of the country."

"In certain areas there is already no water left for further development. Only 22% of crops irrigated in the Eastern Cape are high-value products and this is an aspect we shall have to look at."

"The department is also looking at eradication of alien vegetation in an effort to improve runoff," Triebel said.

E Cape govt cracks down on corruption within its ranks

(263 B)

Star 16/9/96

By JUSTICE MALALA
Provincial Correspondent

The Eastern Cape government, plagued by rampant corruption and fraud scandals, has appointed a high-powered team made up of senior finance, police commercial crime unit and transport department personnel to deal with the problem.

The team will be empowered to check all provincial government offices and stores and will report to the director-general of

the province and Finance MEC Professor Shepherd Mayatula.

"All culprits will be prosecuted and compelled to disgorge their ill-gotten gains," Mayatula said, adding that fraud and corruption in the province had reached "unacceptable limits".

He said financial discipline had previously been the responsibility of a few key staffers but, now that rationalisation in the provincial government had been completed and new systems implemented in various depart-

ments, criminal activity would be reduced.

The nine-member team will be headed by Bonga Qunta, who is a director in the treasury branch of the finance ministry.

The team's appointment comes after a series of revelations of massive corruption and fraud in the province's public service. They included the private use of government vehicles, the theft of petrol and the fraudulent authorisation of money.

Two weeks ago a civil servant

was found to have signed cheques to a private company that she owned herself, for no apparent reason.

"We cannot and may not give up what appears to be an unequal struggle against crime," Mayatula said.

Last month, the Free State government also swooped on civil servants who had allegedly misused official vehicles. More than 50 vehicles, some parked at shebeens, were confiscated in the raid.

Call to use untouched tourist funds for deficit

STC 22/10/96 (263B)

BISHO — Money saved by a delay in starting up the Eastern Cape tourism board and gambling board could be used to fund a R30m deficit, provincial economic affairs, environment and

tourism standing committee chairman Andre de Wet said yesterday during a debate on the department's finances.

The deficit was caused by redundant staff still on the payroll and

severance packages paid out, he said. The department's approved structure had 1 962 posts, 98 of which were frozen, and 1 716 filled. This left 148 posts but 668 redundant staff. — Ecna

Government sends its best to bail out E Cape

M+G 25-31/10/96

Marion Edmunds

THE Cabinet has dispatched a crack team of civil servants and international experts to Bisho to investigate the administrative chaos in the Eastern Cape.

The team, which includes a deputy director-general, chief directors and Swedish and British experts, is spending two weeks in the Eastern Cape and will report back with recommendations to bring relief to an administration spinning out of control.

Minister of Public Service Zola Skweyiya said the team had been sent after a visit to the Eastern Cape by himself, Deputy President Thabo

Mbeki, Finance Minister Trevor Manuel, Constitutional Development Minister Vuli Moosa, and Mineral and Energy Minister Penuel Maduna who were concerned with the Eastern Cape's bad public image.

The arrival of the task team undermines the authority of Eastern Cape Director-General Thozamile Botha, who has been responsible for harnessing the three administrations inherited from apartheid — Eastern Cape, Transkei and Ciskei — into one working provincial government.

The team's leader, Director General of Public Administration Dr Paseko Ncholo, refused to comment this week, saying he was mandated to

report only to the Cabinet. A source in the public service said, however, the situation in the Eastern Cape had grown so bad that the time had come to work out whether the persistent loss of government money was the result of corruption or the extraordinary incompetence of civil servants or was the product of the integration of different homeland administrations.

As an example, he said many civil servants, originally from the Transkei administration in Umata, were living in hotels in Bisho and driving cars at state expense because the integration of the civil services was not yet complete. Over the past two years frequent media reports about corruption and

incompetence have painted a picture of government inertia and waste of taxpayers' money.

Commentators in organisations such as Idasa and the Black Sash say service delivery is slow or does not happen, the financial administration is disintegrating and confusion, chaos and corruption have taken root in local authorities.

And as the Cabinet acts to address the problems, so the African National Congress-South African Communist Party-Congress of South African Trade Unions alliance is also looking at ways to infuse new leadership into the province and is pushing the ANC treasurer-general, Reverend Arnold

Stofle, to leave Parliament and take up the chairmanship of the party in the Eastern Cape.

Stofle confirmed this week that such a move was a strong possibility but said, despite rumours to the contrary, he would not yet be replacing Premier Raymond Mhlaba.

"Over the past two months," said Stofle, "different sections of the people in the Eastern Cape have approached me and have asked me to make myself available for the provincial leadership elections in November."

Stofle said he would submit to the will of the party, and move where instructed. However, he said he was not going to oust Mhlaba.

"Oom Ray is my friend ... this should not be construed as asking for Oom Ray to step down."

Go-ahead for small business Bill

Tim Cohen

CAPE TOWN — A slightly amended National Small Business Bill was given the go-ahead by all political parties at the parliamentary trade and industry committee yesterday and is likely to be passed by Parliament later this week.

The Bill, intended to support small, medium- and micro-sized enterprises envisages the establishment of two statutory agencies, the National Small Business Council and the Ntsika Enterprise Promotions Agency.

Committee chairman Rob Davies said while the Ntsika agency would not itself provide finance to small enterprises, it would operate as a wholesale support agency for small businesses.

The legislation also authorises the trade and industry department to issue guidelines to create the conditions for government support for small business.

BA 29/10/96
The committee yesterday heard evidence from the Micro Business Chamber which argued that the Ntsika agency was unnecessary.

According to Lawrence Mavundla, head of African Hawkers and Informal Businesses, a Micro Business Chamber member, the agency did not satisfy the needs of chamber members, mainly the need for capital.

Mavundla said that from its inception — it is currently a non-statutory body — the agency had simply provided referrals and advice, without helping individual entrepreneurs with their real needs.

The body should provide actual assistance to emerging entrepreneurs such as business loans, training, counselling and mentorship rather than being a referral point, he said.

He complained that submissions of micro-business representatives had been ignored at "endless workshops" which were "feeding schemes" for those attending.

The committee went some way to incorporating the points made by the chamber, giving priority to the delivery functions of the council in the legislation and making it clear that research would be a secondary function.

Cosatu argued at the hearings that guidelines issued by the minister should not be interpreted as mandatory directives. The guidelines should not be capable of overriding other legislation on, for example, working conditions and health standards.

Cosatu said in deciding on the guidelines, provision should be made for trade unions to be consulted.

The committee accommodated some of Cosatu's submissions, proposing the inclusion of procedures for consultation with "small business organisations, trade unions and other organisations".

Davies said the short hearings on the Bill were not ideal. However, as transformation legislation, it was of a high priority.

Attorneys hit out at motor fund

Linda Ensor

BA 29/10/96
CAPE TOWN — Attorneys were just one voice in opposition to the Multilateral Motor Vehicle Fund's (MMF) proposals for a new form of vehicle insurance, Johannesburg Attorneys' Association chairman Ronald Bobroff said yesterday.

Commenting on critical statements made against attorneys by MMF CE Willem Swanepoel Bobroff said almost the entire spectrum of SA business had condemned the draft white paper by the MMF.

Swanepoel said attorneys contributed to the fund's R7,35bn liabilities by charging exorbitant fees. Bobroff said attorneys could not simply charge what they wished but were bound by set fees.

Province jubilant over finances

BISHO — Nearly 80% of Eastern Cape municipalities are in financial difficulties and a national government investigative team is looking at corruption and incompetence in the province, but yesterday the provincial finance department patted itself on the back.

Finance MEC Shepherd Mayatula told the Eastern Cape legislature that: "It is good to stand at this podium when we are in charge of finances and give a clean bill of health, especially if you look at where we are coming from."

Members of the provincial finance and expenditure standing committee also congratulated the department on its work.

Mayatula told the legislature that perceptions of the province as "the worst" should be dispelled by "the statistics". He admitted that R31m in cheques had been stolen, but said because of security measures only R326 000 of this was cashed.

BA 29/10/96
He said it was difficult for cheque theft to occur in Gauteng where direct bank transfers were the usual method of payment. Finance standing committee chairman Siphiso Mazosiwe said 80% of Bisho's creditors had now provided banking details so electronic transfers could take place.

Meanwhile, staff from provincial director-general Thozamile Botha's office said they were compiling a report emanating from a visit by national public servants and British and Swedish experts. The team was sent to the Eastern Cape by the Cabinet to prevent the province spinning out of financial control.

Deputy President Thabo Mbeki, Finance Minister Trevor Manuel, Public Services Minister Zola Skweyiya and others have also visited the province this year and expressed concern at its image of corruption and incompetence. — Ecna.

STOP PRESS

Investors make

Ghost civil servants steal billions from

Crisis team

moves in

ST 3/11/96

(2638)

beleaguered province

THE government will this week dispatch an emergency task team to bolster the Eastern Cape's administration — in danger of total collapse as a result of corruption, maladministration and massive fraud.

Dr Zola Skweyiya, the Minister of Public Service and Administration, will oversee the operation. He said the province was facing "a terrible crisis".

The high-powered team will be headed by the director general of the Department of Public Service and Administration, Dr Paseka Ntsholo. It will include international specialists with experience in rebuilding collapsed administrations in countries such as Uganda. The move follows Deputy President Thabo Mbeki's direct involvement in efforts to halt what Skweyiya has described as a "paralysis" in the administration of Eastern Cape.

Four weeks ago, Mbeki led a cabinet delegation to the Eastern Cape to discuss the crisis with the provincial executive. It included Skweyiya, Finance Minister Trevor Manuel and the Minister of Provincial Affairs and Constitutional Development, Valli Moosa.

A team headed by Ntsholo was asked to do a follow-up investigation. Its report, which is still being finalised, is expected to highlight

● Serious shortcomings in the province's accounting system, to an extent that, for example, the welfare department does not know how many people get grants yet wants more money from the central government.

● A shortage of properly trained staff.

● The number of superfluous public servants in the province since the amalgamation of the former administrations of the Transkei, Ciskei and South Africa.

● Enormous expenses incurred hiring independent companies to do the job.

● Low morale among public servants, who report for duty but do no work.

● The government garage's failure to keep a record of the number of cars under its control, or of how many have been bought, sold or crashed in the past five years, and

● The problem of "ghost teachers" fraudulently drawing salaries. The extent of this problem is not known, but it is believed the fraud runs into billions of rands.

"There is a crisis, a terrible crisis which we cannot sit on or hide," Skweyiya said this week.

However, the director general of the Eastern Cape, Thozamile Botha, vehemently denied his administration had lost control.

"The notion of a mess is wrong. We are asking central government to help us solve our problems. We have been able to identify strengths and weaknesses and have asked for assistance," he said.

He said he was in control of the situation, but admitted the "ghost teachers" had to be sorted out.

By CYRIL MADLALA
Parliamentary Correspondent

Gauteng Public Service Commission, and the director of public service reform, Dr Mala Singh.

They will be bolstered by experts from the British Overseas Development Agency and Swedish economists, Alf Carling and Bjorn Bengtson, who are gurus on the impact of maladministration on local economies.

The Britons are Dr Ashley Steele, who specialises in organisational development and restructuring, and Trevor Davis, an expert in human resource management.

The British and Swedish governments have committed aid worth R14-million to help the province get its house in order.

Skweyiya would not be drawn on the political implications of having a provincial government that could not administer its affairs.

"The report will be submitted to President Nelson Mandela.

Probably, he and the national executive committee of the ANC, together with the provincial leadership will look into that," he said.

Mandela was scheduled to meet the Premier of the Eastern Cape, Raymond Mhlaba, at Qunu in the Transkei on Friday.

Mhlaba is believed to have told senior colleagues in the ANC he is willing to step down if asked to do so by the party.

The ANC's provincial congress next month is expected to start preparing for Mhlaba's departure by strengthening the region's leadership with members of Parliament.

ANC members say the party's chief whip, the Rev Arnold Stofile, is likely to take over as leader of the ANC in the region but is unlikely to replace Mhlaba as premier yet.

"We need to have that cleaned up before the next financial year in April," he said.

Skweyiya said the emergency team would include Chris Dreyer, the director of human resource management; Advocate Sandile Nogxina, the deputy director general of human resource development, the chief director of human resource development, Gritie Majola-Pikoli, the Rev Walter Mbete, a member of the

Wind in Bisho

2538

2010/11/19/6

IT HAS certainly been a week of high drama in Bisho – and it was inevitable that the crisis would reach the top layers of government

While the crisis unfolded, Premier Raymond Mhlaba (76) was away in Bangkok, Thailand, at the Skai International Tourism Convention ANC treasurer-general and National Assembly chief whip, Reverend Arnold Stofile (49), was also overseas, in Germany

Thousands of kilometres away from home, with only Thozamile Botha left to man the fort, their futures were already being decided in the corridors of power here

Poor health has long dogged Mhlaba, with frequent visits to Port Elizabeth hospitals for treatment of leg ulcers, but Public Service and Administration Minister Zola Skweyiza's description of the "terrible crisis" of maladministration, corruption and massive fraud "that we cannot sit on or hide", and which has disturbed big business in the impoverished province anxious over lack of delivery, brought matters to a head

On Wednesday, with Mhlaba already having said before his departure for Thailand that he was due to make an "important announcement" at next month's provincial ANC congress, a senior government official in Cape Town confirmed that Stofile will replace Mhlaba in Bisho on January 1

Last week Stofile was due to succeed Mhlaba only after the 1999 general election, but his appointment, has been advanced to resolve the Bisho administration's "terrible crisis"

Though the issue was discussed by the ANC's national working committee on Monday, provincial ANC officials here have clearly not been informed

"CRISIS? What crisis?", Eastern Cape government heads seem to be saying. However, they are shouting into the wind of behind-the-scenes criticism gusting down from central government. ECNA reports.

"The question of replacing the premier has not arisen except for media speculation," Provincial Secretary-General Bongani Gxilishe said on Thursday

The Eastern Cape capital of Bisho was the scene of disaster on Thursday, when the latest little gremlin found its way into the Eastern Cape welfare department's safe and disappeared with R2,5 million in pensioners' money

When the wind gusts into the building, the metal detectors beep noisily, but are oddly silent when faced with workmen's toolboxes, bunches of keys and, presumably, heavy metal cash boxes which apparently exit on a regular basis

Deputy speaker in the legislature Ann Nash admits that the building's elaborate security and monitoring systems are not working properly yet

She might as well have been referring to the rest of the provincial administration on the other side of Bisho, which is still writhing under two weeks of intense media spotlight, focused by scathing criticism from minister Skweyiza

On Wednesday Eastern Cape director-general Thozamile Botha hit back with an angry statement that there was no crisis, no collapse – just a range of problems the provincial government could not handle on its

Local official says there is no crisis

own
Sitting in a plush leather chair faced by provincial and national media on Wednesday, Botha, his face masked with a smile, said Skweyiza had got it all wrong

He assured the province that he had a firm grip on the levers of the administration
It came as something of a reality check when Botha had to pause in mid-sentence to allow his welfare services director to announce that the welfare safe had been stripped of R2,5 million

In the midst of a lot of travelling between Bisho and Cape Town, initiated by a visit from a concerned Deputy President Thabo Mbeki, Botha and Skweyiza agree on one thing – someone needs to grip most of the civil servants in the province by the scruff of the neck and tell them a few facts of life

Their incompetence is the province's Problem Number One, according to Botha
A quick glance back on recent political events reveals a few wide discrepancies between central government and Bisho

On Friday two weeks ago, Skweyiza announced that a crack team of administration experts were in the Eastern Cape to assess problems Botha denied there were major problems, just areas where some civil servants needed to be shown what to do

The following week national provincial affairs minister Valli Moosa came to discuss with Bisho's department heads what they had to

do to fix things up there. But provincial finance MEC Shepherd Mayatula and a closely aligned group from the finance and provincial expenditure standing committee then informed the Eastern Cape legislature that everything was going so well they deserved a hearty pat on the back

Then the public was informed that the agricultural department was far beyond its allocated budget. Other departments reported that after the first five months of the current financial year, they, too, were over their budgets

However, they reported that they would be making a saving on unfilled staff posts which would put the province's budget back on track

This seemed to jar with the problem of all the superfluous staff inherited from the apartheid past in the form of the Transkei, Ciskei and Cape Provincial Administrations. But Botha still maintains there is no mess, no crisis

Is he shouting into a wind of behind-the-scenes criticism from central government?

Certainly Cosatu, the Border Chamber of Business and myriad frustrated and desperate Eastern Cape citizens agree with the criticisms if there is indeed movement it is nowhere near enough

While Botha blames the ghosts of apartheid for the problem, he cannot turn a blind eye to the well-paid ghosts of the new South Africa who breeze through his corridors, unblocking safes and halting vital delivery to millions of long-neglected people

PEOPLE IN THE NEWS

Smiling minister to be E Cape Premier

(263B)

A PRESBYTERIAN minister and keen sports administrator with a long activist history in the Eastern Cape has been appointed Premier of the Eastern Cape as from January next year.

He is 49-year-old Reverend Makhinketi Arnold Stofile.

Stofile has accepted the premiership and his name has been put forward to contest the chairmanship at the ANC provincial congress in December. It is expected the present incumbent, Premier Raymond Mhlaba, will step down because of ill health.

The two posts are not synonymous.

Stofile was born in 1947 and matriculated from Port Elizabeth's Newell high school in 1964.

He quickly became known as a man of influence and many interests. Photographs of the man moving through political and sporting minefields predominantly show a broad smile and twinkling eyes.

After school he worked as a machine operator in a Port Elizabeth textile factory before moving to Fort Hare University.

A battery of degrees followed, a BA Honours, and a Masters degree in theology. Meanwhile, in 1975 he was ordained into the Presbyterian ministry.

Continuing with his studies overseas, Stofile did a postgraduate diploma in theology at Tubingen University in Germany, followed by an MA at Princeton University in America in 1983.

Stofile returned to Alice and Fort Hare as a lecturer in systematic theology. He was also elected as Border treasurer for the United Democratic Front.

One reporter at Ecná vividly remembers him fearlessly leading a visibly quaking delegation of priests and press across a no-man's land between a throng of enraged mourners and a police cossack at a funeral of 11 people massacred in Queenstown during the 1980s. Stofile spoke to a hostile police officer and managed to persuade him to order his forces back.

Later that year, as secretary general of the Border UDF and South African Council of Sport

(Sacos) rugby administrator he successfully led campaigns to cancel a New Zealand rugby tour.

Detained a number of times by the Ciskei government, Stofile was eventually tried for treason in the Ciskei Supreme Court and in 1987 was jailed for 11 years.

He was released two years later on humanitarian grounds.

When the ANC was unbanned in 1990 Stofile joined and became a member of its interim leadership core. He was elected chairman of the Border ANC branch.

However, in 1989 he stood down and took up a lecturing post at the University of Transkei.

A year later he moved back to Fort Hare as director of public relations and development.

After the national general elections in 1994 Stofile moved again, this time to Cape Town, where he became the party's chief whip. At the end of that year he was elected the party's national treasurer.

Stofile and his wife Nambitha have three children. — Ecná

■ See editorial on Page 16.

CP 10/11/96

LONG ACTIVIST HISTORY Rev Arnold Stofile takes on a new role

Troops move into Tsolo, Qumbu to curb violence

GRAHAMSTOWN — Troops and police would set up four operational bases tomorrow and mount 24-hour ground and air patrols in violence-racked Tsolo and Qumbu from Friday, Transkei police announced today.

The move, hastened by the killing of nine people and the razing of 30 homes at Qumbu's Ntsikwe village late on Saturday, comes in the wake of the murder of 385 people since 1993.

Since June this year more than 80 people have been killed and 100 homes burnt down.

Although eight people had been taken in for questioning on the killings and some suspects were known, police said the Kroon commission task team was still investigating and no arrests had been made.

The police communications office in Umtata said yesterday contingency plans to stabilise the two districts had been agreed on in a series of meetings between police and the defence force.

Supt Marinda Mills, spokesman for Eastern Cape police commissioner Gen Gerrie Bezuidenhout, said yesterday the decision to send in troops was taken on November 15 at a provincial security committee meeting. Mills said the decision was put into operation yesterday. The Umtata police statement said "about 300 members from

the police and defence force will be deployed in the areas on a permanent basis from Friday until the situation is fully stabilised".

Operational bases would be established at the villages of Debeza, Middle Tyira and Sulenkama in Qumbu, and at Nontyankashe in Tsolo.

The combined forces operations would include cordons and searches, roadblocks, 24-hour ground and helicopter patrols, consultative meetings with the affected communities to find long-term solutions to the violence, and setting up community policing forums. "We strongly appeal to the communities of the affected areas, community leaders and all other role players to co-operate fully with the deployed forces," the statement said.

Eastern Province Command spokesman Capt Reinet de Beer confirmed that soldiers would be deployed in Tsolo and Qumbu and said the defence force planned to deploy troops at any future trouble spots.

Responding to calls by Eastern Cape economic affairs MEC Smuts Ngonyama for a state of emergency to be declared to stop violence in the province, Bezuidenhout said he was confident the police and troops could handle the situation. "It would be the last resort," he said. — Ecna.

BD 27/11/96

(263B)

27

'Sick' pay points setup exposed

BISHO — Eastern Cape police were in cahoots with welfare department staff to steal as much money as they could before pay points were privatised, health and welfare MEC Trudy Thomas told the legislature yesterday

After listening to a debate on a report by the standing committee on health and welfare, which detailed appalling conditions at pay points throughout the province, Thomas agreed it was a true reflection of a "very sick system"

"The problem is that instead of letting the system die, we had to nurse it while putting in place the new system," Thomas said

She said police and pension staff were in collusion in a "total onslaught", because they knew their easy source of money was about to be cut off

Thomas said the incidents should not surprise the province, as the department was a "soft target for criminals and counter-revolutionaries" who hoped to

prove the ANC could not govern the province

"We've been promised army protection and helicopters, but have not received it," she said

Evidence of police involvement include witnesses reporting a policeman tampering with a safe, a police car lagging 2km behind the pay vehicle it was supposed to have protected, and the case of the missing policeman who was supposed to have guarded the R2,5m stolen from the health department. He never turned up for duty and has not been seen since

Thomas said the department had reported clerks who received average salaries but owned luxury houses and fleets of luxury cars, but "not a single arrest or conviction has been made"

"These are all simple cases which competent and motivated police could crack"

Despite tip offs and obvious patterns of criminal activity, police lost docket and information

"We pay more than 600 000 beneficiaries, but our job is to administer. We cannot act as a banker," Thomas said

She maintained that had privatisation taken place on schedule, all would have been well

In the report presented to the legislature by committee chairman Nomsa Jajula, the following security lapses were noted

- The East London office has no money strong room,
- Cheques in Elliotdale are transported in a cardboard box, and
- There is no security at Dimbaza pay point near King William's Town — Ecna

BD 15/11/96

Gauteng hit squads 'active in Transkei'

Bonile Ngqiyaza

275
BO 28/11/96
263A

HIT squads hired from Gauteng were increasingly being used in the conflict racking the remote areas of Tsolo and Qumbu in the former Transkei, a spokesman for Eastern Cape provincial commissioner Gerrie Bezuidenhout said yesterday.

Supt Marinda Mills said the violence, which was "deep-rooted and complex", was difficult to contain because of the inaccessible terrain and the isolated villages.

Eight people had been arrested in connection with last Saturday's events when nine people were killed and 30 homes razed at Qumbu's Ntsikwe village, she said. Police were looking for another five suspects.

Mills said 385 people had been murdered since the violence — sparked by cattle theft, among other factors — started in 1993.

More than 80 people had been killed and 100 homes had been burnt down since June.

The Kroon commission task team was investigating the causes of the conflict.

SA Police Service (SAPS) riot squads had been deployed in the area since September and the decision to step up security had been taken in anticipation of the rise in numbers of holiday makers and tourists during the festive season, she said.

The decision to deploy troops and police, announced early this week, had been taken at a November 15 meeting of the security committee — a security structure including the army, the SAPS and the traffic department, Mills said.

The combined forces operations would include cordons and searches, roadblocks, 24-hour ground and helicopter patrols, consultative meetings with the affected communities to find long-term solutions to the violence, and setting up community policing forums.

Meanwhile, Ecnareports that residents of the Transkei towns of Tsolo and Qumbu have welcomed the expected arrival tomorrow of more than 300 policemen and soldiers.

Tsolo funeral parlour manager, Paul Mlobeli, said yesterday while the town had not been affected by the violence occurring in nearby rural areas, he was "pleased" about the pending arrival of the troops.

"I feel terrible about the fighting in the rural areas," Mlobeli said.

Mlobeli said a special room had been set up at the parlour to conduct post mortems on people killed in the violence.

He said house-to-house searches for weapons would not be successful as weapons were stored up in the mountains.

ness proposition based on economic
principles, "not as a political gesture"

Raymond Mhlaba resigns as premier and

Political Staff

BISHO — Raymond Mhlaba formally announced yesterday that he was stepping down as Eastern Cape premier.

However, he will remain as national chairman of the SA Communist Party.

He laughed at speculation that he would be "SA's first ambassador to China. "It's news to me," he said. "It's a question of an offer and acceptance — no one has offered."

The man who became the first premier of the Eastern Cape in 1994 after 51 years of participation in the struggle for democracy bowed out quietly at a media conference, attended by a large number of his staff.

After having given the issue "much thought over a long period" he had decided to hand over the reins as premier of the province to a new leader, he said.

Mhlaba said he would step down both as premier and as member of the Bisho legislature once the African National Congress had identified his successor — expected to be National Assembly chief whip and treasurer-general Arnold Stofle.

That will require a meeting of the legislature which is not due to sit until at least February which means that Mhlaba could remain in office for the next two months.

Mhlaba denied media reports that he had been pressed to resign, saying he had

been considering the step for a long time. Mhlaba said that while he was stepping down as premier, he would always be active in the affairs of the ANC "and the advancement of the cause for which the liberation movement stands."

Meanwhile, **Stephen Lauffer** reports that the Free State legislature is expected to hold a special sitting on December 18 to elect former SA Broadcasting Corporation chairman Ivy Matsepe-Casaburri as provincial premier.

However, it was too soon to decide whether she would also head the party in the province, ANC leaders said in Johannesburg yesterday.

Casaburri said she wanted to put all her energy into the premiership. It would be presumptuous of her to pre-empt the party in arriving at its candidate for provincial leader, she said.

"When the time comes, they will decide, and I will then decide too."

Sapa reports that Casaburri told reporters in Bloemfontein that there were sometimes natural tensions between the provincial party and government leadership, but she was not afraid of them if they were properly managed.

She would hold a series of meetings with ANC structures, the party's alliance partners, the SA National Civics Organisation,

religious bodies, farmers, farm workers and organisations representing women, youth and nongovernmental organisations.

Her greatest challenge was to get people to work together for the development of the Free State and to overcome the political difficulties which had "plagued the province" in the past 18 months.

The head of the ANC's special task group dealing with the political crisis in the province, Labour Minister Tito Mboweni, said the date of Casaburri's election had been discussed with the other parties in the legislature, and "barring any hiccups, we will be home and dry" on December 18. Agreement had been reached on which

members of the national legislature and the Senate would replace the Free State politicians moving to national level, and the changes would be gazetted as soon as possible as a precursor to the special election.

Among those members of the legislature moving to national level is outgoing Free State premier Patrick Lekota.

Casaburri said the election would be the beginning of a "long and arduous road into formal politics" for her.

However, she felt confident because she was under the banner of an organisation bold enough to have made the compromises necessary to deliver a democratic constitution for SA.

legislature member (263B) 006/12/96

Stofile ready to fill Mhlaba's shoes in troubled province

ST & H 196

(263B)

Reports by RAY HARTLEY
Political Correspondent

PARLIAMENTARY Chief Whip Arnold Stofile was last night one step away from becoming premier of the Eastern Cape.

Stofile's nomination, the only one at the ANC's conference in Alice for the chairmanship of the party's Eastern Cape region, followed Wednesday's announcement by Premier Raymond Mhlaba that he would step down once the ANC had found a successor.

Stofile will have to be elected formally by the legislature, possibly at a special sitting this year, before taking up the post.

His election is expected to presage a shake-up of the Eastern Cape government, which has been accused of failing to stem corruption and inefficiency in the public service.

Thus week, cabinet secretary Zama Titus, who was loyal to Mhlaba, was deployed to the Constitutional Development Ministry where, he is expected to become director general. Also expected to be "deployed" was the Eastern Cape's

director general, Thozanile Botha, who has borne the brunt of criticism for the failure to sort out the new provincial administration.

Botha was recently humiliated by the Minister of Public Service and Administration, Zola Skweyva, who appointed a special team to investigate the management of the Eastern Cape civil service.

Mhlaba's move was in keeping with ANC attempts to reduce tensions in provinces by ensuring premiers are provincial party leaders. Mhlaba said the move was part of a withdrawal from politics by the old guard of the ANC.

"Even Madiba has indicated that he's stepping down. It's a good thing to encourage the young people."

He said he had been warned by premiers from other provinces about the dangers of not also being regional chairman of the ANC. "They said

'Anarchy threatens ANC in Eastern Cape'

THE Eastern Cape ANC was "in a state of lawlessness and anarchy as manifested by the complete breakdown of discipline, unity and cohesion", Bongani Gxhshhe, the province's ANC secretary said yesterday.

In a report to the ANC provincial conference in Alice he said "These negative tendencies pose a threat to destroy the very moral fibre . . . of our liberation movement."

Paid membership had dropped by 70% in the three months between September and November this year in parts because of "our public image and effectiveness"

"It is no longer uncommon for our members to vilify the organisation in public and even attack other comrades through the media."

The ANC was suffering from "a new breed of cadship which has completely disregard for the policies and traditions of our organisation and shares no respect for the leadership."

"It is common knowledge that in some parts of our province some of our members, including senior leaders, are even prepared to rub shoulders with some of our arch enemies in pursuit of their power-mongering agenda."

"Man, you must be careful of a coup." But Mhlaba said he had ignored their warning, choosing not to stand for the chairmanship in 1994.

He told of his frustration at trying to run the province, saying he had inherited chaos from the old order. "There were no records, no files. How do you deal with ghosts?"

Mhlaba said he had been confronted with a hostile attitude from civil servants and incessant demands for the formation of a 10th province out of the former Transkei.

He found himself hamstringing in his efforts to reform the civil service.

"When one wants to take action, I am told about the staff code and the Constitution. One time, I was so angry I said 'to hell with the Constitution'."

Nevertheless, at yesterday's conference, Mhlaba defended his government's record, saying "The reality is that we have moved a long way from where we were in 1994." His advice to his successor? "Get every civil servant to work."

Another difficulty was the absence of finance for development.

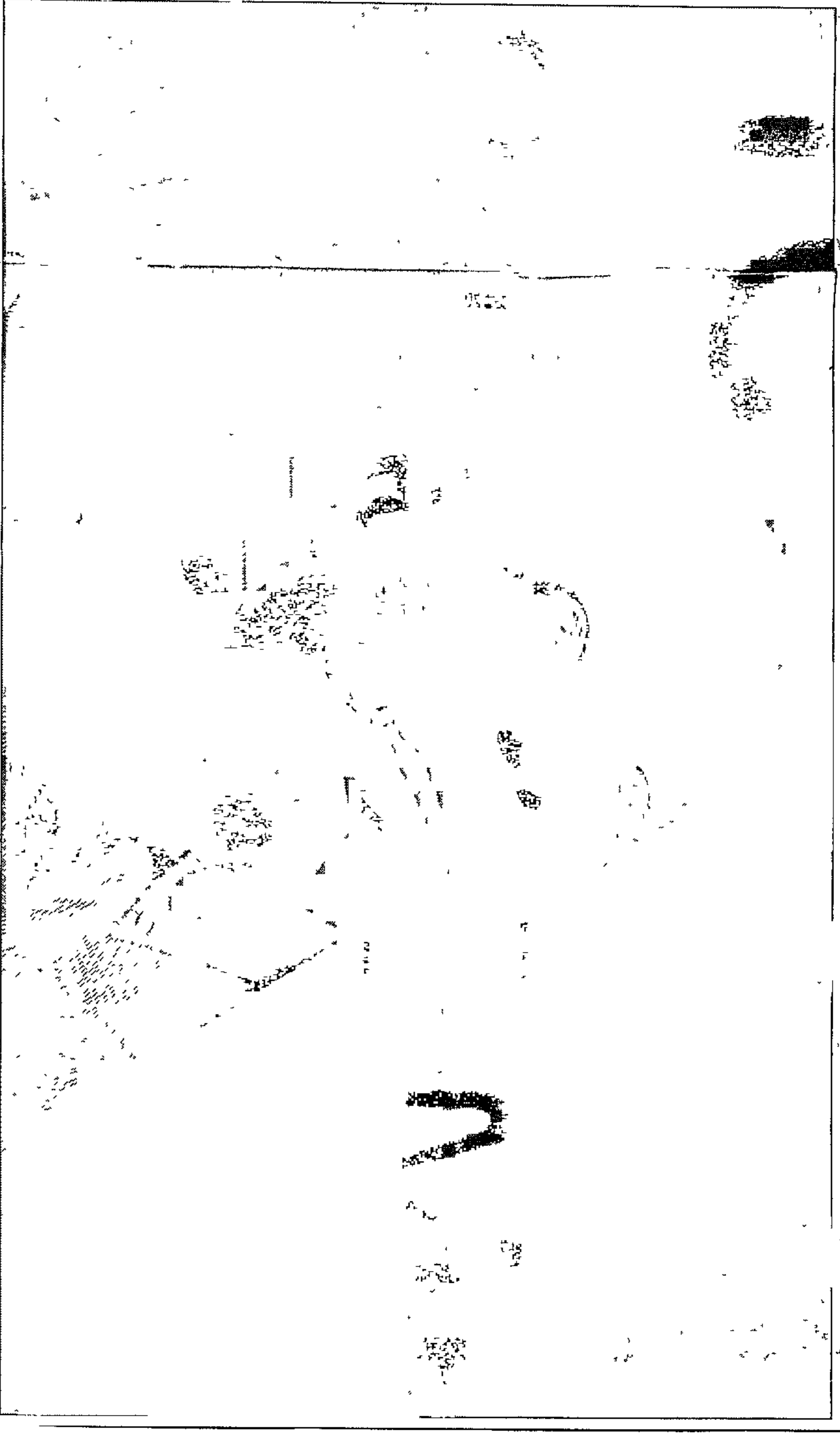
Of suggestions that he was to become ambassador to Beijing following last week's announcement of pending diplomatic ties with the Asian superpower, Mhlaba said "It's news to me." But he said he would consider the offer if it was made.

Mhlaba, an SA Communist Party stalwart, was the first ANC exile to be trained in guerrilla warfare at communist China's Nanking Military Academy in 1961.

On the wall above Mhlaba when he announced the end of his premiership was a poster carrying advice on the character of a good councillor.

"Give me the councillor, these graces shall possess, a ruler's arm, a watchman's wakeful eye, a pilot's skill, the helm in storms to ply."

They are traits Stofile will need if he is to survive in what has now become South Africa's most troubled province.



MAKING WAY FOR A NEW VANGUARD . . . Raymond Mhlaba is stepping down as premier of the Eastern Cape

Picture: BRETT ELOFF

Eastern Cape fails tourists

The Eastern Cape may have a lot of natural riches, but maladministration makes it a holiday in hell, writes **Aspasia Karras**

The minutes of a staff meeting at the Dwesa nature reserve provide ample proof of the extent of the Eastern Cape's shambolic state

The final meeting of 1996, which began at 8.30 on a Friday morning, started by asking all drunk members of staff to leave

A task team appointed last year by Minister of Public Service and Administration Dr Zola Skweyiya to identify management failures in provincial administrations has yet to report its findings, but if the Eastern Cape is any measure, the problems are indeed huge

Dwesa, situated in some of the most sublime forest and coast land south of Port St Johns, and adminis-

(2636)



mtg (am) 10-16/1/97

tered by the Eastern Cape Department of Conservation, confirms the impression of a province in chaos. Not only has it inherited the critical weaknesses of the homeland administrations, but it has failed to recognise its greatest economic potential, tourism

There is no denying that physical beauty is the Eastern Cape's most viable asset. If one is prepared to disregard the potential attacks on tourists, the most recent example leaving two British daredevils liberated from both their motor vehicle and their clothes, the province is indeed a world in one oyster, as the recent media campaigns of the provincial government claim. The administration seems to have faith in the potential of its natural resources, but apart from slick campaigning to lure the tourists, it is doing very little to ensure it can actually deliver on its promises.

In fact, the concept became an executive political priority only in April last year when tourism was added to the portfolio of the MEC for Economic

Affairs and Environment, Smuts Nkonyama. But neither the MEC, nor his representative, was available for comment at the time of publication

My particular experience is enlightening. In February last year, I was told by the Eastern Cape Department of Conservation, which co-ordinates

bookings in the reserves along the Wild Coast, that all the facilities were already booked up for December. An unlikely story. I found an ex-civil servant who had gone private, forming Wild Coast Reservations to bridge the gap, doing what she used to do for the Transkei administration. She repeated the fully-booked line, but after insistent requests booked me two cottages at Dwesa.

We set out in December, making a stop in Umtata to pick up the permit. Not surprisingly, the person with whom we had made an appointment to collect the permits had arrived at work that morning, and promptly left for the day, destination unknown. In the gloom of the Umtata offices (half the lighting was out of order) we battled for assistance. A chance encounter with

the reserve manager, stationed in Umtata, saw us finally on our way, permits in hand. As an aside we were informed that the Umtata office could not communicate with Dwesa as the radio connection had broken years ago, and had never been repaired.

After a harrowing drive on a bad dirt road, and confusion at dissembling signposts, we finally arrived at the gate only to have the guard disappear without explanation, but with our permits, for half-an-hour.

The first thing we noticed was that all the cottages bar two were empty, four of the eight remained empty for the 10 days of our stay, despite their fully-booked status

A hike in the reserve proved another headache. The rules and regulations (which were all-pervasive and obscure) demanded that a guide accompany all hikers, and we naturally attempted to engage the services of one. The office was a model of administrative incompetence. The guide was unavailable the next day as a result of the end-of-year

staff meeting, the following day because it was raining, and the day after he had to physically collect his pay cheque from Umtata — a full four hours away. He was never seen again.

Our travails did not end there. Laundry came back dirtier than before, gas stoves regularly started small domestic fires, and a board in the rickety balcony broke. All encounters with the 200-odd staff (half of whom are a model of labour-intensive grass-cutting projects) at Dwesa were frustrating in the extreme. The rules and regulations prevented anyone from making any decisions of any magnitude whatever. Even the positioning of the firebreaks had to be decided at head office.

As a case study of bureaucratic incompetence, the Eastern Cape tourism fiasco is a useful starting-point for debates about rule-driven organisations, weak administrations, demotivation, lack of training and human resources, and poor service delivery, which characterise weak governance

It could even be argued that there is a causal link between the quality of an administration and political stability. But the bottom line is that it is a tragic case of the emperor's new clothes, as the British tourists so obviously discovered

Poised to clean up

A POLITICIAN can never be all things to all people, but the ANC's new Eastern Cape chairman, Arnold Stofile – a minister, farm labourer, athlete, gifted scholar and ballroom dancer – has a better chance than most.

He has been elected to steer the country's ruling party towards the 1999 general elections in the Eastern Cape and is first in line to be the next premier

The Presbyterian minister was elected unopposed as Eastern Cape ANC chairman during the provincial congress in December last year.

His election as premier on February 1 this year will almost certainly be uncontested, as no other names have been put forward.

Now 52 years old, with three children at Cape Town's prestigious St Cyprian's School, Stofile has come a long way since being a destitute farm labourers' child who had to pay his own way through high school and fight for bursaries.

He has seen all sides of South African life, most of it in the Eastern Cape.

"It's a place of different worlds, and with the physical differences you also have mental differences," he says.

He knows that within the ANC and in the rest of the province people have to understand their differences and find common ground

Crime is one of the areas which affects everyone.

"We need to teach people that in the past the ANC dealt with anti-social people, and we can do it again. We must not relax those responsibilities."

Stofile aims to restore the communities' power to prevent crime, by ostracising criminals.

"There is nothing people fear more than isolation," he reasons.

In urban areas, he feels, police should be less hesitant to enforce the law



NEW CHALLENGE . ANC Chief Whip Arnold Stofile will be whipping the chaotic Eastern Cape into shape from next month.

During his school years Stofile and his fellow pupils followed their parents to political meetings.

"But there was no ambition of becoming anything in politics. There was just

This concept of community strength colours his reasoning on taxi violence – he believes that talks will solve nothing and government regulation is the only solution – and education. He feels that parents, pupils and ANC branches are equally guilty in allowing attitudes towards school attendance to slip.

the fire to be involved," he explained

His other interests included rugby, cricket, tennis, athletics and ballroom dancing, and teaching fellow-pupils mathematics and physical science.

His teachers had hopes of him studying medicine. But despite being one of only two pupils from Newill High School to obtain a matric exemption in 1964, Influx Control regulations put paid to any further financial help

"So I had to look for a job. I was interviewed for the post of clerk at Livingstone Hospital, but was asked to be a porter at the casualty department. I only lasted a week," Stofile recalled.

He then got a job at Industex, a textile manufacturing firm in Port Elizabeth, as a sweeper.

After two weeks he was promoted to thread knotter and after another six weeks he became a machine operator.

But the manual work soon took its toll, and "feeling stagnant", Stofile applied to Fort Hare University. He wanted to read law, but as he was on a church bursary his Bachelor of Arts credits had to include Biblical studies and church history

At the end of the year he was elected as the party's national treasurer.

He will continue in this post, although his new Eastern Cape chairmanship has meant leaving parliament, and a resignation as Chief Whip at the end of this month.

From February he will be unemployed, as chairmanship of the Border ANC is not a salaried post. Unless, of course, he is chosen to be the province's new premier on February 1 – Ecna **END**.

(267B)
He became interested in theology, and in 1975 he was ordained as a Presbyterian minister

During his student years Stofile squeezed ballroom dancing into his tight schedule.

It was on the dance floor, where he was a champion and teacher, that he met Nambitha, who he married in 1977.

He sees his political leadership as a natural progression from first representing workers at Industex, then students and staff at Fort Hare and now a province

While lecturing at Fort Hare he was elected as secretary-general of the United Democratic Front

He was jailed in 1987 for 11-and-a-half years on a treason charge by the then Ciskei government, but was released from Ciskei's Middledrift prison after two years on humanitarian grounds. In 1990 when the ANC was unbanned he was asked to join

the province

CP 19/1/97

officially and take up the Border region chairmanship.

Stofile says he is not bitter about the arrest, trial or incarceration

"But the lack of bitterness does not mean we have forgotten. If we relax too much we may slip back into unacceptable habits," he asserts.

Stofile is aware his children will fight a different battle to the one he fought

"But my age-group is the most problematic," he says

"On the one hand we want to be impatient to retire because we are sick of politicking. Others are worried that this will take away everything we have worked for."

Such tensions within the leadership cause enormous stress, which is compounded with having to work side-by-side with those once considered the enemy.

"We are gradually moving away from the

tensions of that first day in parliament where I asked myself: 'What do I do with Themba Khoza and F W de Klerk? Shake their hands or punch them in the nose?'" says Stofile

After the 1994 national elections Stofile moved to Cape Town with his wife and three children as the ANC's Chief Whip.

Steps to curb fraud still not implemented

(2/3B) Star 27/1/97

Province wants to first hold talks with central Government

By JUSTICE MALALA
Provincial Correspondent

Recommendations by a task team set up by Public Service and Administration Minister Dr Zola Skweyiya to curb massive fraud and maladministration in the Eastern Cape's administration have still not been implemented two months after the team submitted its damning report.

The only move towards curbing the massive fraud in the province has been the start of a campaign to register all the civil servants in the province - many of whom were inherited from the administrations of the Ciskei, Transkei and central government - so that "ghost workers" can be eliminated from the payroll.

The rest of the recommendations, however, have not been implemented as the Eastern Cape provincial executive council has asked for further meet-

ings with central Government over its qualms with the report.

It is understood that the report, which has not been made available to the media, said corruption and graft in the province had paralysed governance in the region while pushing its administration to the brink of collapse.

"The report was presented to

Politicians 'fuming' over report

the provincial executive council last year and the executive council decided, after it considered the report, that it will hold further meetings with Government about the issues raised," Sam Titus, who is the provincial government's law adviser, said.

He said the meeting with Deputy President Thabo Mbeki was supposed to be held early

this year but was postponed. Another meeting has yet to be scheduled.

Although Titus refused to say why the executive council had decided on meeting Government first, The Star understands that provincial politicians were fuming at the report's harsh criticism of the state of affairs there. The report said administration in the province was in a "terrible crisis".

The task team, led by Public Service and Administration director-general Dr Paseka Ncholo, included experts from the British Overseas Development Agency and Swedish economists.

ANC provincial spokesperson Mncebisi Bata said Skweyiya had briefed the organisation and "we discussed a way forward after that". He said some of the resolutions were being implemented but the rest were still awaiting talks between the two levels of government.

A
d
s
H
v
P
A
b
a
h
o
t
(
t
c
a
v
v
g
e
a
H
t
b
b
t
R
f
w

No-nonsense Stofile confident of turning the tide for people of the Eastern Cape

By **JUSTICE MALALA**
Provincial Correspondent



Challenges ahead ... the Rev Arnold Stofile.

In his summation before sentencing the Rev Arnold Stofile to 11 years' jail in 1987 for "terrorism", Chief Justice Benjamin Pirkard commented that "the strangest things (had) occurred" during the trial.

Two witnesses were jailed for four years each for refusing to testify against Stofile, two other witnesses disappeared, a lawyer was put in the witness box and the State changed the charge sheet a day after closing its case.

Strangely, too, Stofile's life has been a mixture of coincidences, opportunities and setbacks which read like a Dickens novel.

The 52-year-old ANC treasurer-general and former parliamentary chief whip has a history as varied as the province he has the hard task of leading to the 1999 elections. This includes being a church minister, athlete, farm labourer, scholar, ballroom dancer, ANC peacemaker and prisoner.

Today he will replace Raymond Mhlaba as premier of the Eastern Cape - a man who ostensibly failed to bring change to the lives of the people of one of the country's poorest provinces. Now Stofile will have to carry the hopes of the people from this province on his shoulders.

Mhlaba was expected to hand in his letter of resignation yesterday.

But Stofile does not seem daunted by the task, saying he will deal decisively with problems in the province.

Makhenkesi Arnold Stofile was born in the Eastern Cape of a family of farm labourers. A brilliant scholar, he quickly caught the eye of teachers who wanted him to study medicine, but he could not because of lack of funds.

He worked as a porter at a hospital, then as a sweeper at a textile manufacturing plant where he worked his way up to become a machine operator.

At the same time he applied to the University of Fort Hare and was granted a church bursary which compelled him to have

biblical studies and church history as a part of his Bachelor of Arts.

From his studies he developed a greater interest in theological matters and this led to his ordination in 1975 as minister of the Presbyterian Church.

While lecturing at Fort Hare in the 1980s after studying for his masters degree, Stofile was elected secretary-general of the Border region of the United Democratic Front. In this capacity he was responsible for the high-profile campaign that stopped the All Blacks tour to South Africa in 1985.

In 1987 he was sentenced to 11 years' jail for terrorism and released two years later on

humanitarian grounds. He served as ANC provincial chairman in the Eastern Cape before moving to Cape Town as parliamentary chief whip.

He has acted as ANC trouble-shooter in the Free State and in ANC Women's League squabbles. Affable, Stofile is said to be a strong leader who will come down hard on corruption, hence ANC branches' overwhelming support for him.

In the period before the 1999 election, Stofile will have to bring about tangible proof of the ANC's ability to deliver to the Eastern Cape. Only time will tell whether the father of three, married to Nambitha, will be able to pull it off.

Newly elected Stofile warns of rationalisation

(263B) 01/5/2/97

BISHO — As outgoing Eastern Cape premier Raymond Mhlaba accepted the post of SA's high commissioner to Uganda, his successor Arnold Stofile was officially sworn in after election by the legislature in Bisho yesterday

ANC chief whip in the legislature, Matthews Makalima, seconded by legislative member Lydia Bici, formally nominated Stofile. Grinning, the premier-elect then hugged Mhlaba

Stofile swore before Eastern Cape judge-president Neville Zietsman to uphold the constitution that came into effect at midnight

He said the province would have to move into the future by dealing with crime, violence, maladministration, a lack of education and trying health conditions,

as well as reviewing its budget priorities.

Turning to the thorny issue of public service rationalisation — an estimated 18 000 redundant staff and 8 000 "ghosts" have been identified — Stofile issued a veiled warning of cutbacks.

"There will be a focused organisational review and restructuring of the provincial administration. This will include the appraisal of the top echelon of the provincial administration."

Stofile committed the provincial government to the rural poor.

"It is mischievous for anyone to suggest the ANC has done away with the reconstruction and development programme framework," he said "I wish to echo the call that this is the Year of the Ox, where all work hard." — Ecna.

to close streets for

Heath probe to resume in Eastern Cape

(2b3B)

PORT ELIZABETH — President Nelson Mandela yesterday signed legislation reconstituting the dissolved Heath commission of inquiry into crime and corruption in the Eastern Cape administration to continue its work under a national mandate.

The commission, which was established two-and-a-half years ago, has been given two executive arms.

Judge Willem Heath will head the new investigative branch, while a judge president is likely to be appointed to head a special tribunal to deal with prosecutions. The name of Appeal Court Judge Gert Kotze, has been mentioned as a candidate for the position.

Two Supreme Court judges are also likely to be appointed to preside at tribunal hearings.

The changed modus operandi eliminates a clash of interests between investigations and prosecutions.

The commission investigated issues such as financial irregularities in the Eastern Cape government, including pension fraud, stolen government cheques and the irregular sale of farms and other state property — Sapa

BD 6/2/97

Eastern Cape premier hits out at corrupt bureaucrats

(263B) ARG 1/3/97

Bisho - New Eastern Cape Premier Arnold Stofile has declared war on corruption in his opening address to the legislature's first sitting for 1997, branding corrupt officials criminals and declaring their actions treasonable.

"Those who illegally help themselves to public property, including State money destined for the aged and the sick, must be dealt with most severely. This offence is tantamount to treason and must be treated as such," he said.

Mr Stofile, the African National Congress's former National Assembly chief whip, said he had given instructions to all Government departments on how to speed the punishment of "these criminals".

"More stringent measures will follow soon," he promised.

Mr Stofile told the legislature he was committed to rooting out all maladministration and corruption overwhelming Bisho's notorious civil service.

"I will in due course be announcing future corrective measures which will help enhance the performance of our civil service.

"I want to reiterate my earlier pronouncement that should it be necessary, drastic measures will have to be taken.

"The interest of the nation cannot be forever held to ransom by unwilling or incompetent bureaucrats," he said to applause.

He added that his orders for an audit of the top administrators, to be completed by April, still held.

"This would have to serve the dual purpose of identifying the training needs on the one hand and creating a basis for ridding the system of inefficient and incompetent elements in particular in the top echelons," Mr Stofile said.

He also addressed the issue of security in the province, saying that a lack of commitment and low morale among police had aggravated a violent situation.

"This situation must drastically change," he said.

The pending restructuring ordered by national Police Commissioner General George Fivaz, and the move of police headquarters from Port Elizabeth to Bisho would go a long way to solve this, he said, adding that access to land and security of tenure still delayed the development process.

In a veiled warning to traditional leaders, Mr Stofile cited the bad record of home-building in rural areas as an example. "Closely linked to this is also the role of traditional leaders and specifically the extent of their preparedness to be part of the democratic and modernisation process.

"Basic human rights must be weighed against sentimental views," he said - Ecna

Education wins the cream of Eastern Cape's allocation

Political Staff

BD 20/3/97 (2638)

BISHO — The Eastern Cape safety and security department was given a 331% increase yesterday from last year to R7,1m, the largest percentage increase by far in the province's R14bn budget which was released yesterday.

However, education, health and welfare were the winners in the budget, presented by Finance MEC Shepherd Mayatula, who said the province aimed at a growth rate of 8% and to reduce unemployment to 40% by 2000.

Mayatula found himself with an additional R871m, following the transferral of the servicing of the former Transkei and Ciskei's debt to the national finance department.

Health was given R2,9bn for the financial year, an increase of R344,4m, or 14%. Welfare got an additional R207,1m for a total of R2,85bn.

There was also a R425m increase for education, which consumes 38% or R5,024bn of the total budget.

Housing, where delivery has been problematic, gets only a 6% increase, or R25,5m, but the plight of agriculture has been addressed with R535m provided, an increase of R162,3m or 44%.

Economic affairs, environment and tourism gets an increase of 5% to R7,7m.

This was the first year in which the province made its own budgetary allocations.

Mayatula said the process had been carried out over three weeks "resulting in the shifting of funds from one department to another, the losers being departments which had rollovers in the previous year".

Personnel expenditure, Mayatula said, had not been "contained", because of the "large number of personnel additional to the establishment (supernumeraries) still gracing our corridors".

He said government had to take "a decisive step" in dealing with these cases and that downsizing in terms of voluntary severance packages had not been not as fast as was envisaged.

He said the Eastern Cape was likely to exploit legislation which gave provinces borrowing powers.

However, he warned: "We are acutely conscious of the fact that lenders may be averse to buying and investing in the scrip of the Eastern Cape and therefore it behoves all of us to place our provincial finances on a firm footing."

Mayatula said revenue was estimated at R308m for the this financial year. If the province was unable to collect the revenue for any reason, there would be a shortfall in funds, which could lead to planned activities being cut back.

He said problems hindering revenue collection were inadequate infrastructure for tax and levy collection, the continuing culture of nonpayment; and the different types of taxes and fees levied by the former homelands, making enforcement difficult.

Mayatula said that while the budget was important for the Growth, Employment and Redistribution Strategy's successful implementation, the private sector and individual citizen had to play a role. Debate on the budget speech will begin on April 21.

NEWS



SCRUMPTIOUS! *Scrumpy Jack, the world's largest premium cider brand, has entered the South African market. It conservatively plans to post retail sales through 250 pubs nationwide of more than R12 million in its first year, said Paul Siviter, the international marketing director of HP Bulmer, the UK-based cider producers. The company launched the fully imported draught cider on the market yesterday. The strong sales growth of other apple-based alcoholic drinks over the past few years has made South Africa the second largest market for the drinks worldwide, said Siviter. Rainer Funk, the marketing director of Bavaria Brau, which will bottle the cider later this year, and Bianca Gesvaldi (pictured) were on hand to taste-test the brew — Françoise Botha, Johannesburg* PHOTO JOHN WOODROOF

Port Elizabeth taps into water selloff

MPHO MANTJUI

Johannesburg — Port Elizabeth local authorities intend to press ahead with investigations on a plan to privatise water and sewerage facilities despite opposition from the government and the South African Municipal Workers' Union (Samwu), Tom Proudlock, Port Elizabeth's deputy city engineer, said yesterday.

He said opposition from both Kadar Asmal, the minister of

water affairs, and Samwu would not dissuade the council from carrying out its plans

Themba Khumalo, Asmal's spokesman, said water was a national asset that the department would not like to see privatised. He said Asmal was planning new legislation to remove authority over water affairs from local authorities, and a new law could be passed before the end of the year

"It is unfortunate that the

minister cannot intervene at this stage," Khumalo said

He said government encouraged the participation of the private sector in making water available, but wholesale privatisation would be unfair to people without access to water.

Khumalo said the people affected by lack of access to water were mostly the poor residing in rural areas and farms. These people at times had to buy water from farmers, he said

Bitter harvest for Eastern Cape farming schemes

BRETT ADKINS

THE Eastern Cape government, admitting to being unable to keep running the "costly and untenable" agricultural parastatals it inherited from Transkei and Ciskei, is trying its best to wash its hands of the troublesome projects.

But Bisho's latest solution to liquidate the six loss-making schemes and transfer them to workers and landowners has raised questions over the viability of the farming projects, and the government's handling of the crisis.

the provincial government reversed an earlier announcement that it was closing the corporations at the end of the month, it was announced on Friday that they would be liquidated.

Government officials, however, have given assurances to the approximately 8 000 employees working on state-farming projects that the schemes themselves will not be shut down.

Instead, Bisho has agreed that the parastatals, which are running up losses of R20-million a month in salaries, will be transferred from the government to employees, strategic partners and landowners.

A task team will investigate ways of coming up with a viable plan for the future of each particular scheme.

However, the liquidation, contained in a proclamation issued by Eastern Cape Premier Makhakesi Stofile and published in the Government Gazette at midnight on Thursday, has been slammed by the Democratic Party.

Eastern Cape DP leader Eddie Trent asked whether the liquidation was total or partial and, if it was the latter, how the cash-strapped government intended financing severance packages and other debts.

"This has also got to be seen against a backdrop of enormous losses over the past three years," he said. "The amount of depreciation in the value of assets, vandalised equipment, tractors just left abandoned, and stolen items runs into hundreds of thousands of rands."

Trent said it had taken the government two years to decide what should be done.

He also questioned what assets the agriculture department intended handing over to the stakeholders if liquidation took place, and how the schemes would continue to operate without the assets needed for production, like tractors and irrigation equipment.

Until a week ago, it seemed certain the parastatals would close. But in a surprising about-turn, the ANC-led alliance and the province's executive council agreed to reverse the deci-

BT 19/7/97

(263b)

sion after a barrage of protests, led chiefly by Cosatu.

This resulted in the resignation of an interim board charged with restructuring the parastatals.

Cosatu provincial chairman Alfred Mzi said earlier a task team recommendation that a forensic audit be carried out on the parastatals could have rooted out corruption and reduced running costs.

Provincial agriculture and land affairs MEC Max Mamase said extra security had been put in place at the farming parastatals — which include the Magwa Tea Corporation and the Transkei and Ciskei Agriculture Corporations — to prevent looting of assets.

Magwa in court to stop closure

BD 16/7/97

(263 B)

Own Correspondent

UMTATA — Magwa Tea Corporation MD Nkosinathi Rodolo and 22 of his staff are to apply to the high court today for an order restraining the Eastern Cape provincial government from liquidating the corporation.

If successful the order is expected to affect other Eastern Cape agricultural parastatals that have also been liquidated by the provincial government and ordered to cease operations at the end of the month.

They are Ulimocor in the former Ciskei, Tracor in the former Transkei and the irrigation schemes Qamata and Ncora.

The Magwa applicants have cited five respondents, including premier Makhenkesi Stofile who publicly endorsed the decision by his executive council to liquidate and restructure the parastatals. Other respondents include the provincial agriculture and

land affairs MEC Max Mamase and the Eastern Cape Agricultural Corporations' agency board.

The applicants seek an order restraining Stofile and Mamase from closing down the tea corporation, from terminating, altering or in any manner interfering with the salaries and benefits enjoyed by the applicants in terms of their conditions of service.

The application also seeks an order restraining Stofile and Mamase from evicting, hounding, harassing or in any manner interfering with the rights of the applicants to occupy residential premises allocated by the Magwa Tea Corporation.

Should the court uphold the Bisho decision to close down the operations of the tea corporation, the applicants seek an order directing Stofile, Mamase and the corporation itself to continue paying the remuneration and benefits of the applicants in accordance with their conditions of service.



The Cementation Company (Africa) Limited

g

l to
ers
las
y of

g in
las

ess
its

No more money for Eastern Cape

BISHO — In a secret visit to the Eastern Cape two weeks ago, Deputy President Thabo Mbeki and Finance Minister Trevor Manuel told premier Makhenkesi Stofile there was no more money for the embattled province

News of the visit and Mbeki's warning not to overspend very tight provincial budgets slipped out during a health department news briefing yesterday

Mbeki's spokesman Ricky Naidoo confirmed the brief meeting. He said it was not secret, but the media was not invited because it was a closed meeting

During yesterday morning's health department news briefing, Eastern Cape deputy permanent secretary for health administration and finance David Hardy, said the department faced severe budget constraints. "Mbeki was down here and the province cannot overspend," Hardy said

Hardy said that advertised vacancies for more than a thousand empty posts, from assistant nurses to medical superintendents and specialists, could not be filled because there was no money to pay more staff

The positions advertised were the "critical" ones out of 13 500 vacant posts in the health department, Hardy said

Now the department, slammed by med-

ical superintendents for repeatedly ignoring written pleas to address the critical shortage of doctors in state hospitals and with dozens of brand new clinics standing empty in rural areas, would have to look at "the most crucial of the crucial" posts and only fill what it could afford

This comes after a plea by the provincial education department for at least R1bn more to meet basic commitments for this financial year

The department has been told it cannot hope for the money and is making radical cutbacks to cope

Last month education department officials and education MEC Nosimo Balindlela twice told members of the provincial legislature they needed at least another R1bn added to their annual R5,4bn for 1997/98

Balindlela said she and the department had accepted they could not hope for a financial lifeline

"If we were in a household situation we would be saying go slow on (eating) the cheese," Balindlela said, describing a belt-tightening exercise

"We have got to internalise the fact that there will not be more money. We have got to get it out of our minds and try to help

ourselves," Balindlela said

She said the appointment of subject advisers, vital to the implementation of the national Curriculum 2005 project, has been halted for this year. Tenders for building schools had been cancelled as the department turned to cheaper renovation options.

A needs assessment undertaken recently by national government showed the Eastern Cape had a shortage of 15 000 classrooms. Balindlela said that the backlog could not be addressed over three or four years and work would stretch out over many more years

Balindlela would soon appeal to businessmen to take part in an "adopt-a-school" programme. Where possible, redundant staff will be put into empty posts

"The (provincial) cabinet has decided the departments must look at ways to help one-another where we can," Balindlela said

"We are controlling the money situation, but I don't want to lie and say the situation is good," she said

Balindlela said financial aid was a possible solution to the financial problem. She said Japan had promised money for school building programmes and a Swiss foundation was helping projects in and around Kokstad — ECN

(263B)

BD8/8/97

WHEN Makhenkesi Stofile was still the rugby coach at Fort Hare University, he took one of his promising players aside and told him that his skills would be better used at flank than at eighth man

More than a decade later, when he became premier of the Eastern Cape, Stofile took the same man aside again — this time to tell him that he would do better as housing and local government MEC than as finance minister.

The redeployed man, Smuts Ngonyama, took his instructions with no bitterness on both occasions. Perhaps he was relieved that somebody had finally decided to lead the provincial government.

In the three years of his rule, Stofile's predecessor, Raymond Mhlaba, had commanded respect as a struggle veteran, but had failed to turn back the tide of administrative chaos inherited from the former Transkei and Ciskei homelands.

Struggling to shape their province into a functioning unit, Mhlaba's

The big hitter who will bring order to SA's dark outpost

(2638)

In the first six months of his rule, Eastern Cape Premier Makhenkesi Stofile has broken the provincial mould by putting regional autonomy on the backburner and asking national government to intervene, writes RAY HARTLEY

8T3/8/97

ministers found themselves wading through constitutional porridge.

They were haunted by legions of ghost civil servants, who sucked wages

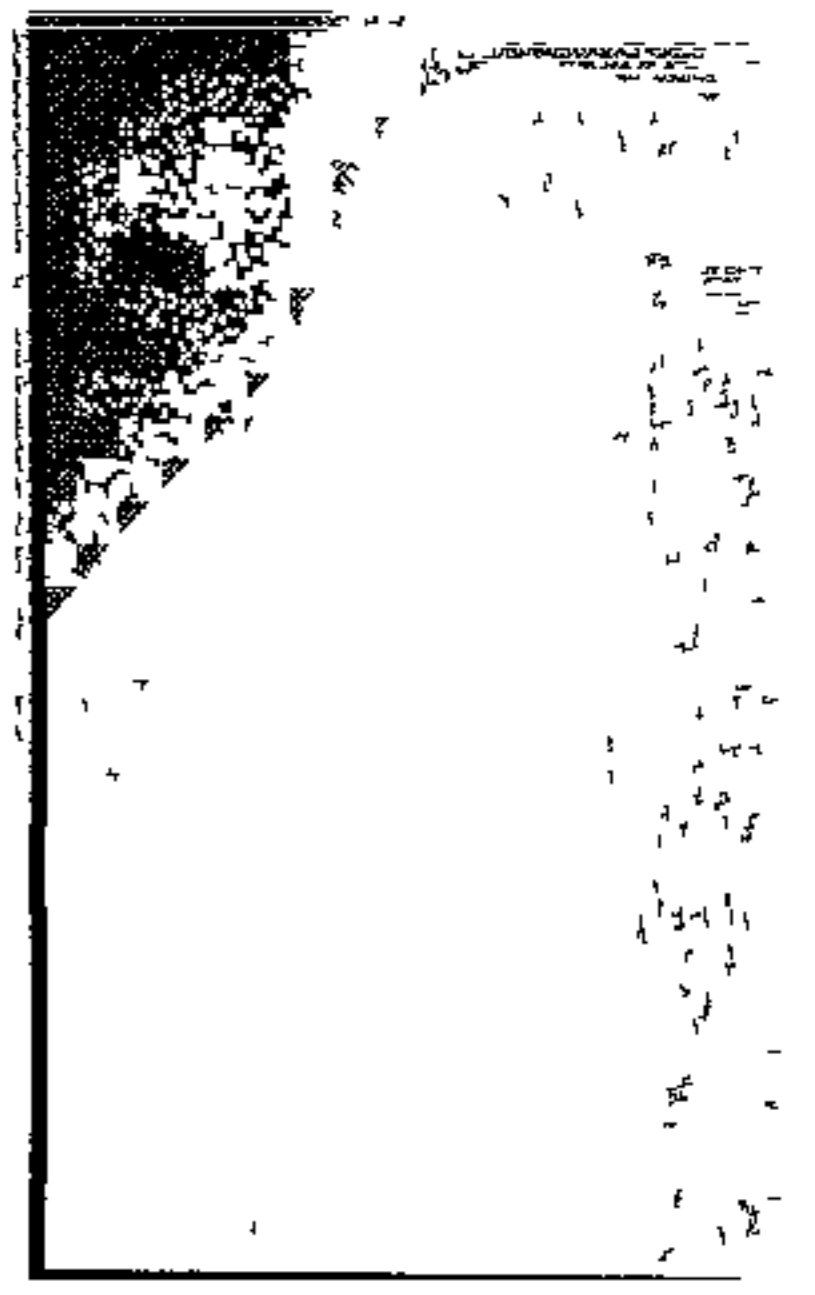
out of the provincial exchequer in the name of the dead. The province earned a reputation, in the words of one finance ministry official, as "a

budgetary black hole".

Eventually, a beleaguered Mhlaba agreed to leave office and pave the way for a younger man.

A former chief whip for

the majority party in Parliament and a big hitter in the ANC, where he was treasurer, Stofile's arrival in Bisho was treated with fear and suspicion by the





TOUGH MATCH: Eastern Cape Premier Makhenkesi Stofile has used his skills as a former rugby coach to plan strategic solutions to the problems that beset the province

Picture:
NICKY DE BLOIS

ruling bureaucracy

From his office this week, Stofile looked back on those first days with a chuckle. "The tension was palpable in the pas-

sages. The officials were so tense you could hear their muscles squeak as they walked by."

He says this with such amusement that the dis-

claimer which follows rings a little hollow. "I'm not here to chop heads, I'm not the big executioner." What Stofile did do was call in his MECs and find out exactly what they were doing, and what they needed to do it better. The picture was grim — he realised the province did not have the managerial skills to fulfil its mandate.

Whereas some of his provincial colleagues have complained that they have not been given enough authority by central government to fulfil their obligations, Stofile moved in the opposite direction.

He called on central government for assistance, bringing in teams of advisers on health, welfare, local government and housing.

In one famous example, Stofile sent his housing officials to Pretoria for training. While they were away, he showed a surprisingly Machiavellian sleight of hand, calling in top national housing officials to take over the running of the ailing department.

After perusing their report, Stofile called the provincial housing board to a meeting in his boardroom. "By their own admission, they had been underperforming. I thought it was time to get rid of them," he says looking down at his hands, as if talking of the passing of an unloved relative.

In the board's place, Stofile established a six-man committee to get things moving.

The result? The Eastern Cape has risen three places on the provincial housing delivery ladder. Now the Minister of Housing, Sankie Mthembu-Mahanye, is to use the Eastern Cape example in

the other provinces.

Explaining the success of his housing initiative, Stofile once again uses a metaphor from his days as a coach. "The element of surprise is one of the best strategies to win a rugby match," he says.

While the national interventions seem to be paying off, Stofile is yet to cope with his most serious problem — the civil service inherited from the Cape Provincial Administration, the Transkei and the Ciskei.

The homeland services were always treated as mere tokens and were never given serious ad-

'The tension was palpable in the passages. The officials were so tense you could hear their muscles squeak as they walked by' — Stofile on his first days in office

ministrative responsibilities.

Stofile now sits with 18 000 civil servants — dubbed "supernumeraries" — who were hired as casual workers by the old Transkei and Ciskei administrations.

Central government's offer of "packages" to rid the civil service of excess baggage has had no effect on them because they had accrued no pension benefits.

"We must concede that

it has failed to right-size the civil service. There was this huge bulk of people who simply didn't have packages to take," he says.

Now Stofile is faced with having to live with the civil servants on his payroll until central government finds a way of shaking them off.

The frustration is beginning to tell. "Government is such a crazy machine. You can't do anything without reading 100 pages."

In the meanwhile Stofile has started to fill vacancies in government from the pool of 18 000 employees.

A second weakness facing Stofile is on the local government front, where newly elected structures are, in his words, "still riddled with a lot of problems of capacity."

He has now sent for German support. "Our province has been twinned with a German one and we now want those retired German town planners to come and help us."

"Town planning is town planning, it doesn't matter if you are doing it in Siberia or Qumbu."

The new man in Stofile's finance ministry, Enoch Godongwana, the former secretary general of the National Union of Metalworkers of SA, has also presented Stofile with a problem.

Godongwana was once the nemesis of the local motor industry. Under his leadership, auto workers have brought production to a halt at Mercedes-Benz in East London, and at Volkswagen and Delta in Port Elizabeth in recent years. Now local business has to deal with Godongwana as the man with his hands on the provincial purse strings.

More rugby. "I said to Enoch, 'You are going in as an underdog.' I always liked going onto the field as an underdog. We had to find a strong person and I don't believe we have a better economist here."

When Stofile celebrates his first six months as premier this week, he will have something to cheer about. But the former front-ranker still has to play the match of his life if he is to turn the troublesome province around.

Confidential records stored outside Umtata office's door

(2638) BD 8/8/97

CAPE TOWN — Confidential government records were stored outside the front door of a state building in Umtata, and others could not be located because they were kept in rooms with no lights, the auditor-general's office has discovered.

Provincial auditor for the Eastern Cape Chris Oosthuizen said in a report tabled in Parliament this week that investigators had identified a fundamental breakdown in administrative record-keeping in the education department of the former Transkei.

Confidential documents relating to teachers' salaries and other issues were found stacked outside the main entrance and along the first floor corridor of the KD Matanzima building when the audit was conducted in late 1995 and 1996.

Most of these documents related to the 1994/95 financial year and subsequent months.

There appeared to be no filing system in the department's strongrooms, and documents were stored haphazardly.

In the finance department documents and printouts were not always filed systematically. A former computer room was found in disarray, with unlabelled computer tapes spread over the floor.

The record rooms for the police and the local government department in the Botha Sigcau building had no lights, making it impossible to locate certain accounting records. The transport department storeroom had the same problem.

A fundamental breakdown in record-keeping had been identified in the welfare and pensions departments. Pensioners' personal files were dumped in the records room, and there was no filing system.

Because of the haphazard record-keeping, audit staff had

abandoned an attempt to do audit testing on a sample of payments made to pensioners.

Other tests had shown cases where pensioner's file records did not match computer information. In the inland revenue department, taxpayers' files were disorderly and incomplete.

There was a substantial backlog in following up outstanding tax returns.

In their examination of the records of a small number of taxpayers, including many well-known companies still in operation, the auditors had identified a potential outstanding amount of R44,3m.

The audit was to have covered the period from 1988 to March 1995. However, it had become clear that many payment vouchers could not be located, even for the 1994/95 year, and all attempts to audit spending for the earlier period had been abandoned. — Sapa

Three provinces on 'verge of collapse'

David Greybe

CAPE TOWN — The Northern Province, Eastern Cape and KwaZulu-Natal are on the verge of collapse, the provincial audit report released yesterday shows.

Only Gauteng and the Western Cape received relatively clean bills of health, with Gauteng emerging as the best-run provincial administration.

The 15-member audit team also identified serious problems in the Northern Cape and Free State administrations and, to a lesser extent, in Mpumalanga and the North West.

The team, headed by public service director-general Paseka Ncholo and including three international experts, visited the nine provinces between last October and May this year.

Their 10 reports — one for each province plus an executive summary — depicted provincial public services as being crippled by grossly inadequate financial, information and human resource management systems. They reported a chronic shortage of appropriately skilled staff. Only the audit summary was released yesterday.

"The lack of discipline and the

prevalence of misconduct (such as fraud and theft) are major problems in many departments and provincial administrations." Procedures to manage misconduct were ineffective.

National government was also criticised by the task team: "New policies are often set at national level without due consideration to the organisational, financial and service delivery implications in the provinces."

It said "political interference" was hampering the administration of provincial departments. "There is a poor definition of the different roles of politicians and administrators."

The review found that the centralisation of functions in provinces, particularly financial and personnel management, had a negative effect on departments' ability to deliver services.

Provincial public services were still not focused on improving service delivery, and were restricted by "inherited" administrative processes.

The report was almost not released after a cabinet committee decided last week against publication due to its damning nature. The decision was reversed at yesterday's cabinet meeting after intense lobbying which resulted

BD 21/8/97
in Deputy President Thabo Mbeki, among others, supporting its release.

Public Service Minister Zola Skweyiya told a news conference the cabinet had been "very supportive" of the need for corrective measures in the beleaguered provinces. His department would "be going back to the cabinet for further assistance".

He said national departments which had already undertaken corrective initiatives, based on the findings, were finance, housing, education, health, welfare and home affairs.

Public servants and Swedish experts had been working together in the Eastern Cape, while in the Northern Province public servants from Skweyiya's department and experts from Britain and the Commonwealth were tackling problems.

The task team said national financial regulations limited the efficient use of the state's resources. "They do not establish value for money as the key principle." Financial management systems were not adequate and most provinces did not prioritise their budgets with policy objectives.

See Pages 6-8

Eastern Cape 'paralysed' by ineffective leadership

BD 21/8/97

(2638)

David Greybe

CAPE TOWN — The Eastern Cape administration was essentially paralysed because there was no effective political and administrative leadership, the provincial audit found.

Financial controls were inadequate owing to lack of understanding of the budgetary system. "Budgets tend to be 'wish lists' rather than detailed assessments of the costs of implementing planned programmes," it was reported.

The audit team found that, out of the nine provinces, the Eastern Cape and the Northern Province governments were in the worst shape because they inherited most of the former homelands and were "close to collapse".

Discipline among Eastern Cape public servants was poor, and corruption and fraud appeared widespread in "all areas of the public service". Service delivery targets were largely absent.

According to the deputy provincial police commissioner, "police were currently investigating more than 650 cases of fraud and corruption involving public funds to the value of R30,75m".

Smaller suppliers of goods "cashed in" when it became publicly known that former Transkei and Ciskei's financial systems had collapsed.

For example, pharmaceutical firms confronted the health department with outstanding accounts of about R305m.

Lack of supporting documentation made paying these accounts "highly problematic".

There was no effective interface between the Eastern Cape executive council and provincial administration because of the province's poor leadership.

The lack of timely and accurate management information on many aspects of the province's operations limited informed decision making.

The audit was undertaken during a visit to the province by the task team led by public service director-general Paseka Ncholo between October 16-25 last year.

The African National Congress has since replaced former Eastern Cape premier Raymond

Mhlaba with Makhenkesi Stofile and had, with the assistance of central government, implemented an administrative salvage plan.

The audit team found "a lack of co-ordination and clarity of roles between different levels within the administration".

Owing to "time constraints" the original organisational structures for the administration developed on a "trial-and-error" basis with a limited scientific approach.

The structuring of certain departments was not in accordance with their statutory competence, "resulting in confusion as to who is responsible for what, a lack of control and duplication of work".

New measures were merely "dumped" on departmental personnel offices "without a well-defined action plan".

Senior departmental managers indicated the main purpose of the voluntary severance package was to create capacity for appointment of people from under-represented groups. "The compelling reason, to

effect savings, is not realised." The audit team found there was no clear provincial or departmental policy on human resource development which was practical and linked to service delivery objectives.

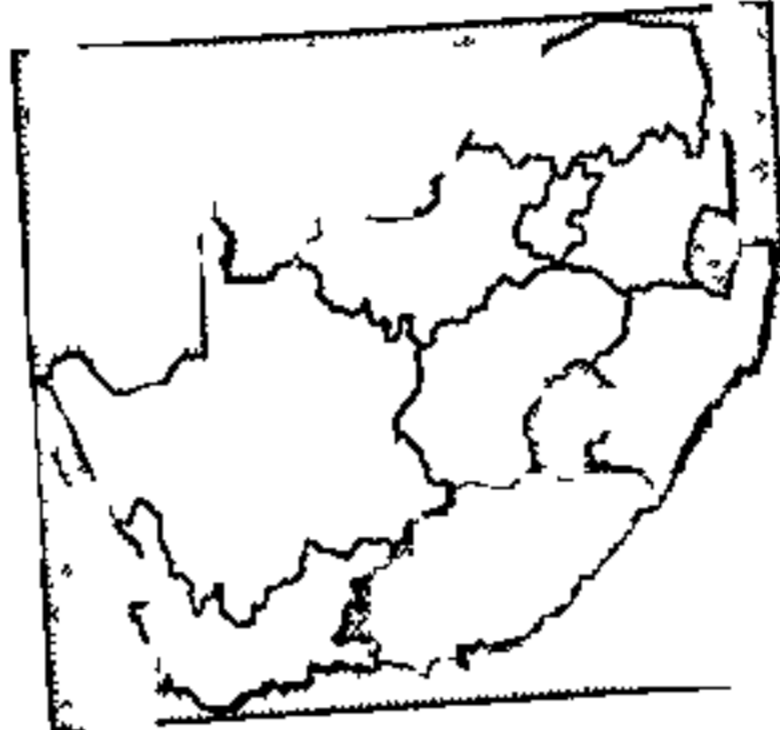
The trade unions' high level of involvement in the recruitment process "considerably slowed appointment of staff".


There was concern implementation of the Browde and White commis-

sions' recommendations on irregular promotions could "increase the risk of lawlessness among police officers, especially in the former Transkei".

The audit team found there was "no visibility of debtors as accounts are prepared on a cash-book basis". Departments were not registered for value-added tax, resulting in the provincial budget being negatively affected.


Operating three payroll systems, departments reported a lack of control in the former Ciskei and Transkei payrolls with possibly "large numbers of ghost workers".





Pubhold

Publico Holdings Limited
(Registration number 86/00785/06)
("Pubhold")



Publico


Publico Limited
(Registration number 57/00036/06)
("Publico")

Cautionary announcement

Pubhold and Publico are currently involved in discussions which, if successfully concluded, may have an impact on the prices at which Pubhold and Publico shares trade on the Johannesburg Stock Exchange. Accordingly, Pubhold and Publico shareholders are advised to exercise caution when dealing in their shares until a further announcement is made.


Johannesburg
21 August 1997

Merchant bank



Capital Alliance Bank Limited
(Registration number 60/03893/06)

Sponsoring broker



SOCIETE GENERALE FRANKEL POLLAK
SOCIETE GENERALE FRANKEL POLLAK (PTY) LTD
REG. NO. 96058607
MEMBER OF THE JOHANNESBURG STOCK EXCHANGE

INCE

Butterworth council granted court order

BD 22/8/97 (2638)

GRAHAMSTOWN — The Butterworth town council was granted an urgent interdict in the Grahamstown High Court yesterday to prevent Judge Willem Heath's special investigation unit from entering the municipal premises and removing documents

The council contended in court papers that the unit's actions in entering municipal premises on August 19 and questioning staff and removing council documents were unlawful

The unit was called in following recent violence in Butterworth in which two municipal security guards were shot dead and a third wounded

Municipal services in the town had ground to a standstill amid allegations of corruption and nepotism in the former Transkei municipality

The unit, set up to investigate corruption and maladministration and recover misappropriated public funds, will oppose the application — ECN

E Cape growth plan row

(2608)

(b) MG 22-28/8/97

Aspasia Karras

Minister of Trade and Industry Alec Erwin this week announced that President Nelson Mandela will open an important investor conference in East London on November 7, where two of the eight Spatial Development Initiatives (SDI) in

the Eastern Cape will be formally launched. It is clear from the outset that the Wild Coast SDI project is the most challenging one, since it has to juggle two time-bombs in the attempt to get development off the ground, the environment and the community. The environment accommodates 80% of the remaining indigenous bush in Southern Africa. The Wild

Coast is also one of the last remaining global havens for biodiversity, sustaining more than 4 000 different species and plants. To add to the complexities, South Africa has signed international biodiversity treaties, which guarantee the survival of these highly sensitive environments. The community, on the other hand, is one of the poorest and most disem-

powered in the country. The government is pressured to fast track delivery and development in the region, but with limited resources, capital has to come from foreign and local investment, hence the conference. What is missing is time. Eastern Cape nature conservation assistant director Div de Villiers believes that "at the moment the SDI is bulldoz-

ing through with a totally unrealistic time-frame, 16 weeks. It is being driven by dates before all the environmental impact assessments are finished." Project leader Vuyo Mahlati explains that the SDI project focuses on developing four main nodes, the Dwesa/Cwebe nature reserves, Coffee Bay/Hole in the Wall, Port St Johns and Mkambati. Key projects are tourism, agriculture, forestry and a road. The Department of Trade and Industry highlights the road as the crucial intervention in the area. "The government is convinced that the road and the associated tourist projects will

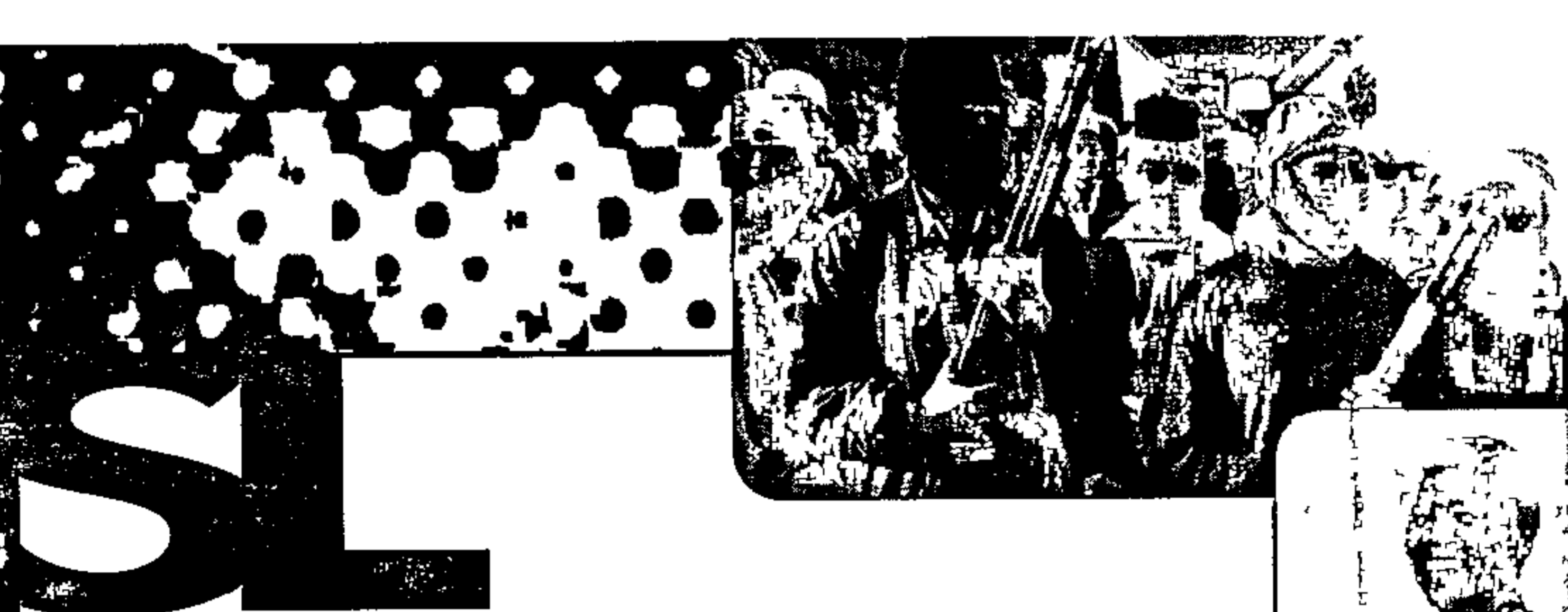
prove to be a highly innovative investment facilitation strategy to boost growth and job-creation." Environmentalists and the community are up in arms about the lack of a full scale environmental impact assessment before the decision was made to build the 120kph national highway between Port Edward and Port St Johns.

Mahlati says the Council of Scientific and Industrial Research is to conduct a scoping exercise, but environmentalists stress that the planning process is happening the wrong way around. Hugh Tyrell of the World Wildlife Fund says "The environmental and socio-cultural damage that a double lane 120kph national highway can do to a remote, rural area with outstanding biodiversity and indigenous forests is frightening. One hopes that the consortia now tendering for feasibility studies on the new toll road understand the complexities of the task, and the uniqueness of the context."

The Bishop and Diocesan Council of Umzimvubu speaks on behalf of his community, which stretches from Port St Johns to Umzimvubu. "We are hearing an increasing number of reports of an N2 motorway, are these true, and if so, which communities have been consulted and who will benefit? There is a desperate need to develop the access roads for the hundreds of thousands of people dotted across the countryside of the former Transkei — but not motorways. Why is the new government of the people pandering to big business [the trucking industry] to the detriment of the impoverished people of the Eastern Cape?"

The concerns about the road, which is apparently to be funded by the US Trade and Development Agency to the tune of R1,6-billion, highlight the fears that communities are not being fully involved. Mahlati attempts to dispel the panic by saying national government will not give the go-ahead until all assessments have been made and communities are on board.

The time frame, however, is tight and the November conference presents a deadline.



and MAIL & GUARDIAN

are inviting applications for the
1997 **STUDENT MEDIA AWARDS**

Pick up an entry form from your nearest SRC office, Student Job Shop or contact Sino at (011) 403-7111.

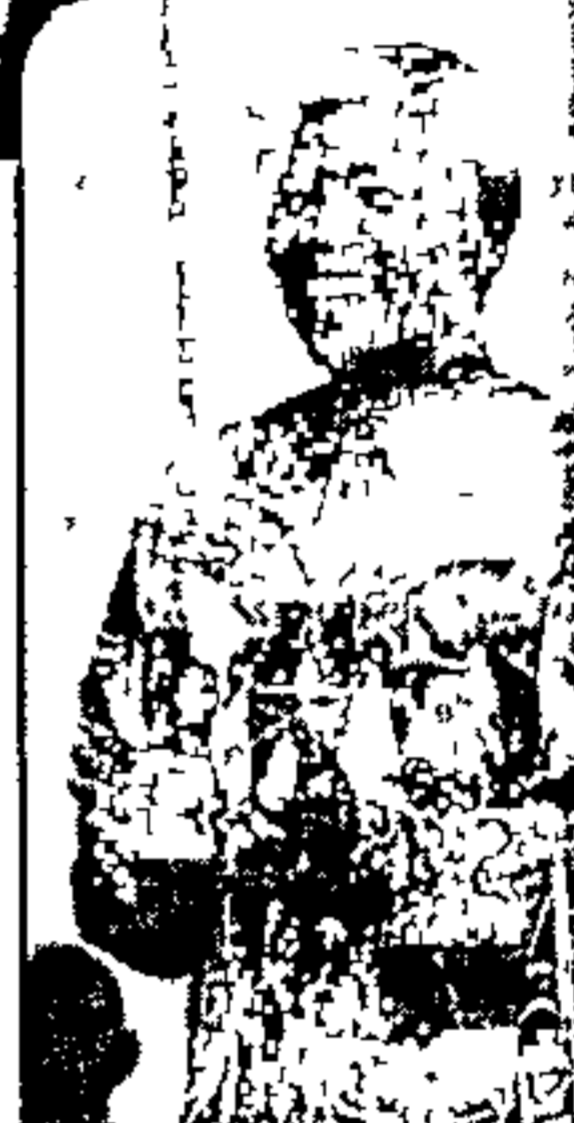
The categories are:

- BEST STUDENT NEWSPAPER OF THE YEAR
- BEST STUDENT PHOTOGRAPHER OF THE YEAR
- BEST STUDENT JOURNALIST OF THE YEAR
- BEST UPCOMING NEWSPAPER OF THE YEAR

* * *

Entries must be received by MONDAY 6TH OCTOBER 1997

>> The winners will be announced in the MAIL & GUARDIAN and SL in the first week of November 1997.



TO SUBSCRIBE AT A STUDENT DISCOUNT TO THE MAIL & GUARDIAN PHONE (011) 403-7111,
STUDENT LIFE (021) 461-3609

Municipality (2638) fails to halt probe

GRAHAMSTOWN— The Butterworth municipality yesterday failed in its High Court bid to restrain and interdict Judge Willem Heath's special investigation unit from continuing the probe into allegations of maladministration and misuse of public grants

However, a final order on the issue will be made on Thursday, and in the interim the investigation will continue

Judge Richard Jones said he would not halt the investigation because of the violence and the politically volatile situation which existed in Butterworth, but he did make an order prohibiting the unit's investigators from questioning municipal councillors until a final order had been declared

This followed a three-hour hearing between two high-powered legal teams after the Butterworth council lodged an urgent interdict on Thursday to prevent Heath's investigators from entering the council's premises and questioning employees and removing documents.

A final order will be made in the Grahamstown High Court on Thursday, and Jones instructed both parties to file their affidavits by tomorrow

The urgent interdict was lodged after the investigation team, led by e Heath, entered the council's premises last Wednesday and questioned employees and removed documents from the treasury — ECN.

2026/18/97

Changes exacerbate Eastern Cape problems

BO 1/9/97

(263B)

Reneé Grawitzky

THE abolition of the homeland system had ironically further marginalised the Eastern Cape, which remained the second poorest province and was generating only 7,5% of the national gross domestic product, the latest edition of the SA Labour Bulletin says

Rhodes lecturer Etienne Nel wrote that as a result of the political changes and reintegration of the homelands, the province had inherited bureaucracies which had contributed to the delayed delivery on development projects.

The province's economic policy was sound but "funding shortages, attacks on tourists and poor infrastructure have all impeded change", he said

Despite having 16,4% of the national population, the Eastern Cape had only 5,5% of industrial firms and 7,8% of industrial jobs while 42,6% of those able to work were unemployed,

"In all probability future growth would be focused in the areas which already had adequate infrastructure and skills.

This, Nel said, was borne out by the major development projects in the two proposed industrial development zones in Port Elizabeth and East London.

Growth in these areas would however, further isolate the weaker and vulnerable centres which were the areas of "greatest deprivation and need" and further enhance disparities in the province's economy.

The phasing out of the decentralised policy had resulted in compa-

mes closing and thousands of people being retrenched. Nel said the "failure to implement retraining and alternative employment ventures had wreaked havoc on places such as Butterworth and Dimbaza".

Tariff cuts had hit the clothing and textile industries hard, while the renunciation of diplomatic ties with Taiwan had affected the Taiwanese industrial base in the province, which had not been insignificant.

The agricultural sector had also faced bad times. Droughts, falling world wool prices and stock theft all had a negative effect. The eviction of thousands of farm workers had also created a refugee problem in towns such as Kei Road, Ugie and Molteno.

In the same edition of the Labour Bulletin, Eastern Cape Agricultural Resource Project director Lali Naidoo said that not much had changed for farm workers in the three years since the elections.

She said workers were still subject to archaic labour relations and it "will be some time before the paper rights which farm workers now have are converted into practical ones."

Farm workers worked an average 12-hour day, six days a week with no overtime pay, she said. Wages were still composed of cash plus payment in kind or rations while wage disparities existed between men and women.

Despite the Labour Relations Act and Basic Conditions of Employment Act, Naidoo said, the type of relationship between farmers and workers, prevented these rights from becoming real.

PROVINCIAL GOVERNMENT

How the Eastern Cape is fixing its IT mess

(2638)
FM 5/9/97

But the onus is on government to bring incompetence and fraud under control

Taking control of the finances of the Eastern Cape has seen several departments moving away handwritten books to electronic payments in less than three years

Eastern Cape finance minister Shepherd Mayatula believes that's an achievement, given the challenges facing his department, which had to combine the finances of the Transkei, Ciskei and the Eastern Cape portion of the Cape Province's budget

Government has spent an estimated R10m through the office of the Auditor-General trying to sort out the mess. A report by the Auditor-General suggests that billions of rand were irregularly spent between 1986-1994. Unauthorised expenditure in the Transkei alone in the past three years of its administration is estimated at R2,3bn

But the exact figure will probably never be known as the audit was, in many cases, based on unreliable documentation because the homeland records were in disorder. The auditors found a mishmash of incompatible systems and an almost total breakdown in financial control — a situation in which fraud was rife

Mayatula says in the Transkei accounting records were last written up and audited in 1988. Audit queries dating back to 1983 had not been cleared. Records in the Ciskei were written up until 1991, but bank reconciliations for 1990 had not been done in some departments when the new government took office. Unlike the

Transkei, where the accounting function was centralised in the department of finance, the Ciskei had a decentralised system. "This was aggravated by the use of a manual system for writing up the books in some departments," says Mayatula.

The situation is so bad that the Auditor-General's report says only about R2,3m of the billions in unauthorised expenditure may be recovered.

The problem has been complicated by the fact that the Eastern Cape inherited three accounting systems — those of the two homelands and that of the former Cape Provincial Administration.

The Transkei government had standardised on the Qpac financial system, but there was no uniform financial system in the Ciskei. Each department was using its own software, with some remaining on handwritten ledgers. Manpower shortages in key positions delayed the process of sorting out the mess. The financial directors were appointed late and civil servants were inherited and thus created the need for rationalisation, which resulted in resistance to change.

Not the least of the problems has been "ghost" employees. These are being eliminated from the government payroll through the relatively simple mechanism of ensuring that all civil servants are registered with "proper IDs." The numbers are used to eliminate duplication.

Even getting to the point of being able to perform this, basic database search has had its own difficulties.

Late last year the province got its standardised information system through Qpac for all departments except Health, Welfare and Education, which are on the Financial Management System (FMS). This allows for budgeting and individual control of each department.

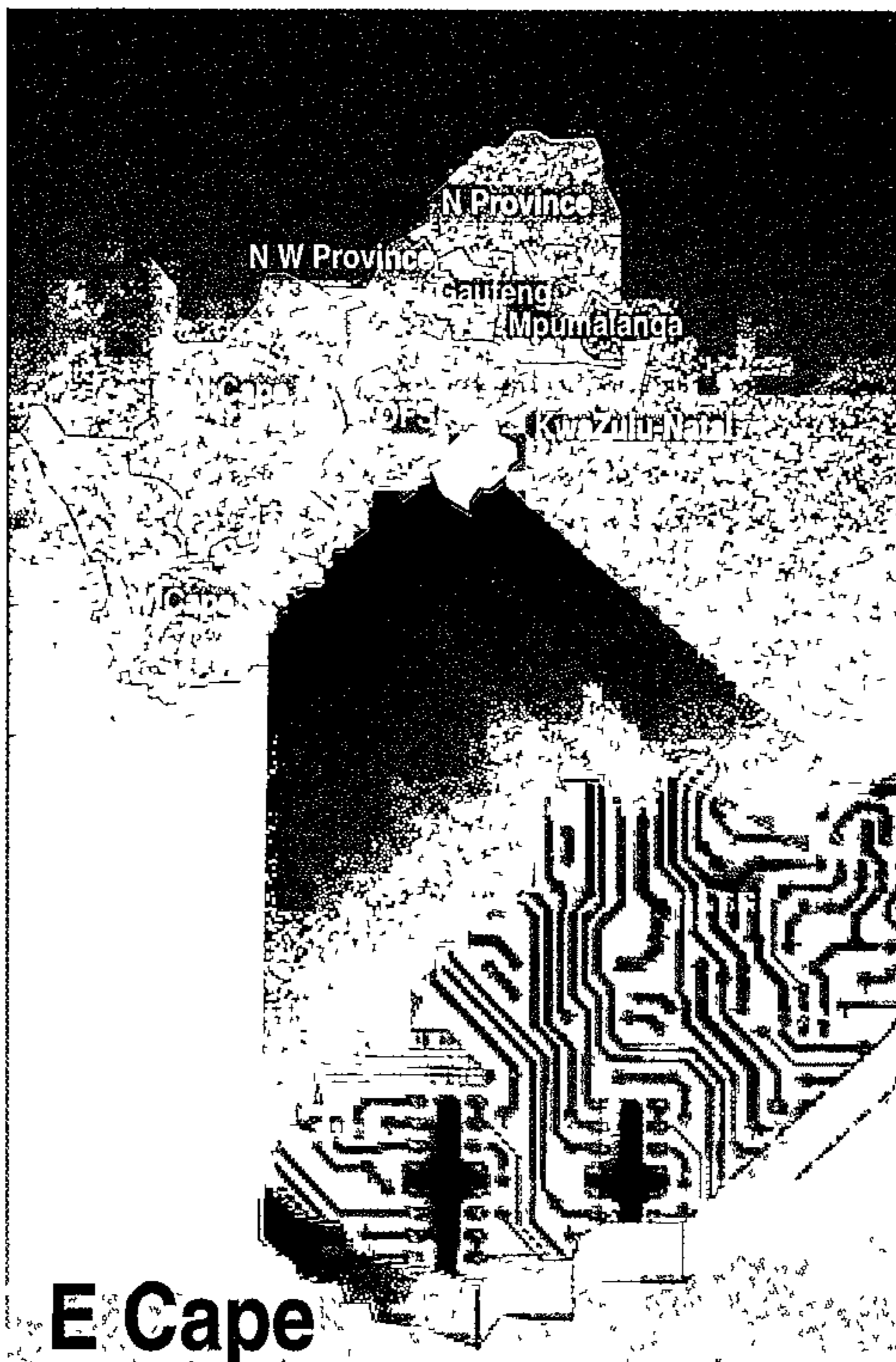
Salaries are processed on the Persal system, which is used countrywide by government departments. Persal will pay directly into an employee's bank account, or will make out a cheque where bank details have not been captured.

The province is encouraging the use of electronic payment wherever possible. Contractors can also be paid electronically after a four-step authorisation process.

The systems are now in place for a clean administration, and the focus is on government's will to apply that technology to bring fraud under control.

The province has been identified by a 15-member audit team headed by public service director-general Paseka Ncholo as one of the regions suffering from a chronic shortage of appropriately skilled staff.

Ed Richardson



Pension money 'safe'

ST 7/9/97

(263B)

DESPITE reports that social security funds in the Eastern Cape are drying up fast, the province's MEC for welfare says pensioners and other beneficiaries will be spared a "black Christmas"

Fraudulent payments and corrupt data caused by the merger of the former Transkei and Ciskei homelands have been blamed for the chaos, which welfare officials are trying to sort out by re-registering people,

writes BRET ADKINS

The Eastern Cape does not get additional state funding for welfare because its statistics are unreliable. Hundreds of applications have been brought in the Grahams-town High Court to compel the welfare department in Bisho to pay out benefits and pensions.

"It is true that Treasury gave us an allocation substantially less than what we originally requested," Welfare MEC Mandisa Marasha said.

She said she had held many discussions with the state expenditure department, the provincial treasury and her national counterpart, Geraldine Fraser-Moleketi.

Marasha said the major reason for the shortfall was fraudulent payments "whereby we end up paying grants to deceased people, disability grants to people who do not

qualify, and children's grants to working mothers" She said programmes had been initiated to ensure these people were eradicated from the system.

"While we acknowledge there are serious problems and the worst case scenario is that the department may run out of funds before December, I wish to categorically refute the possibility of running out of pension money"

Stofile voted most unpopular premier ... unfairly?

(263 B)

MTG 26/9-2/10/97

Craig Bishop

Eight months into perhaps the toughest provincial job in the country, Eastern Cape Premier, the Reverend Makhenkosi Stofile, is under pressure to take heavy-handed action to control fraud and deliver government services

A recent Human Sciences Research Council (HSRC) survey found he was the least popular premier in South Africa

Stofile (50), a Presbyterian minister and sports administrator with a keen interest in rugby, is known as a tough, no-nonsense politician whose chief mandate has always been to crack down on corruption

Some accuse him of being heavy-handed and arrogant — qualities that served him well when he was African National Congress chief whip in the National Assembly. Others see him as much more in touch with the province's problems than his predecessor, Raymond Mhlaba

His response? "I am not here to please anyone. I am not a film star. If in the course of my work I offend someone, so be it."

With the province collapsing around his ears, he is taking the flak for ANC failings in the province. Few politicians envy him

The Eastern Cape is one of the poorest provinces in South Africa. It is estimated that it will need R3-billion a year to eradicate poverty

A provincial audit, conducted by public service director-general, Pasaka Ncholo, found "no effective political and administrative leadership, with a lack of co-ordination and clarity of roles between different levels within the administration"

And according to a recent provincial welfare department report, the province's pension fund faces bankruptcy before December, unless additional funding is found

The report says almost 60% of the R2,4-billion pension budget had been consumed in the five months until the end of July. National government has insisted there will be no additional funds to provinces. More than 600 000 pensioners are facing a bleak Christmas

Police are investigating over 650 cases of fraud and corruption in the Eastern Cape involving R31-million worth of public funds

Stofile is awaiting the completion of a government staff audit into redundant personnel. The buck stops with him. He alone decides the fate of tens of thousands of civil servants inherited from the former Transkei and Ciskei administrations and the



No nonsense: Makhenkosi Stofile

Cape Provincial Administration

He points out that mass re-trenchments would have a devastating impact on the economies of former Transkei "boom towns", like Umtata and Butterworth

"People would need alternative means of survival, such as small-scale farming, to feed themselves," says Stofile

The Pan Africanist Congress's shadow provincial secretary for public works, Walter Tshobu, says this

has already happened

"ANC leadership is becoming bourgeois. People are losing faith in the ability of the ANC to deliver in rural areas. The economy is already collapsing. In Butterworth we have lost 70 factories, in Umtata about 55 factories, and if this continues to happen, the chances for the PAC to take over the Transkei are bright"

Tshobu points out that dissatisfaction with the ANC is projected on Stofile, although the premier has had little chance to prove himself

"Stofile is very new in office and has yet to show his reputed toughness"

Border Chamber of Business (BCOB) director, Peter Miles, says that Stofile should not have been included in the survey.

"The survey took place as Stofile took office. He has impressed us at BCOB although it remains to be seen whether he can be the decision-maker that the province needs"

"The time is fast approaching for him to start being heavy-handed, especially with the bloated civil service. He must realise that he can't be friends with all of the people all of the time"

Researcher Ian Hirschfeld from the HSRC's Centre for Socio-Political Analysis admits that the survey is a "generalisation", but that na-

tional and provincial trends can be extrapolated from the data

"The survey reflects dissatisfaction with the office rather than the person. The provincial populace will tend to apportion blame for political party failings to the premier's office," Hirschfeld explains

Eastern Cape Democratic Party leader, Eddie Trent, says Stofile has been "unfairly judged" for ANC failings. "I have refrained from attacking him because it is too soon — I would give him a bit more time to deliver. However he is not taking the sort of dynamic lead that we expected — he could also be a little more visible to voters"

The survey has been slated by the premier's office for a "number of inaccuracies", such as the fact that the research was done in February, when Stofile was new to the portfolio

"Another omission is to construe the performance ratings in the report as meaning popularity ratings. These are two different things," says Stofile's representative, Manelisa Wolela

Stofile will need every shred of his undoubted toughness and political acumen to make necessary and unpopular decisions without alienating large sectors of the electorate

— *Development Media Agency*

US police shocked by East Cape chaos

BD 30/9/97

(263B)

Simon Barber

WASHINGTON — Two US policemen doing a background check on Sun International's Sol Kerzner as he sought a licence to operate the Mohegan Sun casino in Connecticut were stunned by the corruption and chaos they found in the Eastern Cape, according to their official report.

Detectives Jerome Boyle and Louis Ward of the Connecticut State Police casino division were particularly shocked to find themselves and their fellow travellers being asked for a "clearly illegal" departure tax when they flew out of Umtata. The officer collecting the R5 tax gave them a receipt stamped "Republic of Transkei". Since that ceased to exist two years previously, they assumed they were being shaken down and reported the experience to foreign affairs director-general Rusty Evans, who "expressed dismay".

This was one of several incidents contributing to their conclusion that the case against Kerzner, stemming from a R2m payment to former Transkei prime minister George Matanzima, had "very little merit".

The report was made public by the New Jersey Casino Control Commission which is considering Kerzner's bid to run Resorts International casino in Atlantic City.

The policemen said Transkei attorney-general Christo Nel was

unable to find a copy of his 1990 warrant, withdrawn in 1994, for Kerzner's arrest.

The key document was missing from Nel's Kerzner file — "an overstuffed manila folder barely holding together loose papers about three inches thick".

Then Nel made a "startling observation" about a key prosecution witness, Monty Ntloko, who as head of the Transkei Development Corporation helped arrange the Matanzima pay-off and received R50 000. Ntloko supposedly died in a car crash. But Nel told the detectives, "He might be alive and well and working at the drycleaners. I accept he is not available to me and he died in a car accident, without having proof of such."

The detectives found it "very unusual" that Nel, who had been "pursuing" Kerzner for nine years, could not produce the warrant. Odder still, given that Nel now had two SA police investigators helping him prepare a case against Kerzner for trial, was his vagueness about Ntloko.

The detectives also made unannounced visits to Sun casinos in SA. Like the SA justice system, they found operations "different". Boyle toured gambling areas at midnight. "Most noticeable were congregations of families sitting on concourse floors. The groups included children of all ages."

See Page 17

Eastern Cape director-general resigns amid provincial chaos

Vuyo Mvoko

EASTERN Cape director-general Thozama Botha resigned yesterday, implying that he was being held responsible for the province's failures.

Sources said premier Makhakeni Stofile, who was brought in by the African National Congress national and provincial leadership in February to rescue the ailing province, had to be seen doing something or "risk his reputation and become just another (former premier) Raymond Mhlaba". The province has been rocked by malad-

ministration, fraud and widespread corruption since governance under Mhlaba began in 1994. Except for a minor cabinet reshuffle a few months ago, nothing appears to have changed since Stofile took office.

A R2,5bn budget deficit has been projected for this financial year, and firm pronouncements from Deputy President Thabo Mbeki and Finance Minister Trevor Manuel on a recent visit that there would be no rescue mission for the province.

The situation has even led some MECs to say that the province should look at the possibility of securing foreign aid.

In an interview after a news briefing with Stofile yesterday at which Botha's resignation was announced, Botha said "You are dropped in the middle of a swamp, 100m from the shore. You struggle and 50m from shore someone comes from Mars and sees that you are in a mess. That person has no reference point and all he sees is a crisis".

Botha would not confirm whether he was referring to Stofile, saying that as director-general he was playing a game in which he was both "player and captain" and never did things on his own but as part of a collective. When the "coach" arrived, Botha said, "I took the team's problems to him and he might have felt differently" about the way those problems could be solved.

Stofile's spokesman Mamehs Wolala would not be drawn to Botha's comments, saying the premier stood only by the statement he read in Botha's presence — that Botha's departure was "a collective decision" and a "product of consultation and collective agreement".

Botha, who was initially the subject of a fight between national and Eastern Cape governments over where he should be deployed, yesterday remained adamant that

he had not failed in his duties.

The province's problems were enormous and many of them were apartheid's legacy, he said. Solutions demanded "collective wisdom and leadership".

He said the province needed to be "jerked up and made competent". To do that, however, required the active involvement of the public and the top political and administrative officials in the province. There should be "no spectators".

In a critical review of the provincial administration in August after an audit done late last year, auditor general Henri Klue-

er said that budgets tended to be "wish lists rather than detailed assessments of the costs of implementing planned programmes".

The audit acknowledged that the province inherited homelands that were "close to collapse", but noted that discipline among public servants was poor and corruption and fraud appeared widespread in "all areas of the public service".

Service delivery targets were largely absent and "police were investigating more than 650 cases of fraud involving public funds to the value of R30,75m".

Bd 16/10/97 (263B)

Stoffie whips E Cape into shambles

(263B)

AKG 18/10/92

The administration of the Eastern Cape is in a shambles, admits premier Makhenkesi Stoffie, but he says reports of his unpopularity are like "water off my back". Peter Dickson reports

Mr Mhlaba out of the mess gave up on Rev Stoffie and company this week. It was a strange sight as that man, Eastern Cape director-general Thozama Botha, the top civil servant in the province, announced his shock resignation sitting next to a premier who agreed with him that the civil service left much to be desired.

Grahamstown - When Eastern Cape premier Raymond Mhlaba was sent packing to Uganda and the squeaky clean Makhenkesi Stoffie was enticed home from Parliament with his much-vaunted whip as Mr Fix-it, the people of the country's second-poorest province expected things to change fast.

Nine months down the line they live in the country's poorest province, with 45% unemployment and even the elderly and disabled now have to wait until some time next year for their welfare grants because there's not enough money.

A massive department-by-department head count is still under way to trim the paid "supernumeraries" (redundant staff) and ghost staff that bedevilled Mr Mhlaba's - and now Rev Stoffie's - bloated and chaotic administration, while MPLs and MECs in the province have enjoyed a R2-million pay increase.

Unable to work with Rev Stoffie and an administration "that won't pull together", the man sent to help

Mr Mhlaba out of the mess gave up on Rev Stoffie and company this week.

It was a strange sight as that man, Eastern Cape director-general Thozama Botha, the top civil servant in the province, announced his shock resignation sitting next to a premier who agreed with him that the civil service left much to be desired.

Lapsing into sporting talk - Rev Stoffie and Mr Botha are both rugby fans - the premier said that even if he had to start from scratch with the civil service, he'd find most of the top brass were "non-traveling reserves".

"But why give up yet?" said the man brought in to help Mr Botha whip the provincial government into shape, if they "were not being beaten 100 to 1".

Still, amid the continued chaos, now there's not much whip and, from the end of November, no Mr Botha. Opposition MPLs in Bisho, who heralded his appointment nine months ago as the right move, now say they see so little of the promised whip - and Rev Stoffie - that they have begun calling him his own office's resident ghost, seen only at cocktail parties.

He's called his own office's resident ghost, seen only at cocktail parties'

The ANC's former chief whip in the National Assembly, Rev Stoffie is now the party's treasurer-general. Judging by the state of finances in the province run by the Presbyterian minister - its most crucial departments are in crisis and the province may soon run out of money, after overspending its budget by R2,5-billion - that's a strange choice.

Since then the faithful have been rocked by Rev Stoffie's admission to an extra-marital affair, and that the woman - arrested for fraud last week - was blackmailing him for maintenance payments, and then allegations last week of missing Malaysian millions, donated to the ANC, which Rev Stoffie personally brought back to South Africa in trunks.

Outside, people in the most populous area of the province, the impoverished Transkei, say they are getting impatient for delivery of basic services, houses and jobs. Chiefs, who did not get off to a good start with Rev Stoffie, are no happier in October as they rally behind Bantu Holomisa.

While the province reels from one crisis to the next, Rev Stoffie's engagements this week - outside of a single executive council meeting and a press conference in Bisho on Wednesday, and a damage control day at Shell House on Monday after the Malaysia allegations - total two school prizegiving night speeches in East London and King William's Town, and a visit to an Eskom project outside King William's Town - ECN

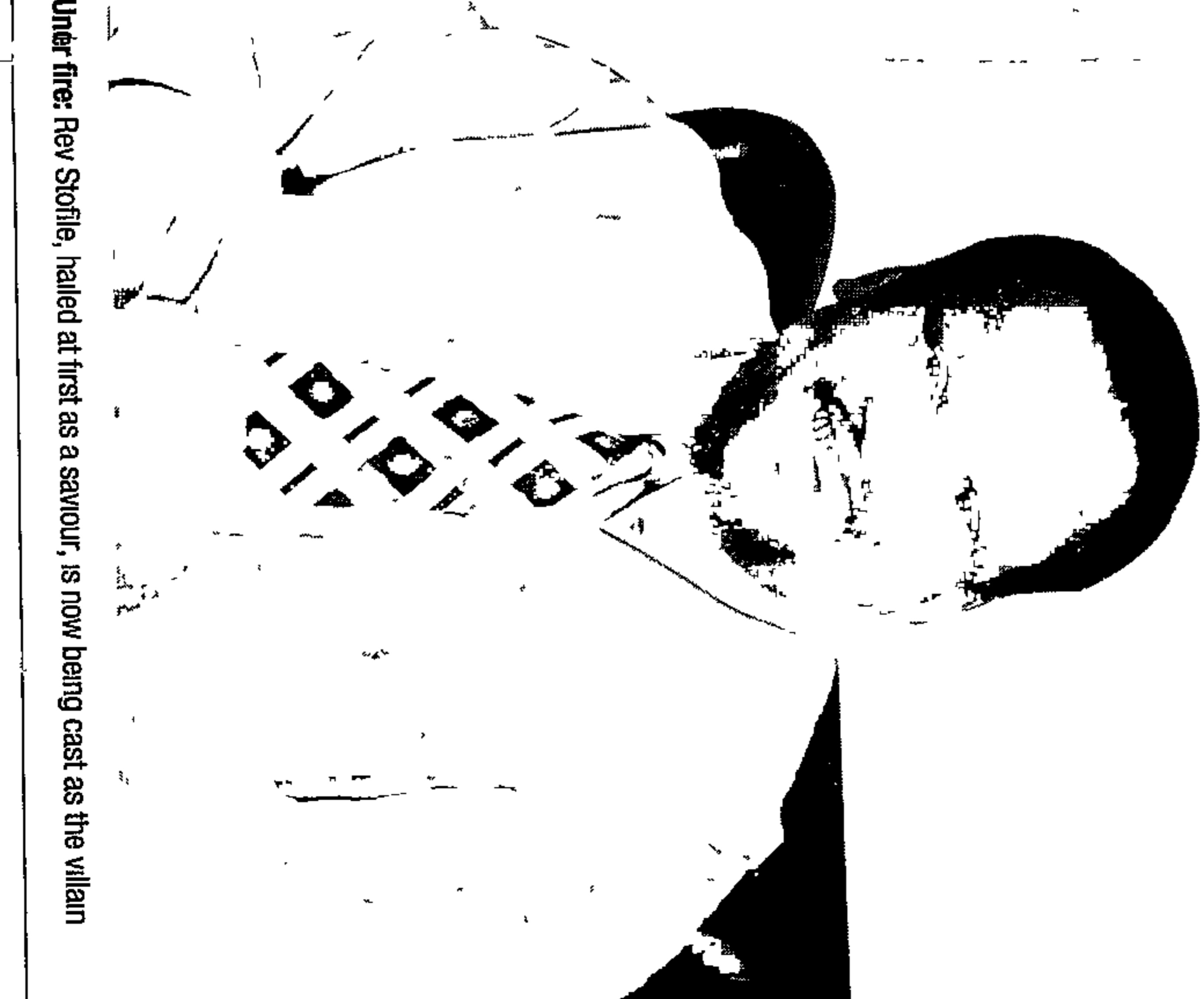
The man investigating the missing money has since been shot dead'

Since then the faithful have been rocked by Rev Stoffie's admission to an extra-marital affair, and that the woman - arrested for fraud last week - was blackmailing him for maintenance payments, and then allegations last week of missing Malaysian millions, donated to the ANC, which Rev Stoffie personally brought back to South Africa in trunks.

Outside, people in the most populous area of the province, the impoverished Transkei, say they are getting impatient for delivery of basic services, houses and jobs. Chiefs, who did not get off to a good start with Rev Stoffie, are no happier in October as they rally behind Bantu Holomisa.

While the province reels from one crisis to the next, Rev Stoffie's engagements this week - outside of a single executive council meeting and a press conference in Bisho on Wednesday, and a damage control day at Shell House on Monday after the Malaysia allegations - total two school prizegiving night speeches in East London and King William's Town, and a visit to an Eskom project outside King William's Town - ECN

Under fire: Rev Stoffie, hailed at first as a saviour, is now being cast as the villain



Under fire: Rev Stoffie, hailed at first as a saviour, is now being cast as the villain

It's water off my back, says Stofile

The people want results, but all they get is crisis after crisis

All is not well in Makhenkesi Stofile's Eastern Cape, reports ECN Weekend

Service. The litany of woes includes a severe cash shortage, mass unemployment and a premier who stands accused of not delivering.

W

HEN Raymond Mhlaba was packed off to Uganda and the squeaky clean Rev Makhenkesi

Stofile was enticed home from Parliament to be Mr Fix-it, the people of the Eastern Cape expected things to change fast

Nine months down the line, they still live in the country's second poorest province - with 45 percent unemployment and where even the elderly and disabled now have to wait until sometime next year for their welfare grants because there's not enough money

And a massive department-by-department head count is still underway to trim the paid "supernumeraries" (redundant staff) and a ghost staff that bedevilled Mhlaba's - and now Stofile's - bloated and chaotic administration, while MPLs and MECs have enjoyed a R2 million pay increase

Unable to work with Stofile and an administration "that won't pull together", the man sent to help Mhlaba out of the mess gave up on Stofile and company this week

Eastern Cape director-general

Thozamile Botha, the top civil servant in the province, announced his shock resignation sitting next to a premier who agreed with him that the civil service "left much to be desired"

Lapsing into sporting talk - Stofile and Botha are both rugby fans - the premier said that even if he had to start from scratch with the civil service, he'd find most of the top brass were "non-travelling reserves"

But why give up already - If they "were not being beaten 100 to 1", asked the man brought in to help Botha whip the provincial government into shape

However, at the end of November, Botha will be history

And opposition MPLs in Bisho, who heralded his appointment nine months ago, now say they see so little of Stofile that they have begun calling him his own office's resident ghost - to be seen only at cocktail parties

The ANC's chief whip in the National Assembly, Stofile is now the party's treasurer-general

Judging by the state of finances in the province, its most crucial departments are in deep crisis and

the province may soon run out of money

Making him the treasurer-general was a strange choice

Bisho legislature finance committee chairman Sam Mazosirwe says the overspending

prediction, made by his deputy, is "nonsense" - but deputy Eddie Trent remains adamant

Last month, hundreds of Methodist women, at Stofile's suggestion, gathered in Bisho to pray for the embattled premier and his government

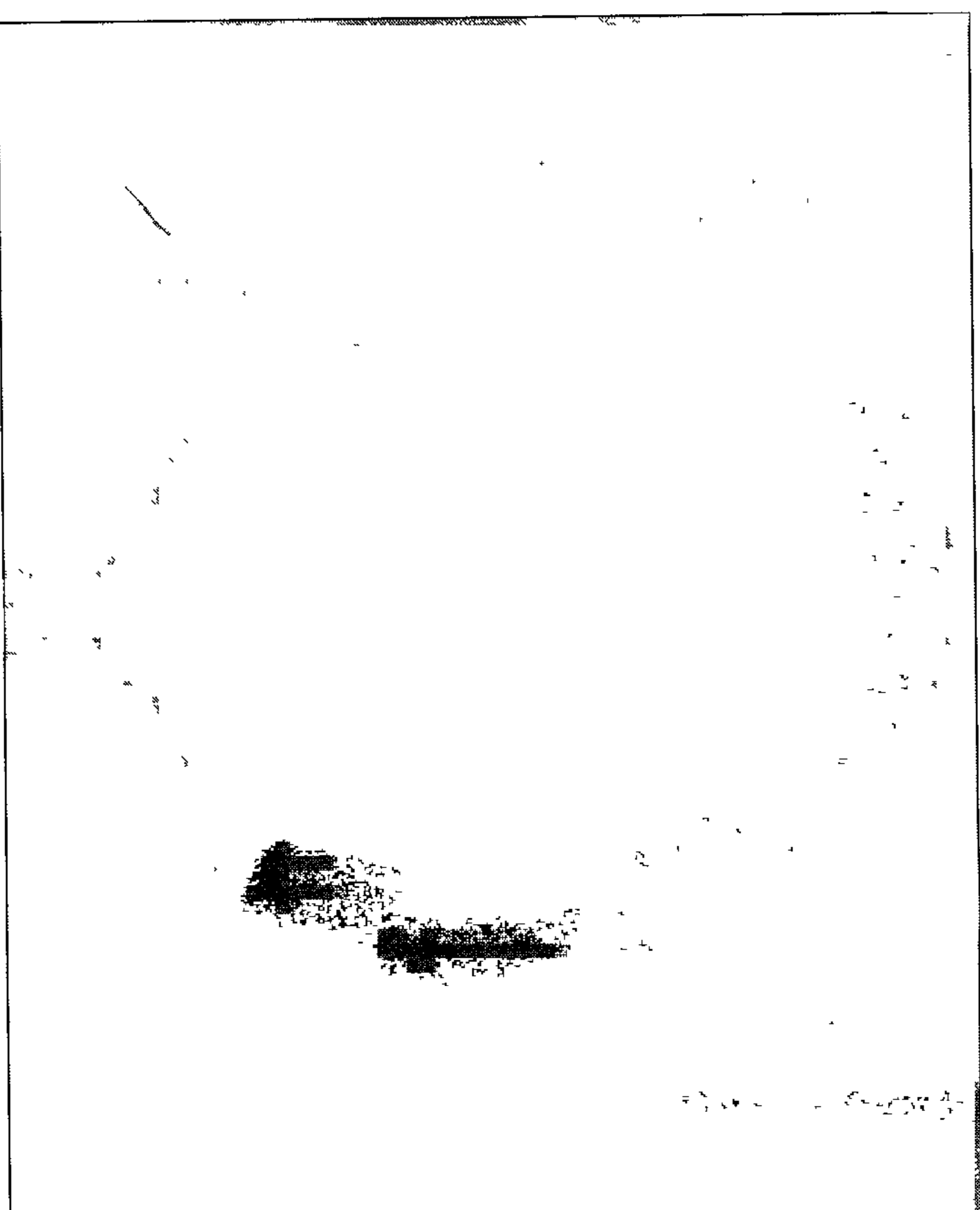
Since then, the faithful have been rocked by Stofile's admission of an affair while married, and that the woman - arrested for fraud last week - was blackmailing him for maintenance

Another problem involving Stofile are the allegations - which surfaced last week - of Malaysian millions which were donated to the ANC gone missing

Cash that treasurer-general Stofile reportedly brought back to SA by the trunk-load

The man investigating the missing money, and missing vehicles, has since been shot dead at a taxi rank

The ANC rallied around its



INDIFFERENT TO HIS CRITICS... Eastern Cape Premier Makhenkesi Stofile

Eastern Cape premier, who says he "is disgusted by the allegations" - saying there were no missing Malaysian millions

They've been spread across various ANC accounts, said ANC spokesman Ronnie Mamoepe. He also said the dead man had been

probing only "missing party cars." Still, the allegations came a week after the charging of Stofile's trusted personal secretary, Pauline

Herman, who had followed him from Cape Town, with "misconduct"

The misconduct entails the alleged theft of some R30 000 from Stofile's personal bank account and the alleged unauthorised use of a government car

Since the start, his office has been cagey on the matter

Meanwhile, people in the most populous area of the province, the impoverished Transkei, say they are getting impatient for delivery of basic services, houses and jobs

Chiefs, who did not get off to a good start with Stofile, are no happier in October - and some of them are getting into gear behind Bantu Holomisa

In the corridors of Bisho, the severe cash crises in the welfare, education and health departments are being blamed on staff

A few months ago, it was the inadequate government budget allocation of R14,5 billion they were pointing fingers at

Declared the country's most unpopular premier in a mid-year Human Sciences Research Council survey, Stofile doesn't seem to care "It's water off my back," he said, adding that unpopularity came with the territory

Perhaps, but then perhaps increasing indifference would appear to be much of the problem

While the province reels from one crisis to the next, Stofile's engagements this week - outside of a council meeting and press conference on Wednesday and a damage control day at Shell House

on Monday following the Malaysia allegations - are two school prize-givingspeeches (at night) in East London and King William's Town and a visit to an Eskom project outside King William's Town

No locals around so foreign specialists head for the Cape

BISHO — With few local technically trained people willing to base themselves in the Eastern Cape, 58 German and Canadian specialists, ranging from architects to engineers, will head for the province next year in a unique exchange programme.

Public works and transport MEC Thobele Mhlahlo announced this morning that the arrival of the professionals would save the department, which is desperately short of staff, R11m in consultancy fees over two years.

He said the Eastern Cape govern-

ment would provide accommodation and transport for technical experts who would stay in the province for contracts lasting six months to two years.

Mhlahlo recently spent two weeks, and R90 000, on a "resource mobilisation tour" for himself and three staff members to the Eastern Cape's twin provinces British Columbia in Canada and Lower Saxony in Germany.

He said: "I went with a programme and list of our staff shortages .. because not a single technical engineer is willing to come to the Eastern Cape"

Premier Makhenkesi Stofile and the provincial executive council had authorised participation in the programme, Mhlahlo said.

Included in Mhlahlo's list of needed staff were three financial directors and three budget-control directors for the department's administration; 10 civil engineers, two mechanical engineers, 10 civil technicians and two electrical engineers for the roads directorate which has machinery lying unused; four architects, eight quantity surveyors, four project managers and 12 en-

gineers for the buildings directorate.

Public works permanent secretary Linda Sahné said: "At present we are farming out work (to private enterprise) because we don't have the units. We are also using specialists on menial tasks." She said professionals who left the public service wanted better pay, or enormous consultancy fees, which the department could not afford.

Some Eastern Cape officials will also be sent for training overseas, and have been offered bursaries to courses taught in German — ECN

Ghost civil servants eat up R200-m a year

More than 7 200 phantom workers have been collecting a fortune from the Eastern Cape government each month

ECN
Bisho

Preliminary results of the Eastern Cape civil servant head-count show more than 7 200 ghost workers who have been collecting almost R200-million a year.

Premier Makhenkesi Stofile, in reply to a written question about the head-count from Democratic Party MPL Eddie Trent, has released figures which covered most government departments.

There were 7 244 names on the payroll who have been classed as ghosts after they failed to report in person to the head-count staff. Salaries for the first batch of ghosts were stopped in September.

A note on Stofile's written reply mentions that the counts

in public works and agriculture would be checked again because those two departments yielded 5 900 ghosts between them

The figures released to Trent revealed the number of ghosts and their salaries, which Trent said must have been paid since 1994, when the Eastern Cape

As much as R2,5-bn lost in scams since 1994

government came into being.

He said these figures would satisfy one of the ANC's challenges to him to provide documentary proof that the province was wasting money and was technically bankrupt.

Other figures Trent used came from a welfare department oversight report, which was tabled in the legislature last week and then withdrawn.

Trent said the welfare department had reported it was paying social grants to 630 000 beneficiaries, but had added another 324 000 to the list since March this year

Trent said "Taking into account information from welfare, the percentage of ghosts on the welfare grant list could be 20%. If you then say just 100 000 are ghosts who have been getting grants of R440 a month, then that is R528-million a year wasted"

He said the ghost civil servants and the ghost pensioners could have cost the Eastern Cape government R2,5-billion since April 1994.

Staw ~~BA~~ 6/11/97 (2638)

'Intervention' proposed for regions' woes

(2630)

BD 7/11/97

Farouk Chothia
and Linda Ensor

CAPE TOWN — "National intervention" in provincial welfare and education departments, and central government reimbursement of provinces which had settled homeland debts, were two of the proposals made at the extended cabinet meeting this week to tackle the financial woes of the provinces, Eastern Cape premier Makhenkesi Stofile said yesterday.

Stofile said it had emerged from Tuesday's meeting — involving ministers, deputy ministers, premiers and finance MECs — that all nine provinces were overdrawn. However, this was denied by Finance Minister Trevor Manuel, who said only Eastern Cape and KwaZulu-Natal were in this "illegal" situation.

Manuel said the Eastern Cape claim for the repayment of funds used to settle homeland debts and another, smaller claim, were being assessed.

He refused to disclose the size of Eastern Cape's overdraft, saying this was a matter between the provincial government and its bankers. But Stofile disclosed that the Eastern Cape overdraft for its education and welfare departments stood at about R1bn, while KwaZulu-Natal's cash flow shortage was understood to be R600m.

Stofile said homeland debts settled by Eastern Cape amounted to R595m. He urged that a disclaimer of the debt by Auditor-General Henri Kluever on the basis of the unavailability of invoices be ignored.

He said the cabinet meeting had proposed that national departments "pay up" for services rendered by

provinces on an agency basis. In terms of the recommendations, the Eastern Cape government could expect R1,2bn, of which R605m would be for agency work undertaken for national departments. Departments which contended they were owed money by provincial governments should submit claims.

It was also recommended that provinces participate in the central bargaining process, where negotiations on public service wages took place.

On proposals that central government intervene in provincial education and welfare departments, Stofile said personnel expenditure consumed 88% of the total national education budget, while there seemed to be a "rapid growth" of welfare beneficiaries.

The cabinet meeting had ascribed provincial overdrafts to personnel costs in education, improperly managed health budgets, the rapid growth of welfare beneficiaries and structural disparities between national departments, which adopted policies, and provincial departments which had to implement them. "Policy alignment and implementation was not always matched by resources from the national departments," Stofile said.

Manuel said most of the problems faced by Eastern Cape and KwaZulu-Natal were of a cash-flow nature, which could be resolved largely before the end of the fiscal year. At this stage of the fiscal year, it was too early to deviate from government's budget deficit target of 4%.

He said there were certain temporary peculiarities, such as time lags in the improvement in conditions of

Continued on Page 2

Provinces

(2630)

Continued from Page 1

service, fiscal transfers and the employment of temporary teachers, which would be ironed out in a few months.

During a debate on six financial bills in Parliament, Manuel stressed that these time lags were not the same as overspending. "There are short-term pressures. I want to state unequivocally — there is no crisis. We do not see any need for panic in terms of our fiscal targets."

Real pressures had to be separated from mismanagement and inefficiency, which provinces would have to sort out, and immutable costs had to be distinguished from variable ones.

"Clearly it cannot be in our interests

to ensure that provinces go down the tubes. We will clearly assist provinces with cash flow, but in doing so it is important that we do not ratchet up the cash-flow drawdowns now in a manner that could be perilous in the last months of the fiscal year.

"We are working on adjustments within a tight fiscal situation and each case will be examined on an individual basis. But there is no question of increasing provincial budgets. There is no money for bailouts."

Manuel said one possible adjustment, which would require approval by the provinces, was for funds in departments with surpluses to be transferred to those generating overdrafts.

Sources had said the projected over-expenditure of the provinces for the whole fiscal year was between R6bn and R7bn.

BD 7/11/97

Eastern Cape gears up for year to come

BD 17/11/97 (2638)

Vuyo Mvoko

THERE is no way the government of Eastern Cape, one of the two provinces hardest hit by the R7,5bn overspending crisis, will be able to redeem itself this financial year, insiders believe.

Provincial director-general Thozamile Botha confirmed yesterday that overspending projected for the current financial year had been put at least R1,5bn, with the main culprits being the provincial education and welfare departments.

Preliminary investigations had found that about 20% of welfare dependants in the province could either be ghost employees or people who were not entitled to grants.

The gravity of the situation was not yet known with regard to the rest of the departments.

"I just can't see how we are going to reduce overspending this year," said another senior government official at the weekend, confirming also that austerity measures undertaken so far had not yielded much in the way of results.

Botha said that measures currently embarked upon included cutting down on vehicle hiring, cellular phones, conference and workshops attendances. He said

that the government was determined to forge ahead with its plans to do away with temporary staff in the education department by the end of December.

The province's budget allocation was over R13bn this year, with the bulk of the money being spent on personnel.

Expected to throw the province further into disarray this week, is the fact that most of the standing committees' financial oversight reports — thrown out of the legislature a fortnight ago and referred back after being found to have been inadequate — could still not be ready.

The committees had been scheduled to submit their revised reports from today. Yesterday, however, the leader of the house Sindiile Maclean was still unsure what progress had been made since the reports were rejected.

"We still have to look at their progress," he said, "but those who have not yet finished will try and do so while others are being submitted and discussed."

Maclean also hinted that it remained possible even for other reports that had gone through, such as one on the public works department, to be revisited.

"It too could have shortcomings that were not glaring," he said

Pe
sa
fr
—
D
SU

Court declares closure invalid (263B)

UMTATA — An Umtata High Court judge has nullified and set aside a proclamation which was used by Eastern Cape premier Makhenkesi Stofile to close down all agricultural parastatals in the province.

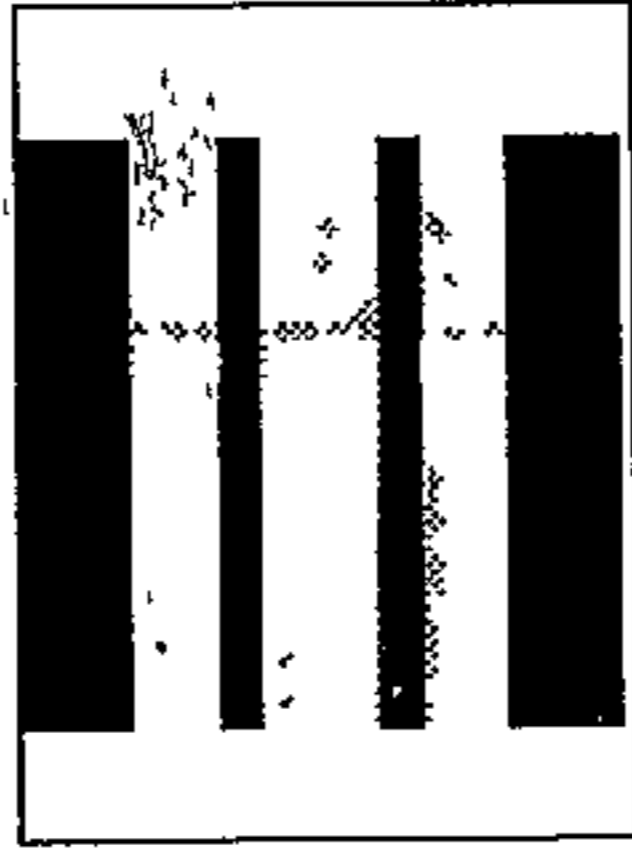
In a judgment handed down at the weekend, Judge David van Zyl declared the proclamation invalid, upholding an application by 46 Transkei Agricultural Corporation (Tracor) employees.

Tracor and five other agricultural corporations in the region were disbanded and ordered to cease operating at the end of July this year.

Van Zyl also set aside a decision by the Eastern Cape government to terminate the services of the applicants.

Counsel for the applicants Adv Nceba Duka-da argued that Stofile had failed to give Tracor employees a hearing and proper notice of his intention to disband the parastatal before closing it down. — Sapa.

BD 18/11/97



Women, children dying in rural hell

(263B)

~~263 (275B)~~

At least 146 people have been killed in the rural districts of Tsolo and Qumbu in the Eastern Cape since the beginning of the year, a year that has been particularly bloody when measured against previous death tolls.

Women and children are increasingly becoming the predominant victims and ongoing violence-monitoring indicates that the situation requires urgent attention.

In 1995, the Kroon Commission of Inquiry was established to explore the violence in Tsolo. The final report concluded that the violence was linked to stock theft, a lack of development in the region, witchcraft and marital disputes.

Despite increased coverage of the situation nationally, high-profile visits and some remedial action taken by role players, the violence continues. As a result, the Human Rights Committee (HRC) embarked on an intensive investigation and the findings are to be released in a special report.

It is believed that the violence today may be strongly linked to the conflict between *Umfelandawonye wa Bafuyi*, a self-professed anti-stock-theft organisation, and a group most commonly referred to as the *Amampondomise Thieves' Unit* (ATU). According to members of *Umfelandawonye*, the organisation was formed after concerned members of the community allegedly received no response from the Government to numerous memorandums highlighting the violence. In turn, this initiative to combat stock theft was interpreted by the alleged thieves as a declaration of war. Soon this group formed themselves into their own unit, the ATU.

In addition to the conflict between the *Amampondomise Thieves' Unit* and *Umfelandawonye*, other explanations for the violence also exist. The SACP, for instance, attributes the violence to elements geared to destabilise the area politically. Similarly, the ANC believes there is a third-force element trying to win its constituency through a process of destabilisation.

Socio-economic conditions in the region contribute to the violence. Not only is the violence believed to be carried out by men travelling between the areas in search of, or returning from, work, but much of the motivation for the violence lies with the profit to be gained by stock theft, gun-running, murder and intimidation.

It is clear the theft and violence is well co-ordinated and carried out by people with resources. It

Fear stalks the people of Qumbu and Tsolo, and the Human Rights

Committee is taking action

Star 25/11/97

is also apparent that while some men involved are benefiting from the conflict – whether by monetary gain, prestige or influence – women and children are increasingly becoming victims.

One explanation for the increase in the number of deaths of women and children appears to be the result of protection rackets. According to the Red Cross, armed men go into Qumbu when husbands are away and offer to protect the women and children. If the women accept protection, then they become targets of other racketeers. If they don't, then they become targets of the first group.

The violence is exacerbated by the inadequate functioning of the criminal justice system at all levels. The infrastructure of the police stations and courts is very poor: few police vehicles in the area are working, many police cells cannot be used, as they are unsafe; and the courts are in disrepair, with poor communications systems and inadequate facilities. In addition, there are deficiencies in police procedures – there is a lack of training in investigative skills and docket handling. Similarly, prosecutors are often young, inexperienced, overworked and threatened. The threats, intimidation and heavy workload all contribute to a high staff turnover. Few perpetrators are convicted.

The special report makes a number of recommendations, and the HRC is calling on the minister of justice to appoint a national task team to address the violence. It recommends that the task team be composed of members of informed NGOs, police personnel from outside the community, local police already involved in investigations, and intelligence agents. This team should be co-ordinated nationally to ensure that there are no conflicts of interest, and that the alleged links between the violence in the Eastern Cape and violence in the Vaal and East Rand in Gauteng are investigated thoroughly.

■ *The Human Rights Committee of South Africa (HRC) is an independent non-governmental organisation. A special report on the violence will be released at a workshop in Umtata on Thursday.*

Housing, local govt finances in Eastern Cape found to be in state of disarray

(263B)

Vuyo Mvoko

BISHO — A report tabled before the Eastern Cape provincial legislature yesterday painted a grim picture of the management of finances within the province's housing and local government department.

The financial oversight report, tabled in the legislature by housing and local government standing committee chairman Mlungisi Ndamase, showed that the department's financial management system "was not controlled within the province", with the provincial officials "unfamiliar" with its workings. The committee recommended training.

About 238 departmental vehicles had been involved in accidents, the report said, with "no action" taken against those officials who had been involved.

There was no computerised system of recording assets, but an asset audit, which was kept manually, put the assets at R5,2m.

Ndamase said that this figure was "unsatisfactory".

Agreeing there was a possibility that the so-called asset register and some of the figures could be inaccurate, Ndamase said very little could be done when there were "no mechanisms to verify the information".

The municipality of Butterworth, which had incurred a R26,5m debt and had neither policy nor procedures to recover outstanding monies, stood out in the report as an example of "a situation gone out of hand", he said.

The municipality had spent close to R600 000 on a project without following tender procedures. An undisclosed sum had also been spent on "irregular" councillor allowances.

"The current loan indebtedness of Butterworth amounts to R9,8m at an accumulated interest of R2,2m," it said in the report.

The committee also noted that large sums of money had been spent on consultants, but that the output did not justify the cost.

Housing and land affairs MEC Smuts Ngonyama defended the use of consultants and said some of the money had funded community involvement in projects.

Ngonyama said there were "no expenditure imbalances" and the department was devising ways of saving on its personnel expenditure.

Port St Francis 'not overpriced'

Business Day Reporter

(2630)
The R350m Eastern Cape development, Port St Francis, is set to launch its next phase, Village Six, which is due for completion in 2000.

It will comprise 92 luxury apartments ranging from 50m² to 125m².

The development will also include seven penthouses of approximately 140m² each.

Port St Francis marketing manager Tracey Mills said that in the past the focus had been on providing luxury living exclusively to the wealthy. The new development would be affordable to more people.

"Village Six will offer top-of-the-range coastal property for between R5 500/m² and R7 000/m² — a rarity in the upmarket coastal property market."

BO 26/11/97
The retail sector would comprise 1 618m². There would be 596m² of restaurants, pubs and coffee bars, a 198m² yacht club and 560m² of office space.

The sector was positioned on a plaza called Squid Square, overlooking the harbour and residential components.

The emphasis for the retail sector would be on retaining a village atmosphere with a few speciality stores, delis and boutiques.

Developers expected the retail sector to be finished by December next year.

1
9
r
r
r
d:

Govt project to end Eastern Cape's woes nears completion

David Greybe

CAPE TOWN — A year-long government project to rectify problems in the beleaguered Eastern Cape administration, uncovered during a provincial audit, would be completed by the end of next month, Public Service and Administration Minister Zola Skweyya said yesterday.

A team led by former public service director Chris Dreyer was sent

to the Eastern Cape in November last year after the provincial audit found the administration paralysed because of a lack of political and administrative leadership.

Skweyya said Dreyer's team of more than 400 surplus staff and other officials from different provincial departments "has been visiting every town, school (to verify the existence of the school and the pupil count) and hospital."

The provincial audit team under public service director-general Paseka Nichol found that financial controls in the Eastern Cape were inadequate, discipline among public servants poor, and corruption and fraud appeared widespread. Service delivery targets were largely absent.

Skweyya said yesterday one company — Murray & Roberts — had responded to his call for private sector help in the Eastern Cape.

The company had undertaken to assist in four areas: clarity of organisation and structure, an enhanced delivery process, skills audit and development plans, and outplacement and outsourcing strategy.

Skweyya said the core organisational problem in the Eastern Cape "has been the confusion caused by the disjunction of the director-general's office, the premier's office, the provincial service commission and

B2 26/11/97 (2638)

the provincial department of management service." Nichol's audit team had found a duplication of functions in these offices.

Skweyya said steps undertaken "to remedy the malaise" included:

- Transferring the management services component from the finance department and management services to the office of the premier;
- Relocating the director-general in to the office of the premier;
- Establishing the post of superintendent-general to assist the director-general in carrying out the statutory and policy obligations; and
- Establishing a policy-planning and development unit in the office of the premier.

The Eastern Cape executive council had also approved a human resources project plan based on the findings of the Nichol audit. A human resources project team was ex-

pected to complete a head count of all public servants in the Eastern Cape, to identify "ghost" workers and surplus staff, audit all files, build a new personnel record, review the rank and development unit in the office of the premier.

The Eastern Cape administration recently announced that about 6 500 ghost workers had already been eliminated.

Battle rages for hearts and minds of

ANC and NP sling racial mud around as they tussle for

BLACKMAN NGORO
STAFF REPORTER

A battle is raging in the Northern Cape for the hearts and minds of voters, with the African National Congress and the National Party slinging mud at each other.

Although the province went to the ANC in 1994, the party's fortunes in the area are changing.

A special survey by Idasa has shown that between 1994 and 1997 the ANC lost significantly to the NP, dropping from 51,2% of the voters' support in 1994 to 17,5% by 1997.

The NP's support swung from 23,3% in 1994 to 36,5% in 1997.

The ANC claims the NP is playing the old race card to promote Peter Simon, its Northern Cape region chairman, as the first coloured premier of the province.

But Mr Simon says the ANC government in the Northern Cape is doing much the

same, advertising they want only Xhosa or Tswana speaking people to apply for jobs.

Mr Simon, the opposition leader in the Northern Cape, was said by the chief secretary of the NP in the area, Charl de Beer, to be the "premier candidate of the Northern Cape. He is the premier in waiting."

Boeboe van Wyk, leader of the ANC in Namaqualand and a member of the provincial legislature, said "The NP is playing divisive politics in the former coloured reserves in Namaqualand."

The NP had claimed the Government was planning to reduce the food subsidy given to white, coloured and Indian schoolchildren so they could increase the share given to black children.

"That is shameless. Why have a platform fighting children?"

"The National Party also says the ANC is communist and is waving the spectre of the anti-Christ at the coloured people."

"That is absurd. They can't continue

enslaving the mentality of the coloured people that way."

Mr Van Wyk said Peter Maras, the NP MEC responsible for local government in the Western Cape, had accompanied Peter Simon around the Northern Cape and Northern Cape people that "the Western Cape and Northern Cape belong to Afrikaans-speaking people."

But Mr Simon denied this claim. "All we said was that Afrikaans-speaking people were in the majority. But we never said therefore the region belongs to them."

"We also never played on people's fears about the plan to reduce the children's subsidy. The situation is that single parents have up to now been receiving R400 but this is going to be phased out in three years. We want them to retain this until the children are 18, not just up to six years."

"In three years they will get just R100. You see many parents are keeping their children in school using that money."

He said defiantly, "The ANC used nation-

al policies to bash the NP in the Northern Cape. I'm going to bash the ANC because they couldn't keep their promises. I won't let the ANC off the hook. They bashed us using national policies."

The NP's Mr De Beer said his organisation was strengthening its structures in the Northern Cape. "We've fought 13 by-elections and won eight of them. We have also taken seven seats from the ANC," he said.

A public opinion service report by Idasa shows there is a tussle for political turf in the Northern Cape.

According to the report, 31,1% of the voters would today back the ANC at provincial government level while 29,5% would vote for it nationally. A total of 49,2% would vote for the NP at provincial and national level.

The ANC's Mr Van Wyk said "We should no longer talk race to people. We are talking delivery. Coloured people have always been kept under by the NP, now it's their chance to stand up with the rest of the country."

are easily won over, that is the problem. "But it is true racial problems do come to the surface between Africans and coloureds. It is not an ANC problem but perhaps a grassroots problem. People around here like soft politics. They don't want to be violent about their opinions, that's why many don't do the black power salute even if they belong to the ANC."

For the moment the battle for the heart and soul of Namaqualand goes on unabated with Peter Simon claiming his party was the most multiracial party in the province.

"The ANC has narrowed its support to the Xhosa and Tswana-speaking people only. We have support from Tswana and Xhosa-speaking people as well as from the coloured and white people."

"Make no mistake I wasn't elected NP chairman of the Northern Cape because I'm coloured. It was on merit. "I say Manne Dipico must resign because he has failed to run the province."

Mr Van Wyk said some people would listen to the message preached by Mr Maras and Mr Simon, "but we in the ANC are not looking for people for leadership positions according to race. That is cheap politics by people without a programme of action."

African people had since 1994 been going into the former coloured reserves in Namaqualand to find work.

Mr Van Wyk said "There is no longer any apartheid. All people can go wherever they like but the NP is trying to tie the downsiding of mining operations in the Northern Province and the subsequent loss of jobs to a Nationalist message to the people."

"They are not ashamed at all to say that the Northern Cape belongs to Afrikaners-speaking people only. Afrikaners-speaking people are found all over South Africa, not just in the Northern Cape and Western Province."

Surplus Peoples Project co-ordinator Eddy Koopman said, "We coloured people

political mod
29A
ARG 10/12/97