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NORTHERN CAPE

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MAY - DEC
The country's legislators vow they will serve new SA

THE ANC's Northern Cape premier candidate was elected in Kimberley yesterday thanks to a vote from solitary DP representative Ethne Papenfus — and the abstention of two Freedom Front members.

The ANC's Mr Manne Dipaco beat National Party premier candidate Dr Kranf van Niekerk by 16 votes to 12. The two Freedom Front members abstained from the vote.

Mrs Papenfus, who holds the balance of power in the province, was elected unopposed as speaker.

The former headmistress said although the DP had now lost its only vote in the legislature, it had gained a voice as speaker and the opportunity to work with all parties in the house.

NP members, who sources said had hoped to install Dr van Niekerk as premier, are believed to be angry at the lack of support from the DP and FF.

Freedom Front representative Dr Carel Bosheff said it was not his party's turn to take part in party politics, but to use the regional parliament to work for a "volkstaat".

In his inaugural speech, Mr Dipaco said Northern Cape had the potential to be a model province. It was time for all political groupings to work together.

Mr Dipaco — at 35 the youngest regional premier — said Kimberley would remain the regional capital in the short term.

Eastern Transvaal Premier Mathews Phosa was elected unopposed in Nelspruit yesterday, as were speaker Mbulelo Mncwango and deputy speaker Cyril Sekgobela.

The premier's first parliamentary session started with the royal greeting "Bayeter" as members stood to welcome two Ndebele kings to the proceedings.

Mr Phosa's new cabinet includes his routed opponent, NP premiership candidate Lucas Ntl, who was named provincial minister of agriculture.

Addressing a media conference, Mr Phosa said his party was not in a rush to change place names back to their original titles: "We cannot leave the colonial symbols, but we're not going to change for the sake of change," he said.

The areas of government targeted for quick action were tourism, health and education.

In Bloemfontein in the Free State, the Reverend Molalepile Chabakane was elected speaker of the legislature.

Miss Chabakane, of the Methodist Church in Mangaung, was nominated by Premier Patrick Lekota.

Four of the 30 members of the provincial legislature — including a Freedom Front member and three ANC members — did not take the oath but made a solemn affirmation to be faithful to South Africa.

In Mmabatho, Mr Popo Molefe was elected premier of North-West, and Mr Jerry Thwabedza, a former Cosatu official, was elected speaker. National Party member Andrew Maluleke was sworn in as deputy speaker.

Twenty-seven other members of the provincial legislature, including eight women, were also sworn in.

In Pretoria, the 40-member Northern Transvaal provincial legislature was sworn in by Mr Justice JF Schabert.

The morning's proceedings at Jack Booye Hall went off with only one hitch — a power failure during Premier Ngciso Ramathodi's first speech.

The assembly has 38 ANC members and one each from the NP and Freedom Front.

The FF did not have a representative at the inauguration because it was decided that a freedom sitting could be reached on who would represent the party.

Mr TG Mashamba was elected speaker and Miss MAMA Nyama deputy speaker, both unopposed.

The inauguration was accompanied by much clapping and ululating by the 1,000-strong audience.

In his inaugural speech, Mr Ramathodi emphasised the importance of industrial and economic development in the province.

"We are the poorest of all the regions. We must create industries to ensure that our people are never again subjected to wealthlessness," he said.

Mr Herman Kriel of the National Party was elected unopposed as premier of Western Cape in Cape Town yesterday.

Mr Willem Deman, former National Party MP for Vasco, was elected speaker.

The inauguration of the KwaZulu Natal assembly is due to take place on Wednesday in Maritzburg. It was postponed because of election delays.

Provisional provincial secretary Bhekisi Slenz said after meetings with the premier candidates and representatives of Zulu King Goodwill Zwelithini it was decided to restrict the inaugural sitting to a formal ceremony of the members.

"A public gathering in Maritzburg is not expected," he said.

The PWV legislature kicked into gear at Naaroe outside Johannesburg yesterday — with PWV Premier Tokyo Sexwale in a conciliatory mood.

In Bush, there was everything from tribal gear to ballgowns when Eastern Cape Premier Raymond Mabola was sworn in yesterday.

The deputy speaker is Anne Nais, one of six NP representatives in the 56-member legislature.
From prisoner to Premier

Northern Cape Premier, Manne Dipico, is just 35, but his young life has been geared to fighting for justice and the rights of the underprivileged in this vast - and often desolate - region.

Dipico beat the well-liked former Minister of Agriculture, Kraai van Niekerk, to the Premier's seat by a relatively narrow margin.

He said that the priority of his administration would be to make health services accessible, tackle education problems and improve the working conditions of farm workers.

Dipico was born in Greenpoint township, Kimberley, in April 1959 and is the eldest of four children.

His mother is a service worker at Kimberley Hospital.

After matriculating, he went to work at the mines but was fired after only four months for taking part in a wage strike.

The following year, 1981, he registered at Fort Hare University for a BA in personnel management. Here he joined the Azanian Students' Organisation.

Detention

He returned to his home town and involved himself in the activities of the National Union of Mineworkers, United Democratic Front and the ANC underground. This led to his detention under the 1986 state of emergency. In 1987 he was sentenced to five years' imprisonment for furthering the aims of the ANC.

In May 1988, he was elected secretary of the ANC's northern Cape region. In June 1992 he became chairman of the region.

— Zingisa Mkhuma
HAVING recently turned 35, Manne Dipico could well have found himself contemplating the end of his career as a semi-professional soccer player. But politics intervened, forcing him to hang up his boots prematurely as he chased a majority for the ANC in the Northern Cape.

Less than half the age of Eastern Cape premier Raymond Mhlaba, who is 74, Dipico will be the youngest of the nine regional premiers when he is sworn in tomorrow. But don’t underestimate him, say former colleagues in the National Union of Mineworkers — Dipico is an independent thinker, a hard worker and a popular figure in the region.

And, they might have added, an example of how the unions nurtured a generation of political leaders through the 1980s.

"His popularity in the Northern Cape is not an abstract thing," said NUM deputy general secretary Gwede Mantashe. "People know him, and the fact we won the region despite predictions to the contrary is a testament to his ability."

Dipico was born in Kimberley's Greenpoint township and brought up by his mother, a domestic worker at the town's hospital. He was fired from De Beers' Finsch Mine for participating in a wage strike, and later enrolled at the University of Fort Hare.

An Azanian Students' Organisation activist while at university, he also joined the ANC's underground structures, and was detained for his anti-Ciskei activities. Denied readmission to Fort Hare on his release, he became a full-time regional organiser for the NUM in Kimberley.

"He is a team person," commented Mantashe. "He will do his best to exploit everybody's experience and abilities in the region, even those of the NP."

Doing so will require the charm and skill Dipico has exhibited as head of the NUM's education department. He has had to put behind him the memories of his three years in jail for furthering the aims of the ANC.

Unmarried and without children, Dipico has

The other premiers

The leaders of the remaining four provinces are

- Tokyo Sexwale becomes premier of the PWV
- Patrick "Terror" Leota is the leader in the Orange Free State
- Former Iol and land reform minister Hermans Kriel takes control of the Western Cape
- Bapu Molefe is elected premier of the North West
The big hole in the northern Cape
Northern Cape council named

JOHANNESBURG — Northern Cape Premier Mr. Manne Dipico yesterday announced a 10-member executive council that includes five representatives of the ANC, four from the NP and one from the Freedom Front (GSA).

The ANC narrowly gained the majority in the province, the country's biggest and poorest, in the elections.

Mr. Dipico said he appointed the FF's Prof. Jozef Henning to a post even though the FF did not win enough votes to claim a seat. Similarly, the ANC proposed the Democratic Party's Ms. Ethne Papenfus as speaker. — Sapa
Northern Cape Premier Manne Dipico yesterday announced a 10-member executive council comprising five representatives of the ANC, four from the NP and one from the Freedom Front.

The ANC has narrowly gained the majority in the province.

Dipico said he had appointed an FF member even though the FF did not win enough votes to claim a seat. Similarly, the ANC had proposed the DP's Ethno Papenfus as Speaker. Dipico had been guided by the objective of nation-building.

The members are:
- Tina Joeat (ANC): Education and Culture.
- Dr Modie Maile (ANC): Health and Welfare.
- Gneas Dikgatla (ANC): Local Government, Housing and Land Reform.
- Peter Wielderbloem (ANC): Police Services.
- Jacobus Marais (NP): Agriculture.
- Jan Brazelle (NP): Finance.
- Peggy Hollander (NP): Public Works.
- Chart van Wyk (NP): Transport.
- Professor Jozef Henning (FF): unspecified.

The Northern Cape's senators were also announced. They are the ANC's Koos Bogacwa, Yolanda Botha, Evelyn Lusidla, Julius Mongaketae and Mohamed Suliman, the NP's Kraai van Niekerk, Attie Jooste, Adrian van Niekerk and a name still to be confirmed. The FF's representative has yet to be announced. — Sapa.
Cabinet set for fight over funds

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 Hermaas 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 1988 — 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 devotion 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.
Province moves towards wide control

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 Hennie 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.
About

turn by

all on

Namaqualand

Namaqualand is destined to remain part of the Northern Cape province as support for a referendum to incorporate the area into the Western Cape has evaporated.

Northern Cape premier Manne Dipico of the ANC has played a major role in turning around the ANC's pre-election position on Namaqualand, which strongly agitated for the move to the Western Cape.

Mr Dipico has actively campaigned for Namaqualand to stay in the Northern Cape, and has held out various carrots, including the suggestion that Port Nolloth be developed as a deep harbour to serve the province.

There is a growing feeling among Namaqualanders that the Northern Cape needs the area more than the Western Cape does and will therefore treat them better.

The ANC, the largest party in the Northern Cape, has lost its will to move Namaqualand to the Western Cape and increase the size of what it perceives to be a hopeless Nkhot's "empire".

The Nats were the ones who fought to have the Northern Cape set up as a separate province in the first place — on the assumption that they would win it.

Unlike the ANC, the Nats never had the intention to absorb Namaqualand into the Western Cape.

The Nats want to "let sleeping dogs lie" by retaining the present provincial boundaries which could enable them to win the Northern Cape in the 1999 election, sources in Kimberley disclosed.

The ANC base-ed thousands of blacks from adjacent North West province to vote in the Northern Cape. This helped the ANC to win about half the votes in the Northern Cape, making it the major party.

But the next election is likely to be fought with voters' rolls, preventing the basing on voters over provincial boundaries. This means that the present boundaries favour the Nats.

If the Nats were to push for Namaqualand to be absorbed into the Western Cape, the ANC would respond by changing the province's boundaries in the final constitution by adding part of North West. This would "open the floodgates" for hundreds of thousands of pro-ANC voters to ensure an ANC victory in the Northern Cape in the next election.

The Freedom Front, which sees the future of a possible Afrikaner Volkstaat in the Northern Cape, also wants the province to retain Namaqualand.

Thekiso Tlhoccoane, spokes-

man for Mr Dipico, said there was total agreement in the Northern Cape legislature that Namaqualand remain in the province.

And in Namaqualand itself, ANC and National Union of Mineworkers organiser Martin Bezuidenhout said there had been a complete change of heart in the area after the Nats won the Western Cape.

"Even older people are changing their ideas. People don't want to be part of an NP-dominated region.

"We stand a better chance of receiving development assistance if we are ruled by the Northern Cape. If we fell under the Western Cape, Namaqualand would continue to be seen as its backyard."

Mr Bezuidenhout said many of Namaqualand's raw materials such as velsparg and copper were exported or processed in other areas, including the Western Cape, and were effectively lost to Namaqualand. Under a Northern Cape government, Namaqualand would develop industries to process its minerals locally.

Under the Northern Cape, Namaqualand would be in a better position to promote its tourism potential which was much more than the seasonal spring flowers and included the unique Richtersveld. "We could have casinos in the Richtersveld," Mr Bezuidenhout predicted.
About turn by all on Namaqualand

David Breier
Political Staff

REAL-LIFE "Manakwanderers" and their famous daisies, diamonds and copper are set to remain an asset of the Northern Cape and will be lost to the Western Cape.

There is now consensus among the four parties in the 30-member Northern Cape legislature that Namaqualand should stay put and there is virtually no demand for a referendum by October, which would first require a petition of 7,000 signatures in terms of the interim constitution.

All the impetus for Namaqualand to be incorporated in the Western Cape had previously come from the African National Congress, which has now made an about-turn after losing to the Nationalists in the Western Cape.

The ANC now insists Namaqualand remain in the Northern Cape, which has an ANC premier.

The other parties in the regional parliament are the National Party, the Freedom Front and the Democratic Party — none pushing for a referendum.

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Talks on Northern Cape tax incentives favourable

CAPE TOWN — Discussions for special tax incentives to encourage manufacturing industry growth in the Northern Cape had received "a sympathetic ear" from central government, Premier Mane Dipojo said on Friday.

Dipojo said the ongoing discussions involved the possible establishment of favourable tax treatment for five years after the relocation or establishment of new secondary industries to the province.

The tax incentives were needed to promote the beneficiation of the province's mineral and agricultural resources and to address the skewed development of industry towards the PWV.

In the past the Northern Cape received virtually no economic benefit from its mining output, which was simply exported in raw state to other regions. Rich mineral resource rights held by several large groups also lay untapped.

Beneficiation had to be encouraged to help the mines contribute to the communities around them.

Another asset inherited by the Northern Cape province was the sea, and Dipojo said his long-term aim would be to establish a deep-sea harbour between Port Nolloth and Alexander Bay so raw materials mined by the province could be exported through its own port.

Northern Cape Chamber of Business director Muridza Luni said a Northern Cape economic forum was likely to be established by the end of July, comprising labour, business and government representatives of the region.

Dipojo said tourism would also be developed in the Northern Cape. The ANC had previously argued for Namaqualand to be incorporated into the Western Cape, but following consensus among the four parties in Dipojo's 30-member legislature, it was decided Namaqualand should remain in the Northern Cape.
Key tasks agreed for transitional city councils

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, emphasizing 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 coordinate 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.

Councillor negotiator Dick Fredlander 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.
Arkansas, chosen language of N Cape
N Cape premier warns of 'war' over Afrikaans

COLESBERG - Afrikaans is the cho-
sen language of the Northern Cape and anyone who tries to suppress it will find themselves at war with the province, premier Manne Dipico said.

Mr Dipico said he would toy-toy in the front-line of this struggle.

Addressing the Colesberg Boere Umre this week, Mr Dipico told farm-
ers that provincial premiers had equal status, and he therefore had as much right as any other to demand the language of choice for his province.

Mr Dipico said Afrikaans was a beautiful language and urged citizens to address the provincial government in their own tongue.

He assured farmers they need not fear their land being confiscated by the government.

While the mining industry was in decline, the agricultural sector was moving forward. Organised agriculture had the opportunity to interact with and contribute to the reconstruction and development programme to further boost the farming industry in the province.

Mr Dipico said farmers could get more productivity from their workers only if there was a culture in which employers and employees could find joint solutions to the industry's problems. A happy and contented workforce would be more productive.

He said race would play no part when aid became available for agriculture. No-one would be discriminated against on these grounds.

The province would no longer tolerate stock theft and other criminal activities. Farmers should work with the police to combat crime, Mr Dipico said. — Sapa.
Vanished politician loses seat

KIMBERLEY: The ANC has suspended the Northern Cape's former Safety and Security Minister Mr Peter Gelderbloem from the legislature - because he has vanished.

ANC member Mr Gelderbloem was relieved of his portfolio several months ago because of unexplained absences from his office.

He then became an ordinary member of the legislature, but his absences continued.

CT17/3195

As a result the ANC's structures launched their own disciplinary steps against him.

He was first temporarily, and then permanently, suspended when he failed to heed letters warning him to attend disciplinary hearings.

Six months ago he vanished entirely. "We simply do not know where he is, whether he is still in the province or elsewhere," a legislature spokesman said. — Sapa
Mama’s boy of the Kalahari

Northern Cape Premier Manne Dipico, in The Marc Bressel Profile

Top of the heap and pleased as punch: Northern Cape Premier Manne Dipico

He’s hearty and full of fun, but he’s not a skilled or a thoughtful legislator who knows exactly what he wants and how he wants it. He is a politician who is well grounded in his own party and is not afraid to stand up for his principles. He is a man of the people, and he knows how to work with them to achieve common goals.

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'FF members have defected to ANC'

OWN CORRESPONDENT

Kimberley—Political circles reacted with shock yesterday after Freedom Front members in the Kimberley area were said to have defected to the ANC.

Reports cited former regional secretary Peter Pretorius as one of the turncoats, saying more FF defectors were expected soon.

Two FF members, Steven Nethling and Pretorius, were apparently among those who crossed over to the ANC after publicly denouncing the right-wing party for "not having done anything for the people of South Africa", and for not having any definite policies for the party or the realisation of a volkstaat.

However, regional FF leader and provincial minister Professor Jozef Hemmings yesterday denied the reports and condemned the announcement as "a dirty stunt by politicians from whom better judgment should be expected."

At a press conference yesterday at ANC offices in the city, Pretorius said he had served as party secretary until August 28.

He said he started losing faith in the FF after the April election last year, when the party failed to show any viable evidence of promoting the standard of living of South Africans.

Referring to the FF's idea of a volkstaat, Pretorius, who is also former FF chairman of the Beaconsfield branch, pointed out that the party had no idea where to place a volkstaat or what policies to apply to achieve party aims.

"I even inquired from senior FF members around the country, but no one could tell me what the FF's policies were. The ANC, on the other hand, is a party that is building up the land."

Pretorius said he was expelled from the ANC recently.
Shock as 17 defect from FF to the ANC

IN a shock move this week, 17 Freedom Front members in the Kimberley area, including former regional secretary Mr Pieter Pretorius, are believed to have defected to the African National Congress.

More are expected to follow soon.

The members, only two of whom wished to be named – Pretorius and Mr Steeven Nethling – walked over to the ANC after publicly denouncing the FF for not having "done anything for the people of South Africa" and not having any definite policies for the party itself or the realisation of a volkstaat.

Regional FF leader and provincial minister Professor Josaph Hellenberg yesterday, however, denied that any FF members had joined the ANC and condemned the announcement as "a stunt by politicians from whom better judgment should be expected." The party also denied that Pretorius was the regional secretary.

Speaking at a Press conference on Monday at the ANC office in the city, Pretorius, however, said he had served as party secretary until his resignation on August 28.

Started disbelieving

He said he started disbelieving in the FF after the April Election last year when the party failed to show any visible evidence of promoting the standard of living of South Africans.

Referring to the FF's idea of a volkstaat, Pretorius, who is also former chairman of the party's Beaconsfield Branch, pointed out that the party had no idea where to place a volkstaat or what the policies for such a state would be.
RDP allocates R21m to Galeshewe project

Kathryn Strachan

THE national reconstruction and development programme (RDP) budget has allocated R21m to an urban renewal project in Galeshewe, outside Kimberley, Mr master without Portfolio Jay Nadoo said yesterday.

The total cost of the Galeshewe upgrading programme would be about R40m, with funding also coming from outside loans, the Diamantveld Regional Services Council and the Kimberley city council.

Nadoo said this was the 12th special presidential project on urban renewal to be launched. Over the past 18 months, about R28m had been earmarked for 11 such projects.

The Galeshewe project focuses on Galeshewe Extension 7 and the Barkly Road Buffer Zone. Galeshewe Extension 7 grew out of an informal settlement. Its growth was not matched by appropriate development and the community is in need of essential services.

The Barkly Road Buffer Zone is made up of informal settlements and the upgrading will formalise them.

"The project will see a lot of money being spent on community involvement and training, ensuring one of the key objectives of the RDP — job creation — is met," Nadoo said.
Hung city council possible in Kimberley

David Greybe

CAPE TOWN — Kimberley could be headed for a hung city council, with no party winning a majority of seats on November 1, political pundits in the Northern Cape capital said yesterday.

With less than two weeks to polling day, Kimberley is gearing itself for a three-way race between the ANC, NP and the "non-political, developmental oriented" Kimfor (Kimberley Forum).

This perception gained ground yesterday after the Northern Cape Supreme Court upheld the disqualification of two ANC candidates. The ANC said it would appeal against the decision and, if necessary, take the matter to the Constitutional Court.

ANC spokesman Mafu Davela and Kimberley had always been an ANC stronghold.

Kimfor was established in July this year by city councillors with business backing, and is projecting itself as a local issues grouping.

Kimfor candidate Jan Wijnend said the forum's candidates were chosen for their "good track record in local government and not for party affiliations.

Local business had been generous with donations.

NP provincial secretary Charl de Beer said the NP vote in Kimberley "will be split" because of Kimfor's participation. He conceded it would be difficult for the NP to win a majority of the 25 seats up for grabs.

The city is divided into 16 wards, plus a further nine seats to be allocated according to the proportional list formula. The national 50-50 formula for the elections has meant that eight of the 16 wards are reserved for the so-called black townships, and the other eight for the mainly white and coloured areas.

The NP is the only party fielding candidates in all 16 wards. Kimfor is fielding candidates in all eight white and coloured areas.

The DP, Freedom Front, CP and a few independent candidates are also taking part.
A new ball game in Northern Cape?

By Bobby Jordan

Size isn’t everything in the build-up to local government elections in the Northern Cape.

But you simply have to get around if you want to be elected, politicians say.

While nearly 30 percent of South Africa’s surface area and less than two percent of the population, canvassing in the province is a logistical nightmare.

Travel-weary politicians compete for the attentions of communities spread across a largely inhospitable terrain at a population density of two people per square kilometre.

Add to that a fine balance between National Party and African National Congress support, and you get the perfect ingredients for an information showdown.

Loose tongues

However, observers warn that cheap politicking and loose tongues may upset the province’s growing reputation as a role-model of reconciliation between previously segregated races.

Others fear the province may fall prey to a national apathy regarding the elections.

Yet apathy would fail to explain the 90 percent registration rate in the Northern Cape, involving 239,000 people.

Voting will take place at 423 polling stations throughout the province making up 63 traditional local councils and six transitional rural councils.

A single boundary dispute at Kuruman on the border with North West stands out as the only source of conflict in what will almost certainly be a resoundingly peaceful election.

Last year’s general election produced a surprise result in the Northern Cape, with the ANC winning 49.7 percent of the vote compared to the NP’s 40.5 percent.

The NP had been a hot favourite to win the majority of the support in the province.

ANC majority

After wrangling over the composition of the provincial legislature, the ANC received 15 seats, the NP 12 and the Freedom Front two.

The Democratic Party’s sole representative, Ethne Papenfus, was appointed the speaker of the legislature, a move which cleared the way for an ANC majority.

The ANC appointed the country’s youngest premier, Mr. Manne Dixon, to lead the province.

Now, after nearly 18 months, the NP hopes to benefit from what it claims is a visible drought of fulfilled election promises.

But loose tongues could upset the province’s reputation as role-model.

Northern Cape Premier Manne Dixon ... election canvassing in his province is a logistical nightmare.

NP provincial leader Mr. Kraan van Niekerk says the run-up to the local government elections has been marked by greater penetration of political messages into the more remote areas.

He says the nomination of numerous candidates has motivated individuals to canvass support in areas that were untouched during the general election.

He also says the compilation of voters’ rolls means the ANC will not be able to benefit from the alleged irregularities that took place during last year’s polls.

“This is a totally different ball-game,” he says.

Rural communities were questioning the ANC’s commitment to change.

“People are waiting — they communicate with Kimberley (the capital of the Northern Cape) but they get no answers,” Van Niekerk says.

ANC Northern Cape spokesman Mr. Mafi Davids says the ANC is well-placed to entrench itself as the dominant political force in the province.

He says regular ANC “people’s forums” have kept communities in touch with the need for local ANC representatives to deliver the party’s 1994 promise of “a better life for all.”

Both Transitional Local and Transitional Rural Councils are an essential part of ensuring delivery TRC’s, in particular, will provide an important democratic authority for rural farmers who in the past were forced to bow to the authority of predominantly white farmers, election officials say.

Davids says the ANC has already started combating poverty and unemployment.

And the NP’s election campaign, based on the threat of escalating crime, will not deter ANC voters.

Both the NP and ANC remain unperturbed by the threat of losing support to one of the smaller parties.

The battle, they say, has become polarised as voters align themselves to one of two sets of values.

The outcome, no doubt, will determine exactly how much value the province’s scattered voters still attach to political promises.

Whatever the result, at least the placard-wielding lamp posts and voter education pamphlets that occasionally flutter into the corners of the Northern Cape bear testimony to a democratic something, somewhere not too far away — Sapa.
Northern Cape ‘to lead ballot count’

David Greybe

CAPE TOWN — The Northern Cape, despite its vastness, has the fewest voters taking part in today’s local elections and could be the first province to complete the counting of ballots tomorrow.

Chief electoral officer Josh Coetzee said yesterday he was confident that counting would be completed by 9pm tomorrow. Coetzee and his team of electoral officers have set up 496 polling stations for 947,004 registered voters.

The Northern Cape makes up 30% of the country, but accounts for less than 5% of SA’s eligible voters.

Coetzee said election preparations had “gone very smoothly, and everything, including the ink and ballot papers, is in place”. However, the vastness of the province — 119,000km² — could cause logistical problems.

The single biggest electoral district was Namaqualand — which stretches 490km from north to south and 273km from east to west — and counting could begin only once the ballot boxes had been transported to a central counting station in Springbok.

Coetzee was confident that counting in all 106 electoral areas in the province would commence by 8am tomorrow.

He said the transportation of ballot boxes would begin as soon as the polls closed at 10pm tonight, to a central counting station in each of the 42 transitional representative councils (rural areas) and 54 transitional local councils (former town councils).

Coetzee said he expected counting to begin before midnight in at least 60% of the transitional councils. He said Louis, with only about 300 registered voters, could be the first to announce its results. The provincial capital Kimberley, with 43 polling stations and about 100,000 voters, could be one of the last.

Coetzee said independent monitors, candidates and party agents would be allowed into the counting areas “to keep an eye on things”.

Any complaints would be raised with the presiding officer, who had the authority to demand a recount.
in Northern Cape: Success Proclaimed by Dave Groupe

Politics
Absent-minded prof and absent candidates

KIMBERLEY — Even though the Freedom Front was the only party registered in the Northern Cape's Ulco rural council area, victory eluded it (2639).

This was because the party failed to nominate candidates, electoral officials said. A by-election would have to be held there within 90 days of November 1.

FF provincial leader Carel Boshoff said his party had effectively forfeited three proportional representation seats.

"It was an oversight. We've got a lot of support in Ulco, which is probably why no other parties registered there. Unfortunately, it seems someone forgot to find candidates," Professor Heyns said.

Professor Heyns was not available for comment — Sapa
Half of Northern Cape votes to ANC

David Greybe

CAPE TOWN — The final results of the Northern Cape local elections showed the ANC won 50% of the votes, and increased its support marginally, while the NP suffered a 10%-plus swing from the party.

The NP won 34% (72 104 votes) of the proportional vote, compared with its 41% in the provincial elections last April. The ANC's 50% (107 291 votes) was a 0.5% increase on last year.

There was a 62.5% voter turnout.

The ANC won overall control of 40 (39%) of the province's 106 councils, and the NP 30 (29%). Significantly, the polls produced 24 (23%) hung councils.

The thrashing received by the CP, DP, PAC and IFP could, some observers said, signal the four parties' death in the Northern Cape.

The Freedom Front did not fare as well as its leaders predicted, muster
ing 5% (10 801 votes) of the proportion-
al vote. Independents and ratepayers associations fared better with 9% (18 392 votes), and took control of nine councils, results show.

Political observers said the ANC had boosted its coloured support compared with last year. On the other hand, voters deserted the smaller parties, mainly for the NP.

The ANC fared better in the towns (transitional local councils) than in rural areas (transitional representative councils), winning control of 30 town councils and 10 rural ones.

It won control of, among others, Kimberley, Upington, O'Keefe, Pofadder, Hanover, Hopetown, Barkley West, Postmasburg, Douglas, Graaff-Reinet, Jan Kempdorp, Richtersveld, Warrenton, Komaggas, Noupoort and Sutherland.

The NP won control of 18 rural councils and 12 town councils. The NP won included Prieska, Philipstown, Carnarvon, Fraeberg, Wilhoston, Strydenburg, Vanderkloof and Eikelaarkum.

The Freedom Front took the tiny Afrikaner settlement of Orania, where it was unopposed. In total nine Front candidates won council seats, all in the rural areas.

Hung town councils include De Aar, Colesberg, Britstown, Victoria West, Kuruman, Port Nolloth, Petrusville and Richmond.

Three CP candidates were elected councillors. The DP failed to win any seats. The PAC won one in Kimberley.

Four by-elections are scheduled in the province.
Premiers sign agreement on assets share

Labour Reporter

PREMIER of the Western Cape Hernus 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.
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 Hermus 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 Hermus Kriel, Mr Popo Molefe, Dr Frank Mdhlalose and Professor Shepom operators Mayatula sign an agreement to start a joint investment forum yesterday.

The six premiers are Mr Manne Dipico (Northern Cape), Mr Popo Molefe (North West Province), Mr Kriel, Dr Frank Mdhlalose (kwaZulu/Natal), Mr Ngako Ramathodi (Northern Province) and Professor Shepherd 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 rand's 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.
Access to technology will boost N Cape – Premier

BY JOVIAK RAYTAD
Political Reporter

The Northern Cape has signed an agreement with five institutions in which the province’s research and technological development capabilities will be boosted.

Northern Cape premier Manne Dipico signed a memorandum of understanding with the Agricultural Research Council, the Council for Scientific and Industrial Research, Council for Geoscience, Mintek and the National Parks Board.

The five institutions worked together to form the Regional Institutional Support Management Committee (Rismac) which signed the agreement with the Northern Cape.

It is hoped that as a result of the agreement, the institutions will advise the province about technology and its use in, among other things, the delivery of the Reconstruction and Development Programme.

Rismac is to provide a one-stop technology stop for the provincial government for all activities related to the core business of the its constituent members.

"Technology should be used to advance the quality of life of our people, and only then will it be relevant and useful." And in the case of the Northern Cape, Rismac has a special obligation because such capacity was deliberately held away from us, as evidenced in the lack of or non-existent research capability.

"For us to develop appropriate policies, we will require up-to-date information on our environment to increase the efficiency and effectiveness of our government. The signing of this agreement means a lot to us," Dipico said.

This means a lot to us – Dipico
PS - LOCAL AUTH.- NORTHERN CAPE

1997 - 98
10 000 ghost workers in Eastern Cape

David Greybe

CAPE TOWN — Ghost workers were costing the Eastern Cape government at least R400m a year, based on the latest estimate of more than 10 000 ghost workers in the province.

A final tally for ghost workers in the Eastern Cape public sector would be ready by the end of January under a year-long government project to rectify problems in the province, project leader Chris Dreyer said yesterday.

He described the latest estimate of ghost workers as "unacceptably high". "Based on a total of 165 000 public sector workers in the Eastern Cape — 75 000 are involved in education — there should not be more than 200 anomalies on the payroll at any given time." Dreyer originally expected to find no more than 8 000 ghost workers in the Eastern Cape, at a cost to the state of R40 000 each a year.

Dreyer, a former public service director, was sent to the Eastern Cape in November last year after a provincial audit found the administration was paralysed by a lack of political and administrative leadership.

Dreyer's team of 16 staff had been set up to recover the lost money from ghost workers who were still in the employ of the state. Most of them had drawn two salaries a month. He said repayment periods would depend on the amount owed.

The names of those who were no longer in the employ of the state would be handed to the national special investigating unit and tribunal into government corruption and maladministration which was set up in March.

The unit, headed by Judge Willem Heath, was set up to look into maladministration, misappropriation, corruption, negligence and unlawful conduct "with a bearing on state institutions" at national, provincial and local government levels.

Dreyer said a new system had been put in place to prevent officials from drawing two salaries or from continuing to be paid after they had left the public sector — the most common ghost worker offences.

Pay-point managers had been appointed, and they would be responsible for certifying monthly paysheets. Computer terminals were being planned for installation at district level "to put an immediate freeze on salaries if necessary". Dreyer was confident "there will now be adequate accountability".

He said the counting teams still had three education regions to check for ghost workers, and had to revisit the health sector to verify its first count.

The team had found 2 207 ghost workers in provincial departments excluding health and education. Twenty of these were in the premier's office, one in finance, 14 in management services, 321 in transport, 473 in local government and housing, 268 in economic affairs, 735 in public works and 354 in agriculture.

The team found 8 185 ghost workers in the health sector at its first count. However, Dreyer said the figure would probably drop by about 2 500 as workers not in possession of a valid identity document were counted as ghost workers and given six weeks to get one. The team would conduct the second count in January.
E Cape congress postponed in party shake-up

NP acts against Eernt MP

New 'censors picked— but names are blocked out

centum to be— this flight now you put a piston to the return..."
‘Nothing but lies’ claimed as corruption probe gets go-ahead

By SIMPIWE PILISO

EAST LONDON – THE Special Investigation Unit (SIU), headed by Judge Willem Heath, resumed their quest into the Butterworth Council’s affairs on Tuesday.

The SIU’s investigation were suspended in October until the publication of a special audit report and President Nelson Mandela’s decision on the investigation continuing. SIU investigation co-ordinator Steven Jones said the SIU had been given the go-ahead to continue its investigation by the president’s office last week.

The audit report, which was published and handed over to Mandela and Eastern Cape Premier Makhenzie Stofile on October 14, allegedly did not clear the council of alleged irregularities, according to Judge Heath.

He added that the auditors are not investigators.

The SIU often works in cooperation with auditors and fills the vital gap that involves investigations and finding solutions.

Some of the allegations being investigated include:

☐ that there was irregular spending by the council of R4 million of a R14.5 million government grant,

☐ that Butterworth Mayor, Anthony Bam is R30,528.36 in arrears with his rates and more than R57,000 is owed by the councillors,

☐ that council funds were used to buy R28,500 worth of shotguns, revolvers and 9mm pistols,

☐ that municipal funds were embezzled for backpay to councillors from March to June this year with each councillor receiving R15,000 and Bam, R20,000,

☐ that councillors were paid an allowance of between R4,000 and R5,000 in excess of the stipulated R100 a month laid down in the Municipal Act,

☐ that councillors had their private vehicles repaired and panel beaten at the municipality’s expense,

☐ that a vehicle finance scheme involving about R1 million was abused by councillors allegedly buying vehicles for personal use.

The SIU’s investigation into the alleged irregularities in council’s affairs was suspended when Butterworth council raised an application in the Grahamstown High Court challenging the mandate of the SIU’s investigation, the validity of the SIU and the Special Tribunals Act proclaimed by President Mandela in March this year.

In September, at the request of President Mandela, the court case was postponed and the investigation suspended.

This resulted in a mutual agreement between members of the SIU, the Butterworth council and its legal representative that “in the spirit of promoting co-operation between the parties” the investigation be suspended pending the auditor’s report and Mandela’s decision.

Butterworth mayor Anthony Bam said: “the SIU is here on our terms.”

According to Bam the SIU had to provide the council with a list of the allegations that would be investigated.

“If these allegations are proven to be false, then the council will take the SIU to court for defamation,” he said.

He said the Grahamstown High Court had instructed the SIU to provide the council with the terms.

Bam said his council had nothing to hide and this investigation would prove that the allegations concerning irregularities “are nothing but lies”
Eastern Cape Road Network Proposal signed
Urgent action taken on pension payout fiasco

BRETT ADKINS

The South African Human Rights Commission has warned that the province’s failure to pay pensioners is a violation of their constitutional rights and that the government could face legal action as a result.

The Anglican Bishop of Grahamstown, the Right Rev David Russell, said “culpable incompetence” lay behind the debacle.

In an interview with the Sunday Times yesterday, Fraser-Moleketi said Bisho’s problems were linked to a history of “consistent underfunding” owing to an absence of accurate statistics and data on the province’s beneficiaries.

Lump-sum payouts on a huge backlog of social grants — subsequently halted — had also contributed to the province running out of cash, whereas other provinces had tried to stagger such payments.

Fraser-Moleketi said Bisho’s problems were not unique and that the government wanted to send a clear message to all the provinces “manage yourselves more efficiently.”

CENTRAL government will this week come to the aid of thousands of Eastern Cape pensioners who did not get their money.

The crisis saw thousands of people in the province turned away from paypoints after funds ran out.

But the issue will be resolved within days, say government sources, as a task team helps the provincial government hammer out a solution.

It was learnt yesterday that an announcement on the payouts will be made at a press conference tomorrow, after urgent discussions between the Minister of Welfare, Geraline Fraser-Moleketi, and the Minister of Finance, Trevor Manuel.

But the debacle — which triggered widespread accusations of administrative ineptitude in the provincial capital, Bisho — has also flashed warning signals to government over management efficiency nationwide, ANC sources said yesterday.

It is understood that high-ranking officials in Bisho — under pressure from the cabinet — are working furiously around the clock behind closed doors this weekend in order to have a plan ready for tomorrow’s announcement.

The province needs more than R800-million over the next two months in order to meet its pension commitments until the start of the new financial year.
Eastern Cape gets R800m govt advance

Kevin O'Grady

EASTERN Cape pensioners will begin receiving social security payments from Monday following Finance Minister Trevor Manuel's approval of an R801m advance for the province.

Announcing the arrangement yesterday, Welfare Minister Geraldine Fraser-Moleketi said a commission of inquiry, or an investigation by the public service commission, would seek to establish whether provincial officials were negligent in allowing the pension crisis to erupt. Details of a probe would be announced today.

More than 630 000 pensioners were turned away from paypoints in the cash-strapped province last week.

Asking where funds would be found for the R801m advance from the national treasury, Fraser-Moleketi said: "I'm deliberately trying to avoid answering that question."

Finance Minister Trevor Manuel's spokesman, Jennifer Wilson, denied the payment was a bail-out of the province by national government. "It is a cash flow adjustment, an advance on their money (from payments still to be made to the province from the current budget)," she said.

Fraser-Moleketi said the advance would be accompanied by payments totalling R4.83m to welfare organisations in the province, and other measures to prevent a repeat of the crisis.

She said R4.5m of the additional payments would come from the poverty alleviation fund provided for by Manuel in the budget. The amount would be earmarked for projects run by non-governmental organisations.

The remaining R330 000, which had been "found from other sources," would prevent the closure of two children's homes in the Transkei region.

Fraser-Moleketi said the R801m would cover social security payments until the end of March and would have no effect on the provincial welfare department's other financial woes. There was a larger amount involved, relating to general underfunding, on which negotiations were under way. She declined to elaborate, saying details would be released later.

Steps to prevent a recurrence of the situation included the appointment of a task team, headed by acting welfare director-general Benny Makaba, to "ensure that the necessary management and administrative systems are put in place and work smoothly. The team already started work.

Consideration was also being given to a "core team at national level which can move into any province to help with problems" and a permanent internal audit function "to eliminate systemic vulnerability to fraud and corruption."

Further measures, including a "tightening up" of early warning systems, would be discussed with provincial welfare MECs on January 26.

Fraser-Moleketi said the payment of pensions from Monday would be a huge operation. The postmaster-general and bank officials had agreed to make additional staff available, while safety and security and police officials would arrange improved security.

She said she had expected a similar crisis to arise in KwaZulu-Natal and Northern Province. However, discussions at national level would avert another "Eastern Cape situation."

Picture: Page 2
See Page 7
Nats feel cleansed after exodus
Cross floor to join DP
Top Eastern Cape Nats
THE national treasury has thrown a lifeline of R801 million to save the Eastern Cape following its failure to honour its social welfare obligations to thousands of pensioners who went without pay last month.

At a media briefing in Johannesburg yesterday, Welfare and Population Development Minister Mrs Geraldine Fraser-Moleketi said the pensioners would be paid next Monday.

She said the "breakthrough" followed an agreement with Finance Minister Mr Trevor Manuel, in terms of which the province would be given an advance of R801 million from the national treasury.

Fraser-Moleketi admitted that it had been discovered that there had been fraudulent practices in which the welfare social service in the province benefited 125,000 "ghost beneficiaries or pensioners".

She also said the system had been undermined by the payment of benefits to adults masquerading as children receiving social grants.

People entitled to "temporary disability grants" had become permanent beneficiaries, a situation that was totally unacceptable.

"Because of the seriousness of the situation which has developed in that province, certain measures have been decided on in an attempt to avoid a repetition of the crisis," she said.

She said a task team had been appointed to work with the provincial government to ensure that sound administrative and management systems were put in place.

In addition to the team, Fraser-Moleketi said a forensic auditor had been seconded to audit the cash flow of the provincial department.

She had conferred with the Ministry of Public Service and Administration to set up a commission of inquiry to investigate corruption in the system.

To reduce problems relating to payout dates, Fraser-Moleketi said the Post Office and the banks had agreed to make additional staff available to assist pensioners.

The Ministry of Safety and Security had also been asked to assist in tightening security on payout days.
Treasury rescue Eastern Cape pensioners

News
Pensioners wait as do 'cheating' pupils

BY ANDHE NOGANTA

This week is crunch time for two embattled Eastern Cape government departments.

The Welfare Department has to make good on promises to scores of pensioners, while the Department of Education seeks to resolve an impasse it created by withholding over 2,000 matric results last Tuesday.

The Department of Welfare has undertaken to pay over 60,000 pensioners on January 20 (Tuesday). This comes after pensioners were turned away from paypoints two weeks ago.

Welfare Minister, Geraldine Fraser-Moleketi, recently admitted that the Eastern Cape needed R801 million from central government to save the cash-strapped welfare department.

But it was touch and go whether money would be made available until frenetic behind-the-scenes talks between Fraser-Moleketi, Finance Minister Trevor Manuel, Deputy President Thabo Mbeki, Premier Makhenkosi Stoffel and MEC Mandla Manzana yielded results to set free the funds this week.

The resolution of the crisis averts an embarrassing legal action by the Human Rights Commission.

The provincial welfare department came under fire from various quarters for not paying the grants to the elderly, with the statutory watchdog committee calling it a "violation" of the pensioners' human rights.

The Commission then issued government an ultimatum – pay up by January 20 or face court action.

There were also widespread rumours last week that parents of students who did not receive their matric results might take legal action against the Department of Education.

The department is withholding the results of 2,878 students – suspected of cheating – until the Provincial Irregularities Board, consisting of representatives from the legal section and senior exam centre officials, meets.

In a strongly worded statement, the department said the board will call in "the chief invigilators of affected centres and other officials, to establish the truth".

Angry parents and students, however, say the department cannot substantiate allegations of irregularities against students.

Reacting to claims that some students did not know that their results would be suspended, education's Hennie Franzsen said the department had informed all affected students in advance.

"Students cannot claim they didn't know because all students who were suspected of cheating were sent letters," said Franzsen.
on a diet of promises
Our promises are starving

CITY PRESS

January 1, 1998

Hunger hits pensioners
Home after home
Pensioner plight

DP(D) 26861

DAVID MACGREGOR
Disembodied Shack ECNs
100 weeks to erase here
She has not eaten for three
Pensioner plight

AFTER CAFER

both in Cape
Pension payment

Café 18/198
Pensioners get under way in Easter
Bisho paying pensions from an empty purse

BISHO — The R801m bailout for Eastern Cape welfare payments has not yet been paid to the provincial government, finance MEC Prof Shepherd Mayatala said yesterday.

That means Bisho is paying out social grants without having any money deposited into its already overdrawn bank accounts.

Mayatala said yesterday: “Nobody is able to say now if this is an advance or not. We are still engaged with the centre (central government) and exchanging figures. It depends on a number of issues. This is not only happening to the Eastern Cape, but to other provinces as well.

“For now we will have to accept that it (the promised R801m) is an advance on next year’s budget.” Mayatala said no one at central government could say yet if the promised R801m was an advance payment from the 1998/99 budget, or a top-up amount which will be added to the present 1997/98 budget through the adjustments appropriation bill.

Any central government decision will have to be ratified by the National Assembly, which has yet to convene this year.

On a broader perspective, Mayatala said the overall expected provincial budget deficit had decreased. He said: “Our overdraft has gone down, but not to the extent we hoped because of these difficulties.”

The problems were that personnel costs, including temporary school teachers who were not budgeted for, and pension payments, were difficult to bring down.

Mayatala said he did not want to give a round figure for the overdraft because it “fluctuates every day.”

He also declined to make any comment on the rates of interest charged by Bisho’s banker at present, because the contract to do the province’s banking was out for tender. — ECN.
R1.7m for Eastern Cape welfare bodies

Pearl Sebolao

THE payment of subsidies to private welfare organisations in the Eastern Cape resumed on Wednesday, with R1.7m in outstanding grants for December 1997 having been paid, Welfare Minister Geraldine Fraser-Moleketi announced yesterday. Fraser-Moleketi said the funds would provide limited interim relief to welfare service organisations, including children’s homes, homes for the aged, and rehabilitation centres which depended on subsidies to provide important services to communities.

The late subsidy payment in November last year due to the cash flow crisis in the Eastern Cape had led to widespread anxiety in the private welfare service sector, with two children’s homes in the former Transkei threatened with closure. This has now been averted, she said.

The cash-strapped province earlier in the month received an R801m advance from the finance ministry to meet its obligations to 600,000 pensioners. Fraser-Moleketi said she had appointed a task team, which included provincial and private welfare service organisations, to assist the provincial welfare department in managing its cash flow problems. Payments for the rest of the financial year would be handled by the team, and would follow in due course.

An agreement had also been reached between the private welfare sector and the provincial government to reprioritise welfare services on a regional basis to promote maximum impact, cost-effectiveness and the efficient use of human resources, Fraser-Moleketi said.
Pension crisis: 'We ran out of cheques'

Bisho – Said to be close to a billion rand in the red, the embattled Eastern Cape welfare department has begun paying out long overdue pensions – with money it hasn’t got.

All Bisho has is Welfare Minister Geraldine Fraser-Moleketi’s promise of an R801-million advance on the looming 1998/99 budget.

But Eastern Cape MEC Mandisa Marasha and finance MEC Shepherd Mayatula said this week the money had not yet been given to the province.

Mr Mayatula said: “Nobody is able to say now if it is an advance or not. We are still engaged with the centre and exchanging figures. It depends on a number of issues. This is not only happening to the Eastern Cape, but to other provinces also.

“For now we will have to accept that it (the promised R801-million) is an advance on next year’s budget.”

Ms Fraser-Moleketi said last week the money was an advance, but central Government was debating whether or not to increase the money available to the Eastern Cape welfare department to counter the advance.

The advance confirms well placed fears that the department will end the 1997/98 financial year almost a billion in the red.

Ms Marasha this week confirmed the story of there not being January welfare payments because the department had run out of cheques.

The official who orders cheques every month “forgot” and, when reminded, only ordered 100 new cheques instead of the hundreds of thousands necessary.

But Ms Marasha was unable to give any definitive answers – she said she could not get any herself. – ECN Weekend Service
MECs accept sacking and wish successors well

Kevin O'Grady

SACKED Eastern Cape MECs Nosamo Balindela and Mandesa Marasha yesterday quietly accepted premier Makhenka Stofile’s decision to fire them and wished their successors well in difficult portfolios.

Welfare MEC Marasha played down her sacking as a “redployment” by the ruling African National Congress (ANC), while Balindela said financial constraints had “taken their toll” on her department’s ability to deliver.

Balindela and Marasha’s departments have been criticised for bungling that has embarrassed the provincial and national governments.

Stofile announced on Wednesday that they would be axed with effect from February 9.

Sapa reports that their dismissals were apparently recommended by a task team led by public service director-general Paseka Ncholo, which investigated the Eastern Cape administration’s financial crisis.

Marasha, who was appointed transport MEC in 1994 and later transferred to welfare, said she “humbly” accepted Stofile’s decision and believed it was “in the interest of good governance”.

“My departure should not be seen as a catastrophe, but a redployment geared towards strengthening the ANC on all fronts,” Marasha said.

She said her “drive and determination to clamp down on corruption” remained firm.

Corruption and fraud have been among the main reasons for the provincial welfare department’s financial woes. They were cited recently by Welfare Minsiter Geraldine Fraser-Moleketi as one of the causes of the department’s inability to pay social security grants earlier this month. Pension payments continued only after central government provided an R801m advance.

Balindela, who was appointed education MEC in 1994, trumpeted the achievements of her department. These included the amalgamation of six former departments, the building of new schools and classrooms in disadvantaged communities and the provision of water and electricity to schools.

“However, during the past number of months my department has faced tremendous pressure due to financial constraints (that) have taken their toll on all aspects of the education sector, especially delivery.”

Several hundred Eastern Cape schools are without electricity as a result of the failure of Balindela’s department to pay municipal electricity departments in Umtata, Port Elizabeth and Uitenhage.
Half of Eastern Cape’s councils deemed unsound

Kevin O’Grady

Almost half of the Eastern Cape’s town councils are financially unsound as many councillors have little knowledge of financial controls and regulations, initial findings of audits ordered by the provincial government say.

Local government MEC Sauts Ngonyama said yesterday he would decide on what steps to take to rectify the situation after receiving the audit teams’ final report later this month.

The “management intervention audits” targeted 44 of the province’s 94 municipalities, which were believed to be financially unsound. The municipalities failed to collect income or control expenditure and had not passed operating budgets, Ngonyama said.

A report tabled in the provincial legislature last year showed that Butterworth had incurred a R25.5m debt, with neither the policy nor procedures to recover outstanding monies.

Ngonyama said the audit teams found that councillors’ lack of financial knowledge had “put a great strain on the relations between treasury staff and some councils”. The biggest problem was the lack of financial information on a day-to-day basis caused by the absence of dedicated computerised financial information, as well as a lack of financial capacity and experience in some municipal treasury departments.

Another major problem was ignorance among town clerks of their “roles and responsibilities”. This led to a situation where property valuations were not submitted to valuation courts and, as a result, rates were not levied, decreasing the councils’ income base.

Ngonyama said the report recommended clerks be trained to perform functions “from a legal, administrative and management point of view.”

The audit teams were asked to produce correct financial statements for the municipalities, calculate property rates and tariffs for services rendered and ensure effective cash management. The constitutional development and provincial affairs department had granted the province R164,900 towards financing the project.
THEMES WE INTENDED IS NO CHICHE, SAYS EASTERLY CAPE’S FORMER DIRECTOR-GENERAL

VICE-CHANCELLORS.

The test of government’s industrial policy will be in jobs created

ANALYSIS

ANALYSIS

ANALYSIS
Central government to the province to enable it to pay pensioners. The provincial administration had not yet received the whole amount, which was being forwarded as pension payments were made.

Unlike KwaZulu-Natal, Eastern Cape had few assets which it could sell to raise additional finance. "What could come out is the fact that we inherited some of our debt from the former Ciskei and Transkei. A substantial amount of our overdraft is as a result of that," Godongwana said.

Negotiations were under way with national government to refund the province "a sizeable amount" spent on servicing the inherited debt. 

Linda Ensor reports from Cape Town that the Western Cape provincial government intends applying for less than R200m as an advance on next year's budget allocation.

Finance MEC Lambie Fick estimated yesterday that the budget deficit was R627m. The anticipated advance would be less than the 2% of the total budget allowed as bridging finance before the "judicial management" clause of the constitution took effect.

Depending on the success of cash management strategies, a bank overdraft might not be necessary to cover the balance. This would, in effect, be an advance on next year's budget.

Expenditure for the year of R107bn had exceeded the approved budget of R95.5bn by R1.5bn, which had been offset by higher projected revenues of R326m and savings within departments of R91m. Fick said the province had also benefited this year from the surplus of R273m flowing from the previous financial year.

Continued on Page 2

Eastern Cape

Continued from Page 1

The bulk of the additional expenditure was due to the R733m which the departments of health (R346m) and education (R337m) had had to spend. Fick said that to reduce the deficit from the R1.1bn anticipated in September last year to R627m had required painful adjustments by departments. Only capital projects where there was a contractual obligation were authorized and drastic decisions to cut the expenditure of education and health services were taken. Also, no funds would be rolled over to the 1998/99 financial year except with respect to conditional grants.

Sapa reports that Mpumalanga does not intend applying for a share of the extra R1.5bn.

Northern Province spokesman Ken- ny Mathwia said the province would definitely apply for more funds because it was in dire financial straits.
Probe finds 2,207 'ghost' workers

By Ido Lekota

A LITANY of missing records, "ghost" employees and beneficiaries, as well as administrative bungling has resulted in the current financial crisis in the Eastern Cape.

Last week Finance Minister Mr. Trevor Manuel revealed that the Eastern Cape would be one of the recipients of the R1.5 billion aimed at assisting provinces that had critical financial problems.

During yesterday's hearing a report from Eastern Cape Premier Makhenkisi Stofile revealed, among other things, that 33 officials of the department of public works received social grants while still earning salaries from the government.

The report also revealed that the provincial government had identified 2,207 "ghost" employees thus far, with the highest number - 735 - being in the Department of Public Works.

More "ghost" employees were expected to be identified in the department of education and the department of health where the "post-to-person" matching was still under way, the report said.

According to the report, the government's programme of voluntary severance packages (VSP) had failed because of the unreliable personnel data inherited from the previous administrations of the former Transkei and Ciskei.

The report revealed that 63 percent of the cases processed for VSP had incomplete leave records, 11 percent had no leave records and 26 percent had leave records that were unacceptable. This had led to a situation in which benefits had been calculated erroneously.
A bleak picture of paradise

Marion Edmunds

The Eastern Cape government is allowing the province’s natural assets and tourist attractions to go down the tubes, because of a lack of funds, skills and political will to preserve the environment.

Despite official denials of collapse, the picture of conservation in the Eastern Cape — the only province in the country which has all seven ecosystems in its nature reserves — is bleak. There is only a handful of people left in the department with the skills to guide it out of what is perceived as a crisis by all except the government itself.

Thirty-three experienced nature conservators and scientists have left the conservation department since 1994, taking voluntary severance packages or resigning. Most of them have been replaced, if at all, by graduates straight from technikon or university.

Of 14 posts in the special investigations unit — set up to police poaching — only four are filled. Sources say prosecutions are few, and poaching has reached dangerous levels.

The department is struggling to amalgamate the old conservation departments of the former Ciskei, Transkei and Cape Provincial Administration. Attempts to consolidate the three sets of regulations have ground to a halt.

There is no coherent policy, with the result that environmental concerns are overridden to make way for badly planned developments, often on sensitive parts of the coastline.

The department is saving 37% of its wage bill, but this has been returned to the provincial kitty to bail out the departments of education and welfare. It is expected the department’s budget will be extremely small in the coming financial year, and the majority of it will be spent on salaries, to the detriment of the environmental assets the paid officials are meant to be preserving.

There are few nature conservators in the 30 reserves in the province, which cover a total area of 450 000ha. Aquatic conservation has come to a stop, with the province’s fish hatcheries now inoperative.

The director of nature conservation, Graeme Taylor, said in response to the allegations: “Over the past few years provincial nature conservation has been undergoing a process of transformation, with the view to placing nature conservation in line with emerging international practices. “While the process has resulted in some delays, these have been necessary to ensure accountability and transparency. These steps should not be interpreted as an environmental crisis, collapse or disintegration.”
Province may remain in crisis, despite handout

Government lifeline may be insufficient to save Eastern Cape

By ANDILE NGOYANQABA

The Eastern Cape government looks set to tighten its belt amid fears that the R1.5 billion lifeline thrown by central government to cash-strapped provinces will not be enough to rescue the province.

This week, all indications were that the provincial government will have to give strict priority to the most critical areas when it gets its bailout funding.

Economic affairs MEC, Enhle Gqobozana, this week listed that most of the money could be given to health, education, agriculture and land affairs.

Last week, Finance Minister Trevor Manuel offered a R1.5 billion bailout to provinces with "unsustainable problems." But his offer is accompanied by stringent conditions including rationalisation of departments, refreshments, strict control of new appointments and unrepaid revenue control.

The Eastern Cape is in dire need of bailout funding but this week Gqobozana could still not say how much the province would be getting.

The cash crisis resulting the Eastern Cape came to a head when central government had to advance R881 million over three months to pay pensioners who were being turned away from pay points.

"Obviously most of the money should go to welfare and pensions. After all, they have cleaned most of the ghosts and they have made efforts to record accurate figures of beneficiaries. One is looking here at an area with a large rural population, who depend on the grants," said regional director of the Black Sash, Rosamary Smith.

Pier Milis of the Border HCI Chamber of Commerce said the money should be channelled to welfare, health and education, because they are the most needy.

He added, however, that government should pay Small Medium and Micro Enterprises for services rendered. He said some SMMEs had not been paid for over ninety days.

"It's got to the point where businesses no longer service government because they are afraid they won't get paid. "They are demanding cash up front, which is ridiculous," he said.
E Cape gives Manuel the finger

DEFIANT Eastern Cape, which overspent a massive R1 5-billion in the current fiscal year, has declared that the task of cutting provincial staff numbers — and with it the province's budget deficit — lies with Finance Minister Trevor Manuel.

A shroud of mystery hangs over the Eastern Cape's precarious financial situation. Until the 1998/99 budget is revealed in April, it will not be known if the province will fare any better next year. Speaking at the opening of the provincial legislature, premier Makhenkesi Stofile confirmed this week that his administration was heading for a staggering R1 5-billion deficit in the 1997/98 financial year.

The financial chaos in the Eastern Cape is the latest development in a worsening relationship between Manuel and the provinces. Manuel has told them to toe the line, making R1 5-billion available in the current year if they show fiscal stringency.

In addition, provinces received R600-million from the contingency reserves, meaning that their combined budgets for 1997/98 have been increased by R2 1-billion from the original R80 8-billion.

On Friday it emerged that a number of provinces are holding their civil servants' tax payments in order to boost their cash-flow and reduce debt with banks. The provinces' combined overdrafts are estimated to be around R2 5-billion.

Eastern Cape finance and economic affairs MEC Enoch Godongwana said his department was negotiating with the national executive on how to deal with the deficit.

The province said it could use all of the R1 5-billion additional appropriation Godongwana said most of the steps required by the national executive had been taken. Conditions for the hand-out, such as improved collection of revenue, strict control over appointments, good financial reporting and cash-flow management, were all part of 'normal transparent governance'.

The conditions were "neither here nor there", as his department had already started doing these things, he said.

He put the ball into Pretoria's court by arguing that retrenchment of staff was a national rather than a provincial competency and it was therefore up to central government to provide the provinces with a framework for retrenchments.

He said: "National government should provide us with the necessary financial resources to cushion the effects of retrenchments as we do not want to just throw our people on the street."

Eddie Trent, the only Democratic Party MPL in the Eastern Cape, and Stofile's estimate was very optimistic. He said the ef-forts to get up-to-date details of departmental overdrafts and appropriation accounts had been unsuccessful.

"Trent, who is known for his criticism of Bisho's seeming lack of financial control, said he had warned the provincial legislature that the province's budget was unrealistic and that it would inevitably overspend, especially in the area of education. Trent said last November that, according to his calculations and based on figures presented to him by the provincial treasury, the province would be R2 5-billion in the red by the end of March."

He said: "He did not understand how the estimated shortfall could drop by as much as R1-billion when, according to his information, between 85% and 90% of government expenditure was on salaries and no-one had yet been retrenched."

On the history of Bisho's cash-crisis, Trent said: "I believe that they have wasted as much as R3-billion in the last four years."

"They failed to red the payrolls and welfare systems of ghosts, and duplications and have wasted a fortune on the old Transkei and Ciskei agricultural para-statals. The austerity measures taken are definitely far too little, way too late," said Eastern Cape News Agency.

NO DIRT ON US... Eastern Cape finance MEC Enoch Godongwana
Govt warned of crisis in student funding

Jonathan Davis

A TRAM of prominent researchers has warned of a massive shortfall in funding for disadvantaged students at SA’s universities and technikons in a report submitted to the education department in October last year.

The education department has yet to respond to the report, which was compiled to “alert a crisis” in tertiary education funding.

The team comprises former University of Cape Town Vice-Chancellor Stuart Saunders and economist Robert Dorrington, and the research was backed by blue-chip US philanthropic organisation The Andrew W Mellon Foundation.

The report estimates that government will need to allocate R382m to the National Student Financial Aid Scheme to assist more than 80 000 needy students. Government has allocated only R357m to the scheme, although the education department applied for R400m.

The report also warns that, given increased student numbers and inflation, another R197m will be required this year to keep financial aid for students at 1996 levels.

But the warning came too late for thousands of disadvantaged students who this week faced exclusion from cash-strapped tertiary institutions which cracked down on those with outstanding tuition fees.

The situation is worst at SA’s historically black institutions, with the University of the Western Cape owing R93m by students and the University of Zululand R24m.

However, the University of Cape Town (UCT) was forced this year for the first time to turn away academically qualified applicants who could not afford tuition. “Financial aid for students has been a pressing issue for more than a decade. UCT and other institutions have been warning government for years,” said UCT communications officer Helen Ziller. “This report was handed to government in October last year. We need to know what they have done with that work.”

More than 300 University of Western Cape students, arrested for trespassing on Sunday after protesting against the exclusion from the university of students with outstanding tuition fees, appeared briefly in the Belville Magistrate’s Court yesterday. They were not asked to appear again on March 9.

The report predicts that the number of students needing financial aid will grow to 123 000 in 2008 and 151 000 in 2010. It recommends that an additional R55m be allocated to the student financial aid scheme, with the shortfall made up of contributions from international donors to try and keep funding at 1996 levels.

It recommends that interest charged on loans from the scheme be more than the present 1% above inflation. This would help ease pressure on government funding and allow more students to benefit from financial aid.

It would also allow the student aid scheme to dispense larger individual awards. The average individual award last year was R5 500.

The report also recommends broader restructuring of the Tertiary Education Fund of SA, which administers the student financial aid scheme. This would include more government representation on the fund’s board in line with its increasing contribution to the student aid scheme.

Tertiary institutions have complained that the present financial aid system, administered through the tertiary fund, is based on unpredictable yearly state allocations and donor funds, and that it does not allow for a more sustainable system.

Parastatal managers ‘went on R10m spending spree’

Quentin Wray

GRAHAMSTOWN — Senior managers of former Transkei parastatal Magwa Tea Corporation went on a R10,1m spending spree after its liquidation order had been proclaimed in the Eastern Cape gazette in July.

Stuart Waymark of Ernst & Young, one of three joint liquidators of the estate, said yesterday responsibility for the spurge should fall on the corporation’s bank, Bank of Transkei, as it had been informed in writing of the liquidation. Waymark said it was standard practice for banks to freeze affected bank accounts on receipt of a liquidator’s notice, so any unauthorised bank debits after July could not form part of claims against the liquidators.

Bank of Transkei MD Enal Kellenbrum said the delay in freezing the account was caused by the liquidator’s letter being sent to the Lamaski branch rather than head office. Other Bank of Transkei officials conceded that inefficient internal communication prevented the information from being acted on.

They also claimed that the provincial gazette published in July was rescinded by another gazette published on December 1, which changed the date of liquidation to December 1.

As a result, the bank believed it was entitled to claim the full amount of Magwa’s overdraft from the liquidators since all the disputed expenditure took place before December 1.

However, Waymark said as far as the liquidators were concerned, the original proclamation was valid, and they were proceeding with wrappng up Magwa’s affairs on the strength of this.

Standard Bank media relations manager Eric Larson said the bank was a creditor to the tune of R3,6m and was “keen to see the legal proceedings finalised as soon as possible”.

Waymark said the liquidators were struggling to determine the exact state of Magwa’s finances due to the “appalling state” of the corporation’s records. Magwa was liquidated by Eastern Cape Provincial Administration after reports of financial and administrative chaos.

A report from forensic auditors Price Waterhouse noted that managers of Magwa’s senior management used the corporation’s Bank of Transkei account to pay themselves a range of benefits. They included leave pay of almost R1m, R25m to pay off company cars and R198 000 for private legal consultations.

Reserves take a knock after debt payments

Gretha Steyn

FOREIGN debt repayments and pitters over emerging markets knocked SA’s gold and foreign exchange reserves last month, causing a fall of about R600m to R27.3bn.

The decline surprised economists, who expected a rise of about R400m. However, Reserve Bank deputy governor James Cross was quick to point out that January was a difficult month for emerging markets in general, and that SA weathered the storm well.

“The reserves were only marginally down if you take into account that we repaid some of our short-term borrowings. We would not have repaid those loans if there was any real pressure.”

The Bank’s use of foreign credit lines at the end of last month amounted to R9,4bn compared with R9,8bn at the end of December. The foreign credit lines are used to provide liquidity to the market when there is strong demand for foreign currency.

In January last year, the Bank’s gold and forex reserves stood at R11,5bn and it had not made any use of foreign credit lines. The reserves last year got a major boost from inter- terion proceeds, which added more than R1bn in one fell swoop.

Cross said no such big foreign m-
Probe fingers East Cape finance chief

David Greybe

CAPE TOWN — The Eastern Cape treasury under former finance MEC Shepherd Mayatula was involved in a myriad of irregular financial dealings, a central government investigation has found.

Following the probe into the non-payment of pensions in January, premier Makhenka Stofile shifted Mayatula to education and axed welfare MEC Mandisa Masina and education MEC Nosimo Balindlela.

At Stofile's request, Public Service Minister Zola Skweyiya appointed a task team to investigate the province's failure to pay 632,000 pensioners. It was headed by public service director-general Paseka Ncholo.

"Masina and Mayatula knew that the province would not be in a position to meet its pension liabilities from as early as August 1997," the team said in a confidential report. "The matter was communicated to both MECs by their departments with requests to find additional funds (but) the MECs failed to institute the necessary process to achieve this objective timely.

"There is no way that (Mayatula) can be exonerated from the ultimate embarrassment occasioned by the non-payment of social security payments." He apparently "failed to ensure proper management of provincial finances." It said the treasury was involved in "a myriad of irregular financial dealings, such as the deposit of unclaimed social security payments into the revenue account of the province instead of being redeposited into the social security account." The issues which resulted in the welfare crisis were raised over a year ago in the Ncholo provincial audit report, but the two MECs appeared not to have acted on the findings.

"The team has sufficient information to believe that there is a high level of cronyism within the treasury (which) has resulted in the indecisiveness which paralysed the political leadership," the team said. It called on Stofile to act with "extreme urgency." The report will bolster the recommendation by the Presidential Review Commission that the situation in the Eastern Cape and Northern Province has deteriorated to such an extent that central government might consider taking over certain functions.

Mayatula yesterday denied any wrongdoing. He claimed the report was "one-sided" because he was never interviewed by the task team. He insisted he was "exonerated" in a follow-up provincial investigation which he said cleared the treasury secretary, Sings Ngqwala, of wrongdoing.

Ngqwala was suspended without pay, on the team's recommendation, "pending a full investigation to ascertain the extent of the mismanagement of the provincial finances." Mayatula said the fact that Ngqwala was back in his job exonerated him. He denied his shift to education had anything to do with the welfare report "I knew about my shift last November.

Mayatula's former post was given to economic affairs, environment and tourism MEC Enoch Godogwana. Godogwana said he was unaware of the report's findings that unclaimed social security payments had been deposited into the revenue account instead of being redeposited into the social security account "I was not told." Shares dip as Aflife, Norwich battle it out

Samantha Sharpe

CAPE TOWN — Shares in financial services group Norwich lost more than 6% to R11.05 yesterday as tension mounted in the battle between Norwich management and African Life (Aflife) for control of Norwich.

The share price has gained almost 35% since Aflife announced at the end of January that it would bid for Norwich, while Aflife's lost almost 6%.

Market sources said at its current trading price a correction might well be in order for Norwich, despite it being the subject of SA's first genuinely hostile takeover in seven years. However, they did not disregard the possibility that some of the larger minority shareholders might be involved in price manipulation as D-Day for the Aflife offer, March 13, drew closer.

Volumes were relatively small yesterday, with about 276,900 shares worth R2.24m changing hands.

Norwich CE Charles Davies said "One has to consider the latest trade in the context of the market gyrations that have characterised the last few weeks, and with this as a backdrop it is not really a cause for concern."

While Davies declined to comment on speculation that another party had entered the fray, he said Norwich had been in talks with more than one company for some time. The status of those talks had not changed in the 24 hours preceding the most recent price fall.
Takeover of Eastern Cape 'no solution'

EAST LONDON — Central government would not solve the problems of the Eastern Cape by taking over its functions, the African National Congress (ANC) in the Eastern Cape said yesterday.

It said backlogs inherited from the former government were to blame. "It is the apartheid regime and its bantustan puppets which presided over and bred a culture of corruption, and put in place inefficient administrators through nepotism and other forms of patronage," the party said.

The ANC said less than 5% of the civil servants in the provincial administration were employed after April 1994.

The Presidential Review Commission last week said the administrations of the Eastern Cape and Northern Province left much to be desired. The central government might consider taking over certain functions, the commission said in a report.

While acknowledging there were shortcomings, the party said a thorough analysis of the problems was required.

"It is our view that the authors (of the commission's report) should not create the impression that the takeover of the province by national government would solve the problems of the province."

The ANC provincial government was not to blame. It was common knowledge that it had inherited an "unmanageable, corrupt and inefficient" public service, the ANC said. — Sapa.
There is no such thing as a Mapai report, says Stofile

BISHO:—Eastern Cape premier Makhenkesi Stofile said yesterday he had asked for an investigation into why the presidential review commission’s report on the province was made public without being reported officially.

He said the report, which recommended that central government take over certain Eastern Cape provincial-government functions “does not exist”.

Stofile told a news gathering yesterday that at the intergovernmental forum, held on Monday and Tuesday, Deputy President Thabo Mbeki said that President Nelson Mandela had not been informed that there was a report for his perusal.

“As far as government in the generic sense of the word is concerned, there is no such thing as a Mapai report,” said Stofile.

According to Stofile, Mbeki said the report, tabled by commission chairman Vincent Mapai and recommending that central government take over the provincial administration should be considered a rumour.

“It is unfortunate that a commission appointed by the president saw it fit to make public what has not been reported officially,” Stofile said.

“It borders on the unethical and we have asked for an investigation to be conducted into disciplinary action against Mapai and his commission.”

He said that if the report was based on the Ncholo reports and recommendations of 1996, Mapai's recommendations were “outdated”.

Stofile said the government had implemented some of the Ncholo recommendations which dealt with “structural, skills and operational problems.”

“In 1997, when I became premier, I announced how we would deal with these problems,” he said.

Stofile said if the Mapai report was based on the Ncholo report, “it would be a joke if they were not serious.” — ECN.
Strikers tell council to quit

Butterworth - Municipal workers here vow to continue their strike until the council resigns.

About 300 workers, who embarked on the strike after not being paid on February 25, met in the garbage-filled municipal garden in the town centre.

A representative of the workers, Luvuyo Cetane, said the council was not cooperating and they wanted it to resign immediately.

They had informed the provincial government of their grievances.

Another worker told the crowd the problem was no longer about salaries, but about incompetence.

“Even if we are paid today or tomorrow, this problem could happen again and again. We have families to feed, children to send to school and bills to pay. The council must go.”

Deputy mayor Welcome Tshetu said council funds were exhausted because striking workers had promoted a culture of non-payment among residents and businesses. – Sapa
L��en needed for Bisho

Things look dismal in the Eastern Cape

By CHIARA CARTER

A LACI Sigamza shuts off promises of better things to come and prophecies doom, saying nothing much has changed in the Eastern Cape and no doubt it will continue that way.

"They used to make sure they pay my pension," the Mdantsane pensioner says with a toothless grin.

It is a reference to the recent wage and pension demands which occasioned intervention by national government.

Further east, motorists know they have crossed the no-longer-existing border into the former Transkei when they enter the hazardous Red River zone and have to cross their way past numerous potholes that dot the N2.

In Butterworth; the customary squatter is somewhat scarce - municipal workers are on strike.

Meanwhile, as the heavens pour down on the hills of the Transkei, President Nelson Mandela in briefing traditional leaders on the government's views on local government, land and chiefs;

All of which is a world away from the western half of the region, where a city like Port Elizabeth boasts light and heavy industry, an excellent freeway system, a tourist plan and a council which admires among its best run cities in the country.

Unfortunately for the Bisho government, Port Elizabeth is the exception in this, the country's second largest region, and the Bisho region, population.

Ask anyone about the problems in the Eastern Cape and there will be no shortage of explanations, corruption, no cash, a lack of political will, the legacy of the homelands. The Eastern Cape is clearly in deep and troubled waters and adds are that central government, however, in its attempts to nurse the elderly, will have to find Bisho a fairly substantial lifeline.

Premier Makhenke Stofile's cash-strapped government labours under the weight of two very heavy apartheid-era mammoth problems: the myriad of problems that Plastics (Clipped and Transkei) and the Eastern Cape administration faced imminent collapse.

Stofile's government is hampstrung by corruption, inefficiency, a lack of skills, a bloated and incompetent civil service, a massive need for and insufficient money.

Whether it is paralysed, they would dispute.

Stofile points out that his government inherited a mess - not least a total lack of financial systems, "bureaucratic politics, tinito dictatorship, rampant corruption and a waste of public resources in the name of white supremacy."

So bad was the headache of running the region that for the best of it. Former Director General Thomas G. Botha said the Eastern Cape had not been used to "sow" government itself after the 1994 elections. Stofile said there was gross under-funding. In 1995, the government knew pensioners numbered about 300,000 and financial constraints meant they could not budget for new applications and a huge backlog.

He said the region had a budget of R14 billion, but needed at least R8 billion for education alone.

It is not all non-achievement. Housing MEC Smuts Nyanaya's week released figures indicating just under 30,000 houses had been built and a further 40,000 subsidies approved. By next year, 120,000 houses would be completed.

Meanwhile, the N2 through Umtata is being upgraded as part of an RDP project, and Water Affairs Minister Kader Asmal last weekend opened a key water scheme in the region. The biggest nightmare the Bisho government faces both in terms of cost and efficiency is its own troops - the civil service.

Optimists estimate there are 11,000 workers in the Eastern Cape to be reduced, but others put it at one in five.

An exercise to register cash civil servants is under way, but the head count has not yet got as far as the departments of education and welfare - regarded as the biggest culprits.

There are an estimated 21,000 supernumeraries - people, mostly labours, employed by the government for whom there is no work.

The voluntary retirement programme in the Eastern Cape, along with the rest of the country, has been a disaster; those who have chosen retirement have been the very people needed most, while the "dead wood" has stayed.

During the past three years, the civil service has grown by about 10,000 to about 140,000. Critics charge that many of the new appointees are administrators, not the political appointees, chosen less for their skills than political loyalties.

Finally, the civil service's pay bill includes about 600 empty offices and staff not accountable to cultural workers.

Although there is a dire need for infrastructure, shortage of funds has seen employees of the Department of Public Works getting paid for staying home because there was no money for projects on which they could work.

Skills training in the responsibility of a department once called administration, one of the few departments not to have seen its budget. More than 6000 vacancies advertised are for training posts.

While tales of abuse of government vehicles, theft and fraud are commonplace, their nadir was the health budget.

For years, the health budget has been suffering from the financial crisis in the province, but in the latest audit report, the auditor gave the health budget a clean bill of health.

The report showed that the budget for health in 1997/98 was R804 million, with a deficit of R44 million.

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Eastern Cape premier takes issue with report

BISHO — Eastern Cape premier Makhenkae Stofile has called for disciplinary action to be taken against journalists who broke the story about the Presidential Review Commission’s alleged recommendation that central government “take over” the Eastern Cape administration.

Stofile’s office said yesterday that the premier would be putting the matter before the Media Council and asking it to take disciplinary action against Business Day.

In a press statement, Stofile said “We are happy to report that Dr Maphai (commission chairman) has proved us correct and that at no time was any recommendation made to invoke Section 100 of the Constitution. "Section 100 of the constitution deals with central government taking over the administration of a province."

Stofile said although the clause was mentioned in a press briefing, it was “at no time linked to any specific province.”

Business Day Editor Jim Jones said yesterday “Rev Stofile has not been in touch with me and if he has any complaints about our reporting I would be only too happy to listen to what he has to say.”

Jones said his newspaper never mentioned that Section 100 of the constitution would be invoked. “What we say the report says is that central government might consider taking over the running of certain functions in the Northern Province and the Eastern Cape,” he said — ECN
Eastern Cape allocation to focus on social sector

BISHO — The Eastern Cape could receive almost R12bn more than its R14bn allocation from national government, Eastern Cape MEC for finance and economic affairs Enoch Godongwana said yesterday.

Presenting a R15,441bn budget in the provincial legislature, Godongwana said personnel expenditure in all provincial departments would consume a staggering 58.8% of the provincial budget. Personnel costs had increased by R2.7bn from 1997/98’s figure to R8bn in 1998/99.

Spending would focus on the social sector. Social spending would account for R12.15bn, or 85%, of the total budget.

Godongwana said in an interview that the provincial government was taking steps to ensure that problems incurred in the province this year would not be repeated.

This will be done through accessing R576m from central government for homeland debts and a share of the R1.5bn allocated by finance minister Trevor Manuel for provinces with irredeemable financial problems.

Education’s allocation came to R6.4bn, up R936m from 1997/98. Welfare’s was R1.9bn, compared to R2.86bn, and health received R2.92bn, a R66m increase.

Godongwana said the Eastern Cape had been allocated just over R14bn by central government. If certain requirements were met, the province would receive various conditional grants totalling R848m, with a further R100m allocated to fund the building and development of the Umtata Hospital.

Under strict conditions, the province can secure, in addition to the conditional grants, a share of various national budget votes to improve aspects of the provincial administration and service delivery.

These include R100m which has been allocated nationally to improve financial management and eliminate fraud in the social security system.

Godongwana said that although fiscal 1997/98 saw a period of financial chaos, his department had taken steps to address “some of the financial and administrative inadequacies”.

These include the implementation of a single accounting system for the entire province, a audit of senior management to identify and correct training needs and the rooting out of corruption.

Godongwana said government acknowledged that “excessive amounts spent on personnel clearly limits spending on other items”. However, the situation was created by the “legacy of large inherited staff complements”.

Despite this, Godongwana claimed the budget would release resources for job creation, the meeting of people’s basic needs, sustainable use of natural resources, rural development, redistribution of income, crime prevention and an “efficient and effective civil service” — ECN
Butterworth town council collapses

SMUTS Ngonyama, the Eastern Cape local housing and local government, said today that the Butterworth town council had stepped aside and everything was in order and in the hands of the new administration.

After months of strife stemming from a battle inside the African National Congress (ANC), the week's municipal strike against the council had led to the collapse of the local administration.

Piles of refuse filled the streets yesterday and in recent days water supplies have been cut off and the Border Technikon has been forced to move its plant and moved into Capetown East London, and other businesses have suffered.

The ANC yesterday announced the suspension of the mayor and 12 councillors and withdrew all members for disgracing the organisation.
Wyndham Hartley

CAPE TOWN — The National Assembly's approval this week of legislation that discriminates against traditional leaders has so angered the traditional community that it could begin to erode the African National Congress (ANC's) power base in the Eastern Cape.

Congress of Traditional Leaders of SA (Contralesa) president Phathelile Holomisa said yesterday that the Remuneration of Public Office Bearers Bill discriminated against traditional leaders by making the only ones who would not get pension and medical aid benefits without the sanction of Constitutional Development Minister Valli Moosa.

He said the bill's failure to provide a legal framework for benefits for traditional leaders was reminiscent of apartheid, when "government could depose and impose traditional leaders at will".

The version of the bill approved by the assembly removes a definition of traditional leaders from the text and empowers the minister to determine which traditional leaders should get a pension and medical aid. Holomisa said this would "further embitter" traditional leaders towards government.

Pointing out that traditional leadership was enshrined in the constitution, he appealed to the National Council of Provinces to change the bill back to its original form. He begged government not to force traditional leaders to go to court to protect their rights.

Holomisa obliquely referred to President Nelson Mandela's recent call for traditional leaders to stay aloof from party politics by saying that as long as they had to depend on the government of the day for their benefits they would have to seek protection from "sympathetic" political parties. He said there had been a drift towards other political groupings and if the bill was not changed this could increase.

Contralesa supported the ANC in the 1994 elections.
Towns unable to collect revenue

BISHO — Fifteen Eastern Cape towns were not able to keep books or collect revenue, a “walk-through” audit team has found.

This emerged at a finance and provincial expenditure standing committee meeting yesterday.

The teams, which were sent in by the Eastern Cape housing and local government department, had also found cases where the accounting records could simply not be found.

Provincial DP leader Eddie Trent said after the meeting: “This comes as no surprise.” Trent said the public accounts standing committee, which he chairs, had asked the auditor-general to provide “an overall picture of the problems in local government.”

NP chief whip Billy Nel said of the audit findings: “There is clearly a major problem here (in Transkei).”

“The department should simply train about 60 town clerks on town management.” He said R1m should be spent on this and once completed “there would be no excuses.” — ECN.
The Essex County Council's introduction of the east of Butterworth could be a lesson for central government, writes provincial correspondent Kevin O'Grady.

Providence Tops Butterworth's Meltdown

**Illustration:** Butterworth's future looks promising with the introduction of the East of Butterworth scheme.
NGCP to debate takeover of Butterworth Council
Butterworth agreement 'a breakthrough in governance'

CAPE TOWN — The manner in which the Eastern Cape government would intervene in the local government of Butterworth was discussed and ratified by the National Council of Provinces yesterday, what was hailed as a milestone in co-operative governance.

The agreement allowed Eastern Cape Premier Makhenkesi Stofile to appoint a team of administrators to ensure the provision of services and financial management to the municipality. Although the team would be accountable to the provincial government, the agreement required it to communicate regularly with the Butterworth transitional local authority, which would remain in existence. The council's ratification of the intervention of March 17 was constitutionally required within 30 days of its taking place.

Mohammed Bhana, chairman of the council's select committee on constitutional affairs which considered the matter, said the intervention of one sphere of government into the autonomy of another was a "drastic step" and created a constitutional conflict. However, with the council's facilitation, it had been resolved with consensus.
EASTERN CAPE

The bleeding ghosts of the Kei river

Government has developed grand plans but little action

It is 4.30 pm and an outsider could be forgiven for thinking there is a stampede at the entrance to the Dukumbana Building in Bisho, capital of the Eastern Cape.

It's knock-off time for the thousands of civil servants housed here, most of whom have been identified as supernumerary, or in a job but without work. Exactly at the half hour there is a mad rush for the door.

After five, when they have all left, Bisho becomes a ghost town, empty as it would have been had its past been allowed to catch up with it.

It is impossible not to refer to the past in this one-street town, for Bisho is a monument to the rampant corruption that existed and still exists there. It has no economic reason to exist other than to wax the egos of the former Ciskei bantustan leaders who wanted their own capital and got it.

Instead of allowing Bisho to die, the ANC in 1994 adopted it as the capital and it is there that the millstone that is the bloated civil service of the country's poorest province can best be seen.

Like its capital, the Eastern Cape is a province so far down the sliding scale of corruption and paralysis that it raises questions of whether it can be saved at all. And as things have deteriorated in the past four years, the ANC government has vacillated, fiddling while Rome burns.

The party has changed the premier, shifted around the various MECs three times and unveiled an endless list of programmes aimed at bringing order. It does not seem to have worked.

For example, when the ANC took office in 1994 the records showed an amalgamated civil service of 131,000. Government has in the past four years added 14,000 to the tally. About 15,000 have been identified as supernumerary, costing the State R274m a year.

Since February last year, a physical count of workers has been carried out but more than 14 months later there is still no complete list of ghost workers in the province.

There are 5,9m people in the Eastern Cape, says the Central Statistical Service, largely in rural communities in the former Transkei homeland.

"The problems of a civil service in transformation are immense. We are still riddled with corruption, low morale, demotivation and a poor work ethic," premier Makhenkisi Stooffie has admitted. The Eastern Cape has an unemployment rate conservatively estimated at 46% compared to 29% nationally, with some rural areas reaching 80%.

Finance, Economic Affairs & Tourism MEC Enoch Godongwana says only 28% of households have running water while 26% of rural households have no sanitation facilities at all. More than half of all households do not have electricity and 81% of rural households are more than half an hour from the nearest clinic. About 43% of the population has a standard seven education or higher.

Last year, the province overspent its budget by more than R1,5bn and had to be bailed out by national government.

"Maybe the ANC has a vision, but by all accounts they do not seem to have a plan," says the Democratic Party's Eddie Trent.

But Stooffie and Godongwana believe they do. Stooffie was sent to the province by the ANC leadership a year ago to replace an ageing Raymond Mthlabo Stooffie in turn called up Godongwana from the National Union of Metalworkers of SA to head up Finance & Economic Affairs.

According to Stooffie, the plan is hinged on the Provincial Growth & Development Strategy (PGDS), which he says has set targets "wider than just poverty eradication and fighting unemployment.

"Income redistribution in the province must be the priority," he says.

Godongwana says the PGDS's pillars are job creation, meeting the basic needs of the people, sustainable use of natural resources, rural development, redistribution of income, crime prevention and an efficient civil service.

This year the province was allocated R14bn to effect the strategy, but it does not look like Godongwana will succeed.

The province was instructed by national government to spend at least 85% of the money on education, health and welfare.

Education received an increase of 41%, welfare was upped by 36% and health by 26%.

The budget makes provision for a R9bn payroll, an increase of R2,7bn on last year.

"Our expenditure on personnel amounts to 58.5% of our budget as compared with the national norm of 35% While we must acknowledge that the excessive amounts spent on personnel clearly limit spending on other items, this situation is largely unavoidable because of historical reasons," says Godongwana.

The welfare budget is R3.6bn, and 95% consists of social grants "This imposes severe limitations on the delivery of welfare services in the province," Welfare MEC
Nomsa Jajula complains

Jajula says the payment of social grants is riddled with fraud and corruption, with thousands of ghost pensioners.

An action plan to rectify the problem is in place, but last week there were still reports of long queues and fainting senior citizens.

The same week Housing MEC Smuts Ngonyama launched the Masakhne (not Masakhane) Housing Scheme, started with six national developers, to deliver 150,000 houses in the next five years. Ironically, this was the target the province set itself four years ago. Only 45,000 houses have been completed.

Ngonyama admits there were massive problems in the past, but says he hopes the presence of business in the new venture will kick-start the programme.

Public Works MEC Thobile Mihlahlo describes the road network in the province as a “crisis situation”, and blames chronic underfunding.

The situation is not about to change. The operational expenditure of the roads branch has been cut by 62%.

A month ago, the Presidential Review Commission called on national government to consider taking over the province’s administration.

But the ANC says the tide is turning. Godongwana says job creation and economic growth initiatives like the Fish River and Wild Coast spatial development initiatives (SDIs) will stimulate industry and tourism. Other, similar initiatives include the Coega deep water harbour, expected to create thousands of jobs. He says 210 health projects have been concluded, 63,350 new telephone lines have been installed and more than 4,300 new classrooms have been completed.

Stoifo says new IT systems will update financial management and curb corruption.

The mounting problems have put the ANC in a corner and the Opposition predicts a rejection of the ANC in next year’s election.

Discontent is rising in the rural hinterland of the former Transkei, where the ANC government is referred to as “the Bisho government” and is seen as not doing enough for the former homeland and rural areas.

The emergence of the Bantu Holomisa-led United Democratic Movement is already making headway into the rural areas where traditional leaders are becoming supporters. Members of the defunct Transkei Traditional Leaders Association, which joined the ANC-aligned Congress of Traditional Leaders of SA in the early Nineties, are now coming out openly for the UDM.

The NP is haemorrhaging. After the walk-out by several top leaders, councillors are steadily crossing the floor to the DP, and it remains to be seen just how long the NP can last.

After four years of the new government it seems the ANC here is unable to get to grips with the problems and instead make grand plans.

So far none seem to be working. Several MECs have been fired, others have been shuffled from one ministry to the next. This is cosmetic, for almost everyone agrees that those fired were not incompetent, but had to work within the paradigm established by the party.

And that paradigm has been characterised by a lack of will to deal with rampant crime and corruption. As the Opposition becomes more vocal, and the 1999 election approaches, the ANC may rue its tardiness in dealing with the problems...
Tempe's Thare on Wild Coast

Lungsile Ntsepeza and Ben Cousins

The Wild Coast SIS is setting local communities on course for success. The SIS project is a joint initiative between the Department of Environment, Forestry and Fisheries and the Wild Coast SIS. The project is aimed at improving the livelihoods of local communities in the Wild Coast region.

The Wild Coast SIS project is a community-based initiative that aims to improve the social and economic well-being of local communities in the Wild Coast region. The project focuses on providing communities with the tools and resources they need to develop sustainable livelihoods and improve their quality of life.

The Wild Coast SIS project is supported by a range of stakeholders, including the Department of Environment, Forestry and Fisheries, the Wild Coast SIS, and local communities. The project is guided by a steering committee that includes representatives from these stakeholders.

The project is based on the principle of community-led development, which means that local communities are involved in all aspects of the project, from planning to implementation. This ensures that the project is tailored to the specific needs and priorities of each community.

The Wild Coast SIS project is expected to result in increased income for local communities, improved access to education and health services, and improved infrastructure. The project is also expected to improve the environment and natural resources in the Wild Coast region.

The Wild Coast SIS project is an important step towards sustainable development in the Wild Coast region. The project is expected to benefit not only local communities but also the environment and economy of the region.

In conclusion, the Wild Coast SIS project is an important initiative that is expected to have a positive impact on the lives of local communities in the Wild Coast region. The project is guided by the principles of community-led development and is supported by a range of stakeholders.

The Wild Coast SIS project is a model of sustainable development that can be replicated in other regions and countries. The project is expected to inspire and empower local communities to take control of their destiny and create a brighter future for themselves and their children.
Butterworth under scrutiny

Kevin O’Grady

A DELEGATION from the National Council of Provinces visited the Eastern Cape town of Butterworth yesterday to assess progress made since the provincial government took over the town’s affairs this year.

Council spokesman Sipho Ngwenya said the visit was intended to enable the council to make further recommendations on Butterworth’s future. Its approval of the provincial government’s takeover was for a limited period and the situation had to be reviewed continuously.

The council would decide whether the province should continue handling Butterworth’s affairs and whether further steps were necessary to rescue the town.

Eastern Cape local government MEC Smuts Ngonyama took responsibility for the town’s affairs after it became bankrupt and was reeling under the effects of a strike by unpaid municipal workers.
Bisho — Eastern Cape finance MEC Enoch Godongwana is to call R823-million from various government departments to service the province’s budget deficit, fund the teaching Education Department and tackle other crucial priorities.

Mr Godongwana told the finance standing committee that figures given by some departments for personnel spending were exaggerated and all departments must review allocations which would exceed spending limits.

As a result, a saving of more than R823-million was expected.

He said virtually all departments would have to suspend or surrender part of their personnel spending in favour of the reserve.

“We have got to say what the priorities of the province are. I know that every department is crying that it got less,” Mr Godongwana said.

It was understood that R14-million was suspended from the personnel spending of agriculture, and R45-million was withheld from sports, culture and arts spending.

Mr Godongwana said the Government had agreed to restore R596-million of the R597-million former Transkei debt to the province to pay some of last year’s overdraft.

In addition, an amount of R110-million, which is owed by the provincial Education Department to the national department, would be deducted from the debt, Mr Godongwana said. — Sapa
E Cape mayors, deputys face wrath of the law

Town leaders under fire

...
DP wants more action on supernumeraries problem

Kevin O'Grady

THE Eastern Cape government did not take the financial implications of having 18 000 supernumerary public servants seriously enough and should make greater efforts to retrain or retrench them, Ed the Trent, the provincial leader of the Democratic Party (DP), said yesterday.

Trent was responding to comments by Eastern Cape premier Makhenke Sotchile that opposition parties were being "racist and opportunist" in calling for the dismissal of supernumeraries.

In the Eastern Cape supernumeraries were mostly inherited from the former Transkei and Ciskei homeland governments.

Trent said the provincial government "should be taking redeployment (of supernumeraries) very seriously" because the province could not afford the R2bn they had cost in the last four years. The DP agreed they could not all be retrenched simultaneously "because we can't afford it in one year" and had suggested the process be staggered over three years.

The DP had also suggested supernumerary employees be retrained so they could fill vacant positions that did exist in the provincial government.

"It's not a case of victimising these people but getting them to do decent work," Trent said.
President asks unit to probe Transkei body

Tracor was closed by the provincial government last year along with the Magwa Tea Corporation and the Ciskei Agricultural Corporation (Tracor) and to try to recover misused funds.

A proclamation by Mandela in a recent government gazette asks the unit, headed by Judge Willem Heath, to investigate allegations of wrongdoing and, through its special tribunal, to adjudge up on any justiciable civil disputes that arise.

Ndebele gets Cosatu backing

by employees and payments made by the corporation for insurance premiums for private vehicles, study loans and bursaries, home loans and travel and subsistence allowances. The unit was also asked to investigate alleged unlawful and irregular payments made by the corporation to attorneys, and the failure of the corporation to give reasons for the payments, and to keep records.

Irregular payments from the corporation's pension and provident funds to employees will also be probed.
Sums missing from councils ‘likely to run into millions’

Kevin O’Grady
and Deborah Fine

The Heath special investigating unit is waiting for authorisation to investigate the financial affairs of 10 town councils in addition to the 17 already authorised and indications are that the missing sums sought by the unit run into several hundred million rand.

The unit investigates fraud, corruption and maladministration involving state assets and public funds and attempts to recover misused money through its special tribunal, which has similar powers to a high court.

Its investigations must be officially sanctioned by a presidential proclamation in the Government Gazette. Probes into 16 Eastern Cape town councils and the Durban metropolitan council were authorised in last week’s gazette.

Unit spokesman Guy Rich said yesterday the unit was waiting for authorisation for 10 more investigations into town councils, including East London, Eastern Cape councils affected by last week’s proclamation were Bedford, Cala, Cofimvaba, Despatch, Engcobo, Hamburg, King William’s Town, Komga, Klipplaat, Lusikisiki, Nqumakwe, Port St Johns, Qumbu, Starkspruit, Tsomo and Umtata.

Most will be investigated for failing to pay or collect rates and taxes. Other allegations include the payment of allowances without authorisation, the misappropriation and misuse of funds, the failure to keep proper financial and accounting records and the unauthorised purchase of cellular telephones.

Umtata mayor Edgar Mapekula said he was unaware of the unit’s impending investigation but it was “welcome”. Estimates were that the town was owed R100m in rates and taxes.

Despite high arrears, Mapekula believed the situation had improved, particularly as a result of the installation of prepaid meters in all households.

Murray Stewart, the head of the Durban council’s forensic services and litigation team, confirmed yesterday that the unit had assisted in an internal investigation of two parks department employees who, the investigation found, had defrauded the council of more than R561 000 between July 1994 and February last year.

King William’s Town council spokesman Eric Gqabaza said the unit would assist in an internal investigation launched by the council more than a month ago into allegations of fraud, mismanagement and corruption.

The investigation focused on the alleged appointment of consultants at “excessively high remuneration”, the unauthorised or irregular creation of top management posts, unauthorised transport allowances and the irregular purchase of cellular telephones.
Heath unit asked to probe lawyers' claims

Kevin O'Grady

The Heath special investigating unit had been asked to probe the alleged payment of inflated claims to lawyers contracted by the state attorney in Umtata, as well as widespread abuse of public funds and state assets in the Mpumalanga legislature. Justice Minister Dullah Omar said yesterday.

Omar said the unit had been mandated to investigate the affairs of the state attorney and registrar in Umtata, particularly allegations of irregular contracting out of work to attorneys, subsequent submission of inflated claims and their unauthorised payment.

Included in the probe is likely to be the case of Umtata attorney Salimah Nontenja, who charged the state attorney R12m for acting on behalf of Defence Minister Joe Modise in 523 similar cases in which former soldiers appealed over severance packages they received.

Two of Nontenja's business bank accounts and a personal account were reportedly frozen recently pending a probe into the amounts he received in June and July.

Following the findings of the Nqohentse commission of inquiry into self-enrichment in the Mpumalanga legislature, which resulted in the firing of deputy...
Special unit empowered to push out fraudsters
Probe into corruption ordered
Mandela orders corruption probe in three provinces

PRETORIA — President Nelson Mandela yesterday ordered a probe into extensive claims of corruption and maladministration since 1986 in at least 16 government institutions in three provinces.
The three provinces involved are the Eastern Cape, Mpumalanga and KwaZulu-Natal, according to a presidential proclamation in the Government Gazette.
Mandela said he had referred the allegations to Judge William Heath’s unit after consultation with the three premiers.
The allegations included sewerage malfunction, improper or unlawful conduct by state employees, the unlawful expenditure or intentional or negligent loss of public money and corruption.
In terms of the proclamation, the Heath unit should examine claims of such offences since January 1, 1986.
The investigation would focus on five departments in the Eastern Cape, three in KwaZulu-Natal and eight in Mpumalanga.
Eleven alleged offences in the Eastern Cape education department were listed in the proclamation.
Mpumalanga institutions mentioned included the provincial legislature and the departments of education, agriculture, land revenue, safety and security and public works, roads and transport.
Alleged offences in these departments included the irregular use of state vehicles, unauthorised claims for subsistence allowances and unlawful payments for goods not delivered or for services not rendered.
The Heath unit would also investigate the unlawful, unauthorised or irregular use of state or public land in Mpumalanga by the home affairs department of the former KaNgwane homeland government.
In KwaZulu-Natal, the department of education, local government, housing and transport would come under scrutiny.
The transport department was allegedly connected to a settlement of about R41,000 which was paid to one of its officials after he was involved in a car accident.
Allegations with regard to the two other departments included the unlawful or unauthorised use of state vehicle credit cards, the irregular granting of applications under the housing subsidies scheme and the theft of state vehicles.
Civil disputes arising from the Heath investigation would be handled by a special tribunal which was set up last year, Mandela said in the proclamation.
THE HEATH SPECIAL INVESTIGATING UNIT

IN NEED OF MANY MORE FIRE EXTINGUISHERS

There is no end in sight to corruption fighting (R600) (R8bn) FM 31/1/98

The Heath Special Investigating Unit, which is working on more than 9000 cases of possible government corruption, has undertaken two new huge projects.

One is a probe into 16 government institutions in three provinces, and the other is an investigation into alleged irregularities in 17 Eastern Cape and KwaZulu-Natal municipalities.

The cases already on the unit's books involve sums of about R6.2bn, says Guy Rich, personal assistant to Judge Willem Heath.

The unit, the first of its kind in SA, was established by President Nelson Mandela in March 1997, under Judge Heath, to investigate serious cases of malpractice, corruption and fraud involving State assets or money.

It works in tandem with a special tribunal which tries civil matters arising out of the investigations.

The court has the power to make orders, issue interdicts and warrants of arrest and subpoena witnesses. It also works closely with the Office for Serious Economic Offences, the Public Protector and the SA Police Service.

Apart from the civil cases tried by the tribunal, evidence of criminality is referred to the authority that initiated the investigation for further action.

The unit's predecessor — the Heath Commission — recovered, or prevented the misuse of, billions of rand. It reversed 92 unauthorised promotions in the Bishop Auditor-General's Office in 1996, saying R8bn.

And it reversed the social pensions pay-out tender in the Eastern Cape, saving the province a further R222m.

The Special Investigating Unit has carried on the tradition with a staff of 36 investigators, seven lawyers and 12 administrators.

It is dealing with a number of controversial issues, including the R14m stage production Sarafina 2, intended as a vehicle for information about the killer disease AIDS. The production contract was awarded to the theatre company Committed Artists, headed by playwright Mbongeni Ngema, in 1995.

The Auditor-General and the Public Protector subsequently uncovered irregularities in the awarding of the tender and in the financial control of Committed Artists.

Three months ago the Heath Investigating Unit recovered assets worth about R4m — three motor vehicles, two trailers, musical equipment and merchandise purchased by Committed Artists in the name of Ngema, with funds allocated to Sarafina 2.

The assets are now under the control of the Department of Health. The investigation is continuing into other issues arising out of this case.

Judge Heath is likely to be busy for years, given the case load and budget constraints. The unit is requesting more resources from the Justice Department.

Depressing as it is to discover the extent of corruption in SA, it would be worse if these cases were wrong-doing were not exposed and the money involved not recovered

Ettel Hazeldine

UNCOVERING THE ROT

Other cases the unit is handling include:

- The recovery of R3.5m in salary overpayments made in the former Bishop Audit Office.
- Helping to trace a blank warrant voucher that was stolen from the Department of Justice in Mpumalanga. The warrant voucher was subsequently drawn on the Department of State Expenditure to the value of R4.3m. The money was paid to small businesses.
- An investigation into numerous Motor Finance Scheme cases where there were allegations of fraud. In many cases the defendants signed acknowledgements of debts which amount to R435 000.
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- The Auditor-General and the Public Protector subsequently uncovered irregularities in the awarding of the tender and in the financial control of Committed Artists.
- Three months ago the Heath Investigating Unit recovered assets worth about R4m — three motor vehicles, two trailers, musical equipment and merchandise purchased by Committed Artists in the name of Ngema, with funds allocated to Sarafina 2.
- The assets are now under the control of the Department of Health. The investigation is continuing into other issues arising out of this case.
- Judge Heath is likely to be busy for years, given the case load and budget constraints. The unit is requesting more resources from the Justice Department.
- Depressing as it is to discover the extent of corruption in SA, it would be worse if these cases were wrong-doing were not exposed and the money involved not recovered.

Ettel Hazeldine

The recovery of R372m on behalf of the Department of Transport in KwaZulu-Natal.
- The recovery of R23.5m following a Daily Bread Feeding Scheme scandal in the Eastern Cape.
- The recovery of R22.5m belonging to the Eastern Cape government in a private company's bank account. The money had originally been earmarked for a public corporation that lends to small businesses.
- The stoppage of the cashing of a R540 000 cheque that had been stolen from the Kolstad Town Council.
- The recovery of about R1.5m in overpayments of allowances to councilors in Butterworth, Eastern Cape.
- An investigation of R5 000 cases arising out of the housing subsidy scheme in KwaZulu-Natal. The total value of the misappropriations is about R150m.
- An investigation into a State building project in Queenstown, worth about R125m, following allegations of non-compliance with tender procedures.
- An investigation into a R2.3m claim in the Northern Cape arising out of a rental agreement between government and a private company. Where there are allegations that tender procedures were not followed.
- A probe into unauthorised leasing of government plate mount machines in the Northern Cape. The damage is estimated at R1.7m.
- Assessing the Eastern Cape Development Agency to recover loans worth more than R100m.
- The recovery of R35m in salary overpayments made in the former Bishop Audit Office.
- Helping to trace a blank warrant voucher that was stolen from the Department of Justice in Mpumalanga. The warrant voucher was subsequently drawn on the Department of State Expenditure to the value of R4.3m. The money was paid to small businesses.
- An investigation into numerous Motor Finance Scheme cases where there were allegations of fraud. In many cases the defendants signed acknowledgements of debts which amount to R435 000.
- A probe into 16 government institutions in three provinces.
- A probe into 16 government institutions in three provinces.
- An investigation into alleged irregularities in 17 Eastern Cape and KwaZulu-Natal municipalities.
- The cases already on the unit's books involve sums of about R6.2bn.
- The unit, the first of its kind in SA, was established by President Nelson Mandela in March 1997, under Judge Heath, to investigate serious cases of malpractice, corruption and fraud involving State assets or money.
- It works in tandem with a special tribunal which tries civil matters arising out of the investigations.
- The court has the power to make orders, issue interdicts and warrants of arrest and subpoena witnesses. It also works closely with the Office for Serious Economic Offences, the Public Protector and the SA Police Service.
- Apart from the civil cases tried by the tribunal, evidence of criminality is referred to the authority that initiated the investigation for further action.
- The unit's predecessor — the Heath Commission — recovered, or prevented the misuse of, billions of rand. It reversed 92 unauthorised promotions in the Bishop Auditor-General's Office in 1996, saying R8bn.
- And it reversed the social pensions pay-out tender in the Eastern Cape, saving the province a further R222m.
- The Special Investigating Unit has carried on the tradition with a staff of 36 investigators, seven lawyers and 12 administrators.
- It is dealing with a number of controversial issues, including the R14m stage production Sarafina 2, intended as a vehicle for information about the killer disease AIDS. The production contract was awarded to the theatre company Committed Artists, headed by playwright Mbongeni Ngema, in 1995.
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Mismanagement claims in E Cal

CITY PRESS

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Leading members of Malanekan Sisho's Basertin Cape Government are un-

Interests for financial mismanagement - and there could be more bad

news to come. Reports ECN WEEKEND NEWS.
Cape's money-losingaryl costs £30m

The business could face more and more...

-extractive text from the article
This town ain't big enough for both of them

It's high noon in the Eastern Cape town of Butterworth, where South Africa's only mayor in exile and his nemesis are fighting for control of the local council, writes CELEAN JACOBSON (2/8)

A NTHONY Bann is the mayor nobody wants. In the past he has been ticked off by his council, accused of misappropriating funds from entering the Butterworth council's offices. He now is 160km away in East London, where Bann has lost control of the town, but he refuses to retract his claim to the title as its first citizen, and continues to draw his R5 500 monthly salary.

But the National Government Organisation, which is allied to the ANC, insists that he and his colleagues must leave.

The struggle between Bann and his councilors began last year, when Bann was suddenly moved to East London. The councilors then appointed a new mayor, but Bann refused to resign.

Last weekend, Deputy President Thabo Mbeki was in Butterworth to visit the town, which has been marred by violence.

Local business leaders whisper that it is hard to say who is doing more damage to Butterworth - Anthony Bann or Ndyeblo Skenlele.

Anthony Bann

Skenlele and his councilors believe that the council is being run by a group of illegal action by Bann, which includes indictments of an ANC MP.

The unit was investigating allegations that Bann and his councilors used R5 500 000 of the city's funds to buy weapons and a vehicle finance scheme in terms of which councilors alleged to have bought their own cars with municipal funds.

There was no money to pay munici-

pal employees, and an administrator was appointed to run the council.

Bann's main criticism of the new council is that the councilors are not paying attention to running the town.

Bann, a scholar who has been a leading fig-

ure in the community for nearly 20 years, was named an ANC MP, and he is one of the veterans of the struggle against apartheid.

Although he did not take Bann to court, his councilors succeeded in getting him to leave.

Skenlele was appointed as the new mayor and is running the town's affairs.

Skenlele, who is the councilors continue to pay themselves huge sums. The money is meant for the Butterworth community.

Although Skenlele, 44, plays the alright mayor with aplomb, local business leaders are not convinced. They whisper that Bann is back in town, planning to cause trouble.

While Bann has failed to administer the town properly, Skenlele has reacted opportunistically to destroy what fragile infrastructure was in place, they say.

Evidence to back up this view is plentiful.

The ANC has been working to improve the town, and Skenlele has been involved in initiatives to improve the town.

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This page is a disaster waiting to happen.
"Butterworth's streets, and Anthony Bam, who is defending Pictures. RUVAN BOSHOFF and COBUS BODENSTEIN

- done nothing" he says.

He divides his time between London and Butterworth, says he and his wife are still loved in the town. "The..." of Butterworth will never ever be the same. No matter how hard certain elements try to..."

But his vehement defence of the township is not without its risks. His..." said a friend. He has had no o..." and was not even..." a man in town. On..." his brave stance. Bam has an audience with..." to raise their grievances.

Speaking from the temporary headquarters he has set up outside Butterworth's munic..." offices, Bam said his organisation was fighting..." Bam's re-assertion.

"He is being forced on..." the people by their..." Bam cannot come back. He has resigned from the party. He cannot stay any more. The whole council must go..."

Sloane, who is a kind of ersatz Gau..." that is popular with pro-..."..." a councilor in Butterworth about seven..."

He says Bam has done nothing for the town. "The absence of..." in Butterworth is..." in Butterworth is..." it is a crisis here. Nothing happening."

He says Bam spends a lot of his time in London and in Butterworth's upmarket Beacon Bay and is..." himself on land bought for the community. We demand to know what..." to that money. They...

the councillors continue to pay themselves huge amounts. This..." is meant for the Butterworth community."

Although Slabenge, 41, plays a significant role in Butterworth's business and..." the town. Slabenge has reacted opportunistically to destroy what fragile infrastructure is in place, they say..."

Evidence to back up this..." Bam and his councilors were reinstated. Bam said mun..." will be needed to solve the town's..." dead..." in the streets and women sold fruit and vegetables to the passers-by. "The..."

Traffic lights still do not work, the roads are still in a state of disrepair, the water and electricity supply is erratic and..." they have threatened to leave unless..." Bam said in a warning to those voting for power at all costs. "The problems in Butterworth have nothing to do with the interests of the people in the town but something to do with personal ambitions."

The ANC cannot afford to allow the town to collapse in..." that sustainability in the area, and the crisis is receiving..." the highest..."

The National Council of Provinces has been called in to..." Bam of 12 industries and..." employees. This has now been reduced to 12 industries with..."

Unemployment is being exacerbated by the economic recession, which has hit the Eastern Cape, with its heavy industries, particularly hard. The province has also been plagued by corruption and poor administration. But all this, said BAM, is..." the ANC..."

But these companies are now pulling out, leaving thousands without work. Eighty years ago there were..." Bam in Butterworth. This has now been..." 12 industries with..." 12 industries are 12 industries..."

Meanwhile, from his East London hideout, South Africa's only mayor in exile continues his bizarre war against the town that has rejected him..."